

# AHIC

AFFORDABLE  
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## SPRING MEETING

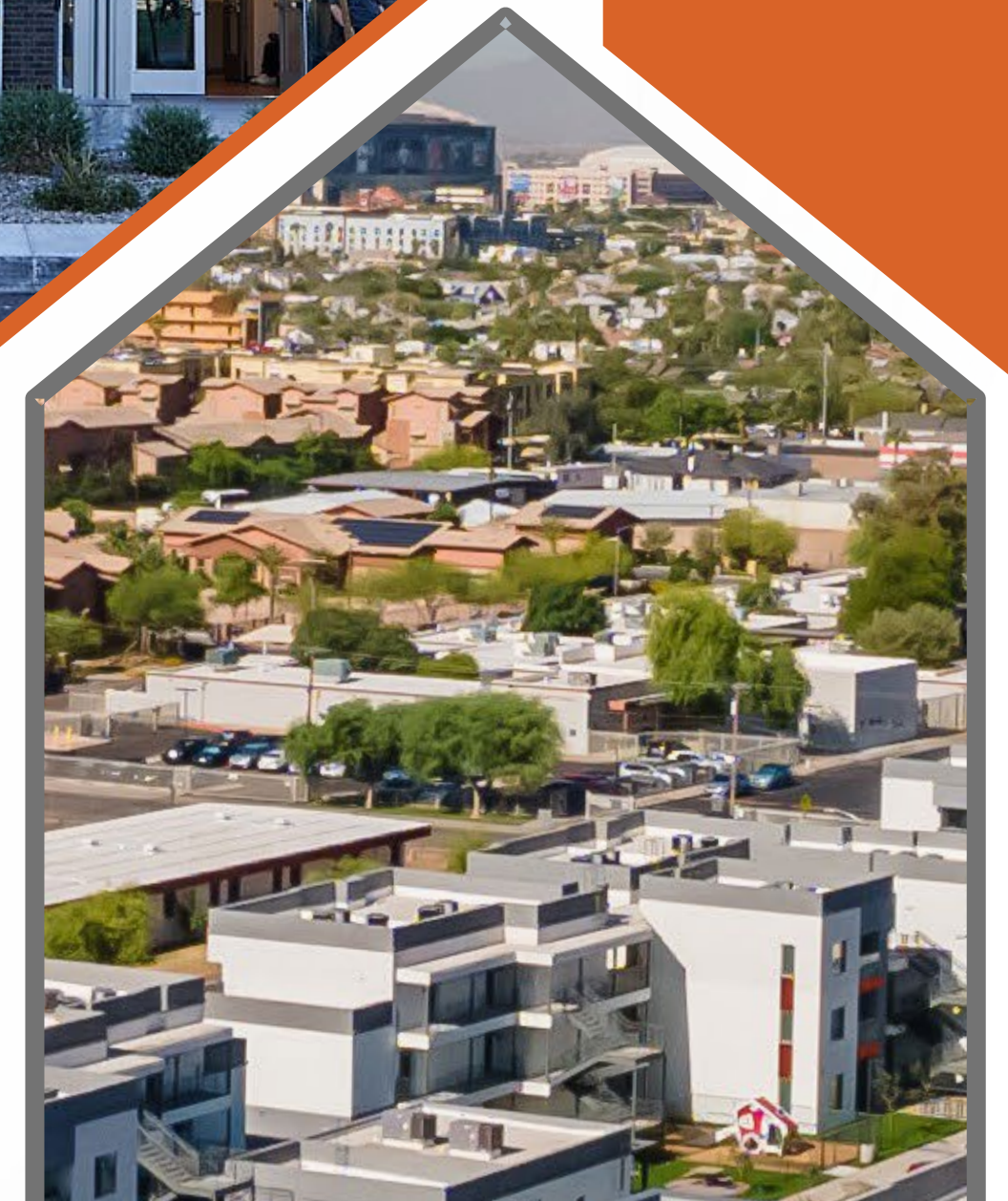
Scottsdale, AZ | April 21 -23, 2026



NEW CAPITAL IN LIHTC  
Safehold Ground Lease



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# Who is Safehold?

## NYSE-Listed REIT (NYSE: SAFE)

- Investing fully discretionary balance sheet capital
- Long term owner of leased fee positions

## Creator of the Modern Ground Lease

- Founded 2017 — pioneered the modern ground lease structure
- Low cost 99 year ground leases for acquisition or development; 165 transactions and ~\$7.1B funded to date

## National Footprint + Established Track Record

- 165+ transactions throughout the United States across asset classes
- Lease form approved by wide range of conventional debt and equity sources, highly financeable and saleable form
- Only ground lease platform with LIHTC experience, fully discretionary capital

## Dedicated Affordable Housing Platform

- Growing, long-term commitment to Affordable Housing
- Established dedicated platform in 2025, positioning capital as an innovative tool to bridge gaps and produce housing
- Closed first 4% LIHTC development in 2023, 21+ deals to date with broad range of investors, lenders, and developers
- Lease structure evolving based on investor feedback

# The Structure + Benefits

## The Structure

- 99-year ground lease term
- Proceeds above land cost/value (based on +/- 3x ground rent coverage to untrended NOI)
- Cost of capital in low 5% range – well under of cost of permanent debt
- Fixed 2.0% annual ground rent increases, CPI resets every 10 years capped at 3.5% per annum
- Ground rent included as above the line operating expense; perm debt resized accordingly
- Fee interest in land encumbered by regulatory agreement
- Leasehold interest readily financeable and saleable

## Key Benefit

- Gap Filler – permanent low-cost capital that helps to drive ~10–20% increase in perm proceeds
- Helping Affordable Housing projects to move forward

## Tax Credit Investors

- Closed transactions with Bank of America, US Bank, Wells Fargo, PNC, Raymond James, Aegon, Metlife (Redstone)
- Closing first transaction with JP Morgan Chase as upper tier investor
- Closing first transaction with Freddie Mac as upper tier investor
- Permanent lenders include Citibank, PIMCO, Freddie Mac

# Safehold 2.0: Lease Structure Evolution

Safehold has incorporated investor feedback into a new ground lease structure designed specifically for LIHTC:

## CPI Resets

- First potential CPI reset pushed from year 11 to Year 19
- **Removes any variability for rent during investor hold period (just base 2.0% increases)**

## Transfer Restrictions on Safehold

- Limitations on Safehold's right to transfer fee interest
- ROFO for tax credit investor on any fee transfer during compliance period
- **Safehold intends to hold fee positions for long term; intended to address concerns around sale to aggregators**

## Nonmonetary Default Standstill

- No termination for nonmonetary defaults during compliance period
- **Intended to address perceived risk for investor during hold period**

## Monetary Default Standstill

- No termination for failure to pay ground rent from conversion through compliance period, if NOI is insufficient
- Any unpaid rent would be accrue, deferred to expiration of compliance period
- **Pre-wires workout in downside scenario (no lease termination); intended to address perceived investor risk**

## Hard / Soft Pay

- [85%] of ground rent is hard pay, [15%] subordinate to permanent loan debt service (so long as perm sized to 1.15x+ against full rent)
- Deferred soft pay rent accrues and is payable at expiration of compliance period
- **Significantly enhances safety of equity position via higher DSCR against hard pay ground rent**

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