Greystone Housing Impact Investors LP
Q2 2026 Earnings Call
August 11, 2026

Presenters
Eric Nielsen - Interim Chief Financial Officer
Ken Rogozinski - Chief Executive Officer

Q&A Participants
Jason Weaver - JonesTrading
John Baum - Investor

Operator
Greetings, and welcome to the Q2 2026 Earnings Call for Greystone Housing Impact Investors LP. At this time, all participants are in a listen only mode. A question and answer session will follow the formal presentation. If anyone should require operator assistance during the conference, please press star, zero on your telephone keypad. Please note that this conference is being recorded.

I would now like to turn the conference over to Eric Nielsen, Interim CFO. Thank you, Eric. You may begin.

Eric Nielsen
I would like to welcome everyone to the Greystone Housing Impact Investors LP, NYSE ticker symbol GHI, Second Quarter 2026 Earnings Conference Call.

During the presentation, all participants will be in a listen-only-mode. After management presents its overview of Q2 2026, you will be invited to participate in a question-and-answer session. As a reminder, this conference call is being recorded.

During this conference call, comments made regarding GHI, which are not historical facts, are forward-looking statements and are subject to risks and uncertainties that could cause the actual future events or results to differ materially from these statements. Such forward-looking statements are made pursuant to the Safe Harbor provisions of the Private Securities Litigation Reform Act of 1995. Forward-looking statements can be identified by the use of words like may, should, expect, plan, intend, focus and other similar terms. You are cautioned that these forward-looking statements speak only as of today's date.

Changes in economic, business, competitive, regulatory and other factors could cause our actual results to differ materially from those expressed or implied by the projections or forward-looking statements made today. For more detailed information about these factors and other risks that may impact our business, please review the periodic reports and other documents filed from time to time by us with the Securities and Exchange Commission. Internal projections and beliefs upon which we base our expectations may change, but if they do, you will not be necessarily -- you may not necessarily be informed.

Today's discussion will include non-GAAP measures and will be explained during this call. We want to make you aware that GHI is operating under the SEC Regulation FD and encourage you to take full advantage of the question-and-answer session. Thank you for your participation and interest in Greystone Housing Impact Investors LP.

I would now like to turn the call over to our Chief Executive Officer, Ken Rogozinski.

Ken Rogozinski
Good morning, everyone. Welcome to Greystone Housing Impact Investors LP's Second Quarter 2026 Investor Call. Thank you for joining. I will start with an overview of our portfolio and investment strategy. Eric Nielsen, our Interim Chief Financial Officer, will then present the Partnership's financial results. I will wrap up with an overview of the market and our investment pipeline. Following that, we look forward to taking your questions.

As we've mentioned on our previous calls, we are pursuing a strategy to reposition our investment portfolio. Specifically, we are focused on exiting our remaining investments in market-rate multifamily JV equity investments while maximizing value to our unitholders from those exits. We will then reinvest the capital returned to us from those exits into additional high-quality tax-exempt mortgage revenue bond investments that are expected to provide longer-term stable tax-advantaged earnings, which we believe will provide long-term value for our unitholders.

We believe this change in investment strategy provides three key benefits to our unitholders. First, by their nature, our tax-exempt mortgage revenue bond investments earn stable returns based on the net interest spread between the bond interest rate and our related debt financing rate. As a result, we expect increasingly stable earnings as compared to the uneven returns on joint venture equity investments due to that income being recognized primarily upon property sales.

Second, in recent years, the majority of income allocated to our unitholders has been taxable because of the taxable income from joint venture equity investment sales. As we allocate more capital to tax-exempt mortgage revenue bond investments, we expect that the proportion of income allocated to our unitholders that is tax exempt for federal income tax purposes will increase in the long term. In the near term, potential gains from sales of our remaining market-rate multifamily JV equity investments will continue to generate taxable income for unitholders.

Third, we are investing capital in a proven investment class that is core to our operations that also leverages the strong relationships and knowledge base of Greystone's other lending platforms.

We currently have eight market-rate multifamily JV equity investments that have completed construction and are either in lease-up or stabilized. Overall occupancy is increasing for these investments, in their initial lease-up phase. On assets that have reached stabilization, we have seen some variability in occupancy as local market factors impact demand and rent levels.

Decisions regarding when to sell an individual property are made by our joint venture partners based on their views of the local market conditions and current leasing trends.

We currently have two market-rate multifamily JV equity investments that are sites for potential development. Our joint venture partners are evaluating the highest and best use for the development sites, which may include a sale of the land or the commencement of construction. Our remaining funding commitments for these investments will be terminated if the land is sold.

Meanwhile, we continue to see strong investment opportunities for our traditional investments in tax-exempt mortgage revenue bonds associated with affordable multifamily properties, as well as for seniors housing and skilled nursing properties.

Greystone's strong lending relationships across affordable housing, seniors housing and skilled nursing business lines are also providing investment opportunities for the Partnership. We believe these opportunities will allow us to redeploy the capital returned from the market-rate multifamily JV equity investment sales events soon after the capital is received.

We and the Board of Managers acknowledge that it will take some time to cycle our capital out of our market-rate JV equity investments and into tax-exempt mortgage revenue bond investments.

We currently report minimal earnings related to our JV equity investments during the holding period. We expect that the reinvestment of capital from sales of JV equity investments into tax-exempt mortgage revenue bond investments will increase the Partnership's recurring earnings in the long run. We look forward to providing additional details on our progress in this effort in future communications and on future earnings calls.

With that, I will turn things over to Eric Nielsen, our Interim CFO, to discuss the financial data for the second quarter of 2026.

Eric Nielsen
Thank you, Ken. For our second quarter ended June 30, we reported a net loss of $1.5 million or $0.11 per unit, basic and diluted, and we reported Cash Available for Distribution, or “CAD” a non-GAAP measure of $2.4 million or $0.10 per unit. A significant driver of our reported GAAP

net loss for the second quarter is our proportionate share of losses from non-Vantage JV equity investments of approximately $3.2 million or $0.14 per unit. As we previously mentioned, we are required to report our proportionate share of losses of such JV equity investments under GAAP. These are not impairments or realized losses to the Partnership.

Approximately $2 million or 62% of total reported losses relate to depreciation and amortization expenses at the respective JV equity investment entities, with the remaining reported losses related to interest expense and property operating expenses. We add back our share of property operating losses to net income when calculating CAD as such losses are not direct expenses to the Partnership, and we expect such losses, which are largely funded by the individual property development budget, to be recovered upon future transactional events.

Our book value per unit as of June 30 was, on a diluted basis, $11.20. I will note that this metric is based on our joint venture equity investments marked at net carrying value. As a result, it does not include any potential gains or additional income that may be realized upon sale of a property or recovery of our share of GAAP operating losses that I previously described, that are also expected to be recovered upon sale.

As of market close yesterday, August 10, our closing unit price on the New York Stock Exchange was $5.71, which is a 49% discount to our net book value per unit as of June 30. We regularly monitor our liquidity to fund our investment commitments and to protect against potential debt deleveraging events if there are significant declines in asset values.

As of June 30, we reported unrestricted cash and cash equivalents of $30.9 million. We had approximately $34.2 million of availability on our secured lines of credit. We also have a significant amount of investments scheduled to mature in the remainder of 2026, which after repayment of the related debt financings will provide additional liquidity. Potential sales of our JV equity investments would provide additional liquidity for investment purposes. At our current liquidity levels, we believe that we are well positioned to meet our future funding commitments.

We regularly monitor our overall exposure to potential increases in interest rates through an interest rate sensitivity analysis, which we report quarterly and is included on Page 103 of our Form 10-Q. The interest rate sensitivity table shows the impact on our net interest income given various changes in market interest rates and other various management assumptions. Our base case uses the forward SOFR yield curve as of June 30, which includes market anticipated SOFR rate declines over the next 12 months. The scenarios we present assume that there is an immediate shift in the yield curve and that we do nothing in response for 12 months.

The analysis shows that an immediate 100 basis point increase in rates will result in a decrease in our net interest income and CAD of approximately $1 million or $0.045 per unit. Conversely, a 100 basis point decrease in rates across the curve will result in an increase in our net interest income and CAD of approximately $1 million or $0.045 per unit. We consider ourselves largely hedged against significant fluctuations in our net interest income from market interest rate movements in all scenarios, assuming no significant credit issues.

Our debt investment portfolio consisting of mortgage revenue bonds, governmental issuer loans and property loans totaled $927.5 million as of June 30 or 67% of our total assets. We owned 80 mortgage revenue bonds as of June 30 that provide financing for affordable multifamily, seniors and skilled nursing properties across 12 states with concentrations in California and Texas. We owned two governmental issuer loans as of June 30 that finance the construction or rehabilitation of affordable multifamily properties.

During the second quarter, we acquired a $29 million taxable MRB. Our outstanding future funding commitments for our MRB, GIL and related investments totaled $9 million as of June 30 before related debt proceeds and excluding investments we expect to transfer to our construction lending joint venture with BlackRock. These commitments will be funded over approximately 12 months and will add to our income-producing asset base.

During June and July of 2026, we originated two GIL investments totaling $66 million in investment commitments. Once closed, we then transferred these investments together with a separate property loan to our construction lending JV with BlackRock. In aggregate, these three investments represented $95.9 million of commitments and reflect our ongoing ability to source and execute affordable multifamily real estate debt investments.

Our overall mortgage investment portfolio performed steadily during the second quarter. All MRB and GIL investments are current on principal and interest payments as of June 30, 2026. Physical occupancy for the stabilized mortgage revenue bond portfolio was 85.8% as of June 30, which is essentially flat to occupancy as of March 31.

The relatively lower physical occupancy rates are due to properties in Texas, where local markets are experiencing higher vacancies due to recent increase in multifamily unit supply. We expect occupancies will recover once available units are absorbed and new supply deliveries declines in the near term. Physical occupancy for the non-Texas stabilized MRB portfolios was 93% as of June 30.

As mentioned in our last call, we completed the deed in lieu of foreclosure process on four South Carolina MRB properties during the first quarter of 2026. We believe that by owning and managing the properties directly, we can maximize the value of our investments. The original mortgage revenue bonds were redeemed, the related tender option bond funding trusts were collapsed, and the Partnership now owns the underlying multifamily properties directly with first mortgage financing provided by a group of two banks. We have retained a third-party property manager to operate the properties on a day-to-day basis under our oversight. We are actively managing the assets and are being assisted in that effort by Greystone's corporate asset management team.

We use various debt financing facilities used to leverage our debt investments. Our outstanding debt financing had an outstanding principal balance totaling approximately $826 million as of June 30, which is down approximately $104 million from March 31. We manage and report our debt financing in four main categories on Page 96 of our Form 10-Q. Three of the four categories are designed such that our net return is generally insulated from changes in short-term interest rates. These categories account for $700 million or 85% of our total debt financing.

The fourth category is fixed rate assets with variable rate debt with no designated hedging, which is where we are most exposed to interest rate risk in the near term. This category represents approximately $127 million or 15% of our total debt financing. Of this amount, approximately $38 million is associated with debt investments that are scheduled to mature by December 2026, which will repay the associated outstanding debt financing. As such, we expect the unhedged period to be relatively short.

Ken previously provided updates on our 10 market rate multifamily JV equity investments. In addition, we have two market rate seniors housing JV equity investments in Nevada. Our remaining funding commitments for market rate multifamily JV equity investments totaled $19.5 million as of June 30, all related to sites being considered for future development. We will not fund these commitments until a construction contract is signed and construction commences. The managing member may also choose to sell the site and terminate our related funding commitments.

We have an outstanding funding commitment of $4 million for our Valage Mt. Rose seniors housing investment. During July 2026, the three Vantage properties located in Texas, Vantage at Hutto, Vantage at Fair Oaks, and Vantage at McKinney Falls, secured a new debt facility to refinance their original construction and bridge loans. We believe this refinancing strengthens the property's financial position and provides increased flexibility as our joint venture partner continues to evaluate potential sales of these assets. Additionally, the Partnership was released from the limited guarantee agreements associated with the Vantage at McKinney and Vantage at Hutto bridge loans.

I will now turn the call over to Ken for his update on market conditions and our investment pipeline.

Ken Rogozinski
Thanks, Eric. The first seven months of 2026 have seen a marginally positive performance from the U.S. municipal bond market, notwithstanding the higher level of interest rates in the broader fixed income markets. The muni high-grade and high-yield indices had a tough performance in July, but both managed to stay in the black on a year-to-date basis. As of July 31, the muni high-grade index showed a 0.4% return for 2026, along with a 2.5% return for the high-yield index. At the end of June, 10-year MMD was at 2.95% and 30-year MMD was at 4.19%, which were 20 and 30 basis points lower, respectively, versus March's levels.

As of yesterday's close, 10-year MMD was at 3.24% and 30-year MMD was at 4.45%, reflecting higher levels from second quarter end due to inflation uncertainty stemming from the current conflict in the Middle East. 10-year muni-to-treasury ratio is currently 69% and the 30-year muni-to-treasury ratio is currently 85%, close to the same level since the time of our last call. The MMD housing bond interest rate scale, which is used to mark our core mortgage revenue bonds to market, is correlated to those two broader muni bond market indices.

Through seven months of 2026, there has been $343 billion of gross new issuance, slightly behind last year's record pace, and almost $52 billion in fund inflows, well ahead of last year's pace. The market's ability to handle this higher than historical average level of new issue activity is a good sign for the overall secondary market liquidity in muni bonds like the mortgage revenue bonds owned by the Partnership.

The HUD appropriation bill fully funding the department's programs, in many cases at expenditure levels higher than the previous year, for the remainder of the federal fiscal year was passed by Congress and signed by President Trump.

The federal low-income housing tax credit program is beginning to adjust to the new rules set forth in the One Big Beautiful Bill Act with deals in our pipeline seeing larger allocations of taxable debt as part of their capital stack. There continue to be challenges with demand and pricing in the low-income housing tax credit market. We are working closely with our colleagues on the Greystone Real Estate Capital team to be able to deliver a full debt and equity solution to our affordable housing sponsor clients.

With that, Eric and I are happy to take your questions.

Operator
Thank you. We'll now be conducting a question and answer session. If you would like to ask a question, please press star, one on your telephone keypad. A confirmation tone will indicate your line is in the question queue. You may press star, two if you would like to remove your question from the queue. For participants using speaker equipment, it may be necessary to pick up your handset before pressing the star keys. One moment please while we poll for questions.

Our first questions come from the line of Jason Weaver with JonesTrading. Please proceed with your questions.

Jason Weaver
Hey, good morning, guys. Thanks for taking my questions. First, with the portfolio rotation well underway now, I realize it's difficult to forecast, but what inning would you say we're in along this path? And has the timeline extended due to those refinancing transactions?

Ken Rogozinski

Thanks for your question, Jason. I think we're still very early in the ball game. We haven't reported a sale of a joint venture equity investment since Q2 of last year when the Vantage at Helotes transaction was sold. So in terms of just the implementation of the strategy and the recycling of capital, we really haven't had a lot of capital to recycle at this point in time in terms of moving from JV equity investments into traditional tax-exempt mortgage revenue bond investments.

We have seen the roll-off of some of our governmental issuer loan investments as they've reached maturity, in particular, the three phases of the Poppy Grove transaction that all converted to perm during the second quarter of 2026. So we've seen some reinvestment of that capital. But I think until we show some of the JV equity exits that we are working with our partners to try to implement, I think that's when you'll really see the redeployment into those traditional mortgage revenue bond opportunities that we've been talking about.

Jason Weaver
Got it. Thanks for that. And then would you say that the construction lending JV is becoming sort of the primary origination vehicle? And is there a potential for that JV to grow in size, or are you discussing others with additional sponsors?

Ken Rogozinski
That's an interesting point to make, Jason. I think, when you look at our reporting and you look at our balance sheet, you are going to see a shift in that LIHTC construction lending business. Historically, we had kept all of those GIL investments on our balance sheet, funded them with traditional tender option bond debt facilities. Now with the joint venture that we have, that's actually an off-balance sheet vehicle for us.

So when Eric mentioned in his results earlier in the call about originations that have been closed during Q2 and subsequent last month, you're not seeing those flow through the Partnership's balance sheet. Those are going into this off-balance sheet vehicle. So our expectation is that the large majority of our construction lending on low-income housing tax credit deals that used to show up on our balance sheet as GILs is now really going to be showing up in the BlackRock joint venture vehicle. So that's going to be a little different moving forward as we scale that.

That joint venture right now owns four assets that have all been funded with tender option bond debt facilities in a gross principal commitment amount of roughly $120 million across those four investments. So we will expect to see that grow in size as we continue to move through the pipeline that we currently have of deals in closing, deals in underwriting, and deals that we have under application.

Jason Weaver
Got it. Thank you. And then just one more, if I might - the South Carolina multifamily properties, where would you say a stabilized yield shakes out on those properties, or was Q2 representative of that?

Ken Rogozinski

I think from a performance perspective, we're still doing what we need to do to reposition those properties. There was a transition in the property management companies. We've retained Asset Living out of Atlanta as the property manager for all four of those assets. There's been some turnover at the individual property level in terms of the management teams there that we're continuing to work through.

As you'd expect, there's also some repositioning that needs to go on there, and we're evaluating opportunities for capital improvements at those properties that we believe will improve rent and leasing potential there. So it's really only been four months at this point in time that we've had operational control of all four assets. And so we're continuing to move through that process there.

Jason Weaver

All right, that's great color, Ken. Thanks for the time.

Operator

Thank you. Our next questions come from the line of John Baum, investor. Please proceed with your questions.

John Baum

Good morning, guys. I'm kind of looking at the balance sheet right now, trying to make it clean if we strip out the multifamily and particularly probably the South Carolina properties that you've taken it back over. If I take a look -- and I'm on the balance sheet right now with the supplemental, and I'm seeing real estate assets net of about $110.9 million. And I'm assuming that I'm going to knock off, I think, the mortgage payables net of $83.4 million.

If my math is correct, and I strip that out of the balance sheet, I'm seeing $10.16 per unit, and the market hasn't opened yet, but we're probably going to be trading at about 50% of that. I know I've asked this in previous calls, but the real estate assets there at $110.9 million, is that a sound number? And if it is, any chance for share buybacks by the Partnership with respect to us trading at 50% of book?

Eric Nielsen

John, this is Eric. In terms of your questions regarding the amounts of the real estate assets and the related mortgage payables, you are accurate in those numbers, and I would consider those sound. Those are the reported assets at fair value when we acquired those by deed in lieu of foreclosure during the first quarter of 2026.

Ken Rogozinski

John, in terms of your question about potential buybacks, as we start to see activity with the liquidation of our existing market-rate multifamily JV equity investments, we will certainly evaluate the opportunities that are available to the Partnership with the return of that capital. I think the Board's direction to us has been to really evaluate all possibilities.

I will say, though, that we are a permanent capital vehicle that by buying units back in the secondary market with return of capital to us, if we are to continue to try to grow the Partnership and make future investments, we would basically have to go back to the market and try to raise that capital again, and there would be costs associated with that. So that's something that we as a management team and the Board need to take into consideration in terms of potentially making a decision like that, as well.

John Baum
Okay. A couple of follow-ups on that - the -- I think a prior questioner asked you what inning you're in. You said you're still in the early innings. It seems like the -- I don't want to call it the diseased cousin [sp] right here, but what's really costing is the multifamily in South Carolina. Can you quantify timeline with early innings? Can we look forward -- is it six months to a year? I mean, what would be normal stabilization and marketing timeline in your experience?

Ken Rogozinski
Well, again, those were not new construction assets. Those were existing properties that were bought by a 501(c)(3) where a light rehab was done and a repositioning of the tenant base occurred in order to come into compliance with the regulatory agreement that was associated with the original mortgage -- tax-exempt mortgage revenue bond financing that was in place on those assets.

So at this point in time, it's really a question of getting in there, dealing with the legacy tenant base to the extent that there were tenants who are at the properties who didn't necessarily meet the best resident selection criteria. We're working through that process right now, as well as evaluating potential capital improvements. So it's not like I've got a new construction project that I'm trying to lease up, and I can kind of give you an expectation of what that leasing schedule is going to look like based on historic experience.

Here's a situation where, depending on the performance of the properties, we might be at -- in the low to mid-80s in current occupancy, we may be lower than that, depending on what the particulars were at that asset. So it's really hard for me to give you a blanket statement of we expect the projects to be back at what we would call sort of whole economic performance by some period of time because the situation is different in each of the four assets.

John Baum
Okay. And finally, it might be nice in the supplemental, if you were to break out these -- these [inaudible] of the real estate from the operations. I think it'd make it easier for investors to be able to figure out what this is going to look like on a clean basis going forward. I mean, I can call it out after having some experience, but obviously, it's costing when the market priced right there. But looking forward to better days, getting back to -- going back to the reservation. And

you made some good money -- with a little editorial here -- you made some good money with some of these JVs, but the market's changed. And I guess going back to your root cause with your primary lending is going to be the way going forward. So I appreciate the hard work and look forward to better days. Thank you.

Operator
Thank you. As a reminder, if you would like to ask a question, please press star, one on your telephone keypad.

There are no further questions at this time. I would now like to turn the floor back over to Ken Rogozinski for closing comments.

Ken Rogozinski
Thank you very much, everyone, for your participation today. We look forward to speaking with you again next quarter.

Operator
Ladies and gentlemen, thank you so much. This does conclude today's teleconference. We appreciate your participation. Please disconnect your lines at this time, and have a wonderful day.