



NOVOGRADAC

Journal of Tax Credits™

March 2022 ♦ Volume XIII ♦ Issue III

Published by Novogradac

THE VALUATION ISSUE

High Inflation and LIHTC Housing*How could long-term inflation affect LIHTC development, financing and operations?*

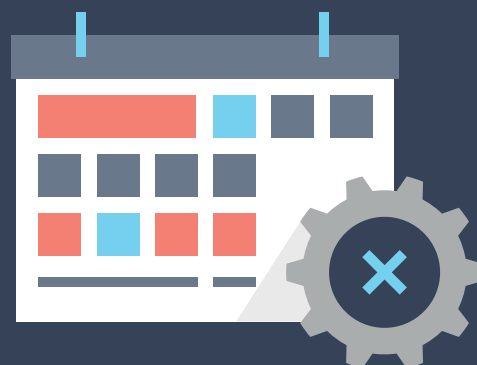
Page 4

**LIHTC Market Studies After Two Years of COVID***4 changes to keep in mind when examining or ordering market studies*

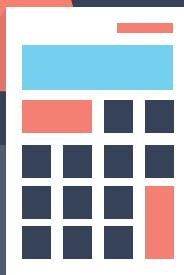
Page 36

Potential Benefits of Pet-Friendly LIHTC Developments*Pet-friendly policies may provide additional revenue, minimize turnover*

Page 38

**Solar Development Costs Increased in 2021***Solar developers share development cost trends, expectations*

Page 74





BRIDGE's New President, CEO Seeks to Build Brand, Bolster its Buildings

NICK DECICCO, SENIOR WRITER, NOVOGRADAC

Announced in November 2021 as the new president and chief executive officer of San Francisco-based developer, owner and affordable housing manager BRIDGE Housing, Kenneth Lombard brought a bevy of business experience, with more than four decades in business development, management, investment banking, economic development, corporate expansion, real estate investment and more.

Lombard's résumé includes high-visibility roles with Magic Johnson Enterprises and the Starbucks Corporation as well as, more recently, specializing his focus on real estate investment and development with multiple firms.

Across the many stages of his career, Lombard said he is driven and motivated by improving people's lives. That's something he hopes to do within BRIDGE's organization, but especially for residents of its more than 13,000 homes.

Image: Courtesy of BRIDGE Housing

A rendering depicts the future Park Place at Jordan Downs, 80 affordable apartments for families, BRIDGE's second development under the Jordan Downs mixed-use, mixed income revitalization.

"To see the looks on folks' faces when you provide them with options they never thought they would

experience in a lifetime of living in the community, it doesn't take a whole lot to see that kind of passion, the excitement in their eyes to know you can fundamentally make a difference," Lombard said. "I've spent a majority of my career providing quality options, whether that was in entertainment or restaurants or housing or retail, to underserved communities across the United States."



Image: Courtesy of BRIDGE Housing
Kenneth Lombard took over as president and chief executive officer of BRIDGE Housing in November 2021.

Lombard joined BRIDGE after the 2021 departure of Cynthia Parker, who helmed the nonprofit for more than a decade. Lombard seeks to steer the nonprofit developer's present while preparing for its future, overseeing all aspects of the organization while planning its growth strategy.

"Ken is a value-oriented, thoughtful leader who is fully committed to our mission," said BRIDGE board chair Kenneth Novack in a press release announcing Lombard's hiring. Novack led the organization's search for its new CEO. "He is a proven collaborator and innovator with a stellar track record and it's a privilege to have him join BRIDGE. With his depth of experience, business acumen and valuable new perspectives, Ken is someone who will take our organization to the next level."

Magic, Macca and More

Lombard earned his bachelor's degree in communications advertising from the University

of Washington in 1976. Early in his career, he was regional director of the investment banking group for Grubb & Ellis Co., a commercial brokerage, and later, he was executive vice president of the Economic Resources Corporation.

Beginning in 1992, Lombard spent 12 years working with NBA Hall of Famer Earvin "Magic" Johnson as president and co-founder of Johnson Development Corporation, serving as a partner with the basketball legend in his post-playing career as a business magnate and entrepreneur. The firm spurred economic development in underserved communities of color in 65 cities and 17 states, becoming a titan in urban development, where his aim was improving lives.

"That was the work," Lombard said. "That was the partnership I had with Magic Johnson, something that was a real opportunity to make a difference in [the] lives of people and, really, the same commitment has drawn me to BRIDGE."

Among his ventures with Johnson was Magic Johnson Theatres, a chain of movie theaters that was later brought under the umbrella of global cinema house giant AMC. The Johnson Development Corporation also worked with Starbucks, TGI Friday's and the financial industry.

In the mid-2000s, Lombard led coffeehouse titan Starbucks' entertainment division, including the launch of a music label that recruited a small but star-studded roster that included Paul McCartney, Joni Mitchell and Paul Simon.

"Ken was instrumental in shaping Starbucks' entertainment strategy over the past several years and we are grateful for his numerous contributions to the company," said Howard Schultz, former chair and CEO of Starbucks, in a 2008 press release.

After Starbucks, Lombard focused on real estate development and investment. He made stops in various capacities in the late 2000s and into the 2010s

with multifamily and mixed-use investor Capri Capital Partners, investment management and development firm MacFarlane Partners and, most recently, real estate investment trust company Seritage Growth Properties.

I decided to stick my toe in the water and somebody kind of grabbed my whole leg and pulled me in and here I am.

-Kenneth Lombard, president and chief executive officer BRIDGE Housing

Lombard said he saw both need and opportunity to move into affordable housing with BRIDGE. A friend encouraged him to make the switch from market-rate housing.

“I decided to stick my toe in the water and somebody kind of grabbed my whole leg and pulled me in and here I am,” he said.

Lombard said the need for affordable housing is apparent.

“No matter how much you try to avoid it, everywhere you see the need,” Lombard said “Whether it’s people living on the streets or struggling to pay rent, you see the lack of affordability, especially in the last 10 to 15 years, if you think about the multifamily side of the business.”

Showtime

Lombard said his role as president and CEO of BRIDGE is to oversee all aspects of the organization. He hopes to extend BRIDGE’s role as a leader in providing affordable housing options up and down the West Coast, expanding on what he sees as the legacy handed down from Don Turner. Turner, who died in 1996, was BRIDGE’s first president, a passionate supporter of affordable housing.

“I feel like I have real responsibility to make sure the culture within BRIDGE is still maintained and true to

the mission of BRIDGE,” Lombard said. “BRIDGE has always been about quality. That’s a quality experience for residents who live in our projects. We want to maintain that. We have to be in a position to keep an eye on maintaining the cost-size of projects.”

Lombard said “no one day is the same” as president of BRIDGE, which has a portfolio of 13,000 apartments. He said one of the biggest personal challenges during the past few years has been navigating the COVID-19 pandemic and the way that has changed the work environment.

“I never thought through the course of my career that working remote, something like that, would probably [take hold],” Lombard said. “As a traditional, old-school guy, I prefer to be in office. But we have to adapt to everything that’s changing around us. In particular, it’s helped a lot of companies begin to understand how critically important our people are.”

Looking toward the future, Lombard aims to maintain BRIDGE’s culture and commitments while contemplating potential acquisitions. He mentioned the possibility of expanding beyond the West Coast. He’s also seeing market-rate developers increasingly compete in and consider branching into affordable housing.

“We’re seeing that already for a number of reasons,” Lombard said. “Most markets have been pretty saturated and have enough units and availability of units. There’s downward pressure on rents. Looking at the affordable side, the need is so great. There’s tremendous growth opportunity. We need to maintain our position and we’re in a great position to continue to do that.”

Additionally, increasing BRIDGE’s visibility is important to Lombard.

“It’s an extraordinary nonprofit firm that has behaved and delivered in ways that have grabbed the attention of for-profit firms,” Lombard said. “It’s been a leader in affordable housing. I like to think we can maintain

that position and build on it. We want people to be more aware of who BRIDGE is.”

All You Need Is Love

Lombard’s goals with BRIDGE are true to what drives him, wanting to make a difference.

“Every day, you want to wake up and feel like you’re doing everything you can to provide the type of leadership that creates a positive environment, that allows for people to wake up and want to be part of what we’re trying to build,” Lombard said. “Service leadership is something I hold true to my approach. The people on the team who work at BRIDGE come first and foremost. One of our priority commitments is to maintain the right type of environment and culture, to make people know we care, to try to create a positive environment. That is as critical as anything I do on day-to-day basis.”

Lombard said he doesn’t think it’s a challenge to foster an environment of kindness.

“It’s not difficult to show everyone in the organization that you care, their work is important, that you’re creating the right type of environment, as long as we stay focused on that,” Lombard said. “There’s going to be times when you feel sense of urgency or any particular project has challenges, but you maintain discipline around the right level of support to people. You’re not making them feel like there isn’t room for error. There’s a healing aspect that comes, first and foremost, and it becomes not as much of a challenge. You can’t just look at productivity and delivery of projects and everything about the work side and putting that first without feeling like people feel like they can have fun and enjoy what they’re doing. It can be challenging, but I don’t think it’s that difficult when it becomes part of who you are.” ♦

© Novogradac 2022 - All Rights Reserved.

This article first appeared in the March 2022 issue of the Novogradac Journal of Tax Credits. Reproduction of this publication in whole or in part in any form without written permission from the publisher is prohibited by law.

Notice pursuant to IRS regulations: Any discussion of U.S. federal or state tax issues contained in this article is not intended to be used, and cannot be used, by any taxpayer for the purpose of avoiding penalties under the Internal Revenue Code; nor is any such advice intended to be used to support the promotion or marketing of a transaction. Any discussion on tax issues reflected in the article are not intended to be construed as tax advice or to create an accountant-client relationship between the reader and Novogradac & Company LLP and/or the author(s) of the article, and should not be relied upon by readers since tax results depend on the particular circumstances of each taxpayer. Readers should consult a competent tax advisor before pursuing any tax savings strategies. Any opinions or conclusions expressed by the author(s) should not be construed as opinions or conclusions of Novogradac & Company LLP.

This editorial material is for informational purposes only and should not be construed otherwise. Advice and interpretation regarding property compliance or any other material covered in this article can only be obtained from your tax advisor. For further information visit www.novoco.com.

EDITORIAL BOARD

PUBLISHER

Michael J. Novogradac, CPA

EDITORIAL DIRECTOR

Alex Ruiz

TECHNICAL EDITORS

Thomas Boccia, CPA
Chris Key, CPA
Diana Letsinger, CPA

Matt Meeker, CPA
John Sciarretti, CPA
Stacey Stewart, CPA

COPY

SENIOR EDITOR

Brad Stanhope

SENIOR MARKETING MANAGER

Teresa Garcia

SENIOR COPY EDITOR

Mark O'Meara

SENIOR WRITER

Nick DeCicco

CONTRIBUTING WRITERS

Jessica Balsam
David Boisture
Jodie Fish
Kelly Gorman
Cindy Hamilton

Amy Hook
Blair Kincer
Andrea Murray
Stephanie Naquin
Austin Power

ART

CREATIVE DIRECTOR

Alexandra Louie

GRAPHIC DESIGNER

Brandon Yoder

CONTACT

CORRESPONDENCE AND EDITORIAL SUBMISSIONS

Teresa Garcia
teresa.garcia@novoco.com
925.949.4232

ADVERTISING INQUIRIES

Christianna Cohen
christianna.cohen@novoco.com
925.949.4216

ALL MATERIAL IN THIS PUBLICATION IS FOR INFORMATIONAL PURPOSES ONLY AND SHOULD NOT BE CONSTRUED AS PROFESSIONAL ADVICE OFFERED BY NOVOGRADAC OR BY ANY CONTRIBUTORS TO THIS PUBLICATION.

ADVICE AND INTERPRETATION REGARDING THE LOW-INCOME HOUSING TAX CREDIT OR ANY OTHER MATERIAL COVERED IN THIS PUBLICATION CAN ONLY BE OBTAINED FROM YOUR TAX AND/OR LEGAL ADVISOR.

ADVISORY BOARD

OPPORTUNITY ZONES

Dan Altman	SIDLEY AUSTIN LLP
Glenn A. Graff	APPLGATE & THORNE-THOMSEN
Jill Homan	JAVELIN 19 INVESTMENTS
Martin Muoto	SOLA IMPACT

LOW-INCOME HOUSING TAX CREDITS

Jim Campbell	SOMERSET DEVELOPMENT COMPANY LLC
Tom Dixon	LUMENT
Richard Gerwitz	CITI COMMUNITY CAPITAL
Elizabeth Bland Glynn	TRAVOIS INC.
Rochelle Lento	DYKEMA GOSSETT PLLC
John Lisella III	U.S. BANCORP COMMUNITY DEV. CORP.
Derrick Lovett	MBD COMMUNITY HOUSING CORP.
Rob Wasserman	U.S. BANCORP COMMUNITY DEV. CORP.

PROPERTY COMPLIANCE

Jen Brewerton	DOMINIUM
Kristen Han	WNC
Michael Kotin	KAY KAY REALTY CORP.

HOUSING AND URBAN DEVELOPMENT

Victor Cirilo	NEWARK HOUSING AUTHORITY
Flynann Janisse	RAINBOW HOUSING
Ray Landry	DAVIS-PENN MORTGAGE CO.
Denise Muha	NATIONAL LEASED HOUSING ASSOCIATION
Monica Sussman	NIXON PEABODY LLP

NEW MARKETS TAX CREDITS

Frank Altman	COMMUNITY REINVESTMENT FUND
Maria Bustria-Glickman	US BANK
Elaine DiPietro	BLOOMING VENTURES LLC
Chimeka Gladney	ENTERPRISE COMMUNITY INVESTMENT INC.
Tracey Gunn Lowell	U.S. BANCORP COMMUNITY DEV. CORP.
Ruth Sparrow	FUTURES UNLIMITED LAW PC
William Turner	WELLS FARGO

HISTORIC TAX CREDITS

Irvin Henderson	HENDERSON & COMPANY
Merrill Hoopengardner	NATIONAL TRUST COMMUNITY INVESTMENT CORP.
Bill MacRostie	MACROSTIE HISTORIC ADVISORS LLC
Marty Richardson	OLD NATIONAL BANK
Claudia Robinson	BANK OF AMERICA
Donna Rodney	MILES & STOCKBRIDGE
John Tess	HERITAGE CONSULTING GROUP

RENEWABLE ENERGY TAX CREDITS

Jim Howard	DUDLEY VENTURES
Elizabeth Kaiga	DNV GL
Forrest Milder	NIXON PEABODY LLP

© Novogradac 2022 All rights reserved.

ISSN 2152-646X

Reproduction of this publication in whole or in part in any form without written permission from the publisher is prohibited by law.