

# GREYSTONE HOUSING IMPACT INVESTORS LP

## Supplemental Financial Report for the Quarter Ended June 30, 2023

## Greystone Housing Impact Investors LP

All statements in this document other than statements of historical facts, including statements regarding our future results of operations and financial position, business strategy and plans and objectives of management for future operations, are forward-looking statements. When used, statements which are not historical in nature, including those containing words such as “anticipate,” “estimate,” “should,” “expect,” “believe,” “intend,” and similar expressions, are intended to identify forward-looking statements. We have based forward-looking statements largely on our current expectations and projections about future events and financial trends that we believe may affect our business, financial condition and results of operations. This document may also contain estimates and other statistical data made by independent parties and by us relating to market size and growth and other industry data. This data involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. We have not independently verified the statistical and other industry data generated by independent parties contained in this supplement and, accordingly, we cannot guarantee their accuracy or completeness. In addition, projections, assumptions and estimates of our future performance and the future performance of the industries in which we operate are necessarily subject to a high degree of uncertainty and risk due to a variety of factors, including those described under the headings “Item 1A Risk Factors” in our 2022 Annual Report on Form 10-K for the year ended December 31, 2022 and our Quarterly Report on Form 10-Q for the quarter ended March 31, 2023. These forward-looking statements are subject to various risks and uncertainties and Greystone Housing Impact Investors LP (the “Partnership”) expressly disclaims any obligation to publicly update or revise any forward-looking statements, whether as a result of new information, future events or otherwise.

Most, but not all, of the selected financial information furnished herein is derived from the Greystone Housing Impact Investors LP’s consolidated financial statements and related notes prepared in conformity with generally accepted accounting principles in the United States of America (“GAAP”) and management’s discussion and analysis of financial condition and results of operations included in the Partnership’s reports on Forms 10-K and 10-Q. The Partnership’s annual consolidated financial statements were subject to an independent audit, dated February 23, 2023.

On September 14, 2022, the Partnership declared a supplemental distribution payable in the form of additional BUCs equal to \$0.20 per BUC (the “Third Quarter 2022 BUCs Distribution”). The Third Quarter 2022 BUCs Distribution was paid at a ratio of 0.01044 BUCs for each issued and outstanding BUC as of the record date of September 30, 2022, which represents an amount per BUC based on the closing price of the BUCs on the Nasdaq Stock Market LLC on September 13, 2022. The Third Quarter 2022 BUCs Distribution was completed on October 31, 2022.

On December 19, 2022, the Partnership declared a supplemental distribution payable in the form of additional BUCs equal to \$0.20 per BUC (the “Fourth Quarter 2022 BUCs Distribution”). The Fourth Quarter 2022 BUCs Distribution was paid at a ratio of 0.0105 BUCs for each issued and outstanding BUC as of the record date of December 30, 2022, which represents an amount per BUC based on the closing price of the BUCs on the New York Stock Exchange (“NYSE”) on December 16, 2022. The Fourth Quarter 2022 BUCs Distribution was completed on January 31, 2023.

On June 14, 2023, the Partnership declared a supplemental distribution payable in the form of additional BUCs equal to \$0.07 per BUC (the “Second Quarter 2023 BUCs Distribution”, collectively with the Third Quarter 2022 BUCs Distribution and the Fourth Quarter 2022 BUCs Distribution, the “BUCs Distributions”). The Second Quarter 2023 BUCs Distribution was paid at a ratio of 0.00448 BUCs for each issued and outstanding BUC as of the record date of June 30, 2023, which represents an amount per BUC based on the closing price of the BUCs on the NYSE on June 13, 2023. The Second Quarter 2023 BUCs Distribution was completed on July 31, 2023.

There were no fractional BUCs issued in connection with the BUCs Distributions. All fractional BUCs resulting from the BUCs Distributions received cash for such fraction based on the market value of the BUCs on the record date.

Unless noted otherwise herein, the BUCs Distributions have been applied retroactively to all net income per BUC, distributions per BUC and similar per BUC disclosures for all periods indicated in this supplemental financial report.

***Disclosure Regarding Non-GAAP Measures***

This document refers to certain financial measures that are identified as non-GAAP. We believe these non-GAAP measures are helpful to investors because they are the key information used by management to analyze our operations. This supplemental information should not be considered in isolation or as a substitute for the related GAAP measures.

Please see the consolidated financial statements we filed with the Securities and Exchange Commission on Forms 10-K and 10-Q. Our GAAP consolidated financial statements can be located upon searching for the Partnership's filings at [www.sec.gov](http://www.sec.gov).

# Partnership Financial Information

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## Letter from the CEO

I am pleased to report Greystone Housing Impact Investors LP's operating results for the second quarter of 2023. We reported the following financial results as of and for the three months ended June 30, 2023:

- Total revenues of \$28.3 million
- Net income of \$0.85 per Beneficial Unit Certificate ("BUC"), basic and diluted
- Cash Available for Distribution ("CAD") of \$0.62 per BUC
- Total assets of \$1.66 billion
- Total Mortgage Revenue Bond ("MRB") and Governmental Issuer Loan ("GIL") investments of \$1.2 billion

We reported the following notable transactions during the second quarter of 2023:

- Advanced funds on MRB and taxable MRB investments totaling \$55.7 million.
- Advanced funds on GIL, taxable GIL and property loan investments totaling \$32.9 million.
- Received total proceeds of \$19.8 million from the sale of Vantage at Conroe in Conroe, TX, inclusive of the return of our initial \$9.0 million investment commitments made in April 2019. We recognized investment income and gains on sale totaling \$9.4 million, which resulted in approximately \$0.37 of net income and CAD per BUC after allocation of Tier 2 income to our general partner.
- Freddie Mac executed its first forward purchase of a GIL investment in June 2023 related to the Oasis at Twin Lakes property. Our GIL and property loan investments totaling \$58.0 million associated with construction financing were settled in full at par plus accrued interest.
- Received TOB trust financing proceeds totaling \$68.4 million as leverage on various investment fundings.
- Issued 1,000,000 of new Series A-1 Preferred Units to a financial institution for aggregate proceeds of \$10.0 million. The first optional redemption date for the new Series A-1 Preferred Units is in June 2029.

We continue to strategically invest in the affordable multifamily MRB and GIL asset classes where we believe we can earn attractive leveraged returns. We also continue to see consistent operating results from the properties underlying our affordable multifamily MRBs and GILs, with all such investments being current on contractual principal and interest payments as of June 30, 2023.

Other highlights of our investment portfolio include the following:

- We continue to execute on our hedging strategy, primarily through the use of interest rate swaps, to reduce the impact of volatile market interest rates. We received net swap payments of approximately \$1.3 million during the three months ended June 30, 2023.
- Two joint venture equity investments properties were over 90% occupied as of July 31, 2023 and two other properties have begun leasing activities. Six of our joint venture equity investments are currently

under construction or in development, with none having experienced material supply chain disruptions for either construction materials or labor to date.

- We directly own the Suites on Paseo MF Property near San Diego State University. The property continues to meet all direct obligations with cash flows from operations and is pre-leased at 99% for the upcoming Fall 2023 term. Included in the pre-lease amount are 140 beds that are master leased to San Diego State University for the 2023-2024 academic year.

We continually assess our exposure to changes in market interest rates, particularly given the recent market volatility and increases in short term interest rates announced by the Federal Reserve. As of June 30, 2023, approximately 77% of our leverage bears interest at short term variable interest rates. Of those assets funded with short term variable rate debt facilities, approximately 42% bear interest at a variable rate as well such that our net interest margin is largely hedged against changing market interest rates. We have also hedged approximately 41% of our exposure to changes in market interest rates on our variable-rate debt financings through various interest rate swaps with an average monthly notional amount of approximately \$275.0 million, in the aggregate, for the remainder of 2023. We will consider implementing additional interest rate hedges as appropriate.

Affiliates of Greystone continue to assist in our growth by introducing new investment opportunities. An affiliate of Greystone has forward committed to purchase ten of our current GIL investments.

The increased uncertainty in the commercial banking and financial sectors continues to create new lending opportunities for us to pursue beyond our normal pipeline. We will continue to strategically work with strong sponsors on new investment opportunities where traditional sources of capital may not currently be available. We will also continue to seek to develop new relationships, particularly with those sponsors that are existing clients of Greystone and its affiliates.

Thank you for your continued support of Greystone Housing Impact Investors LP!

Kenneth C. Rogozinski

Chief Executive Officer

## Second Quarter 2023 Fact Sheet

### PARTNERSHIP DETAILS

(As of June 30, 2023)

Symbol (NYSE)		GHI
Most Recent Quarterly Distribution per BUC <sup>1</sup>	\$	0.44
BUC Price	\$	16.48
Year to Date Annualized Yield <sup>2</sup>		9.8%
BUCs Outstanding		22,639,852
Market Capitalization	\$	\$373,104,761
52-week BUC price range		\$15.07 to \$19.95

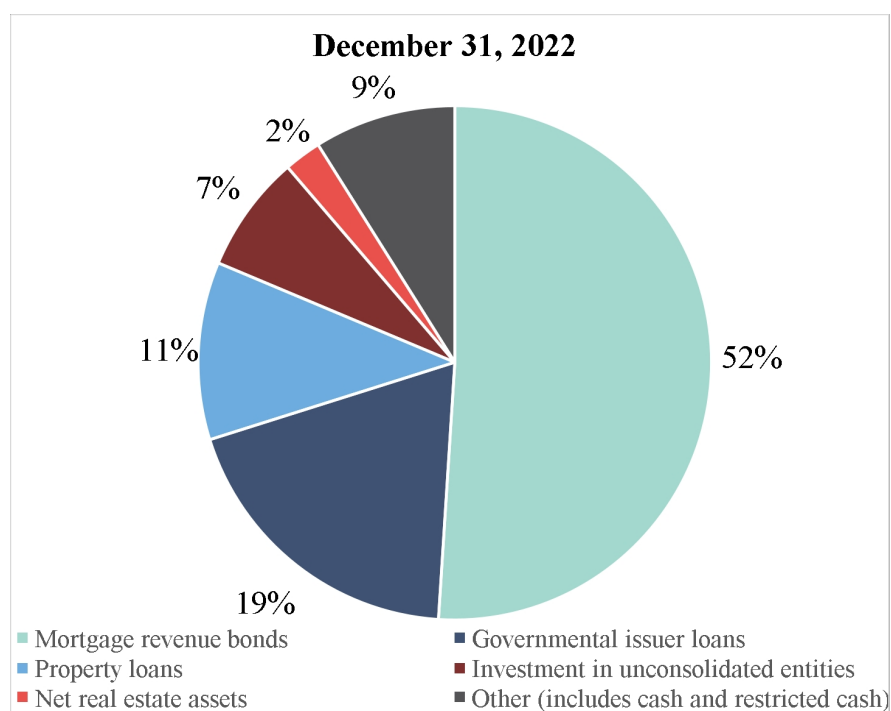
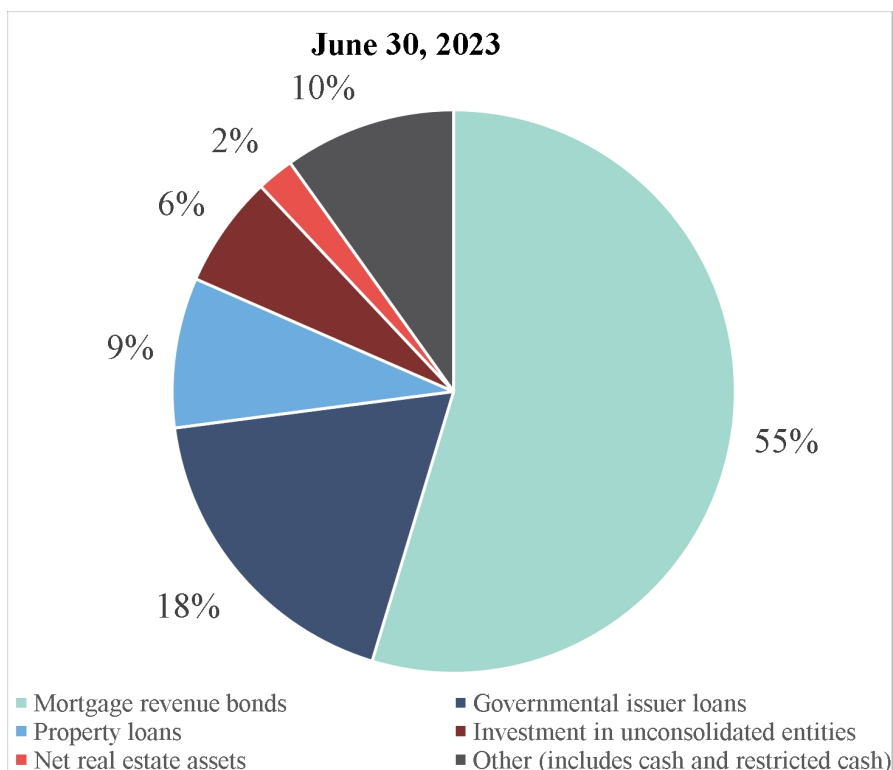
Greystone Housing Impact Investors LP was formed for the primary purpose of acquiring a portfolio of MRBs that are issued to provide construction and/or permanent financing of affordable multifamily residential and commercial properties. We also invest in GILs, which are similar to MRBs, to provide construction financing for affordable multifamily properties. We expect and believe the interest paid on the MRBs and GILs to be excludable from gross income for federal income tax purposes. In addition, we have invested in equity interests in multifamily, market rate properties throughout the U.S. We also own interests in multifamily properties ("MF Properties") until the "highest and best use" can be determined. We continue to pursue a business strategy of acquiring additional MRBs and GILs on a leveraged basis, and other investments.

#### Partnership Financial Information for Q2 2023 (\$'s in 000's, except per BUC amounts)

	<u>6/30/2023</u>	<u>12/31/2022</u>
Total Assets	\$1,656,683	\$1,567,130
Leverage Ratio <sup>3</sup>	72%	73%
	<u>Q2 2023</u>	<u>YTD 2023</u>
Total Revenue	\$28,304	\$53,242
Net Income	\$21,287	\$38,078
Cash Available for Distribution ("CAD") <sup>4</sup>	\$14,135	\$32,351
Cash Distributions declared, per BUC <sup>1</sup>	\$0.37	\$0.74
BUCs Distributions declared, per BUC <sup>1</sup>	\$0.07	\$0.07

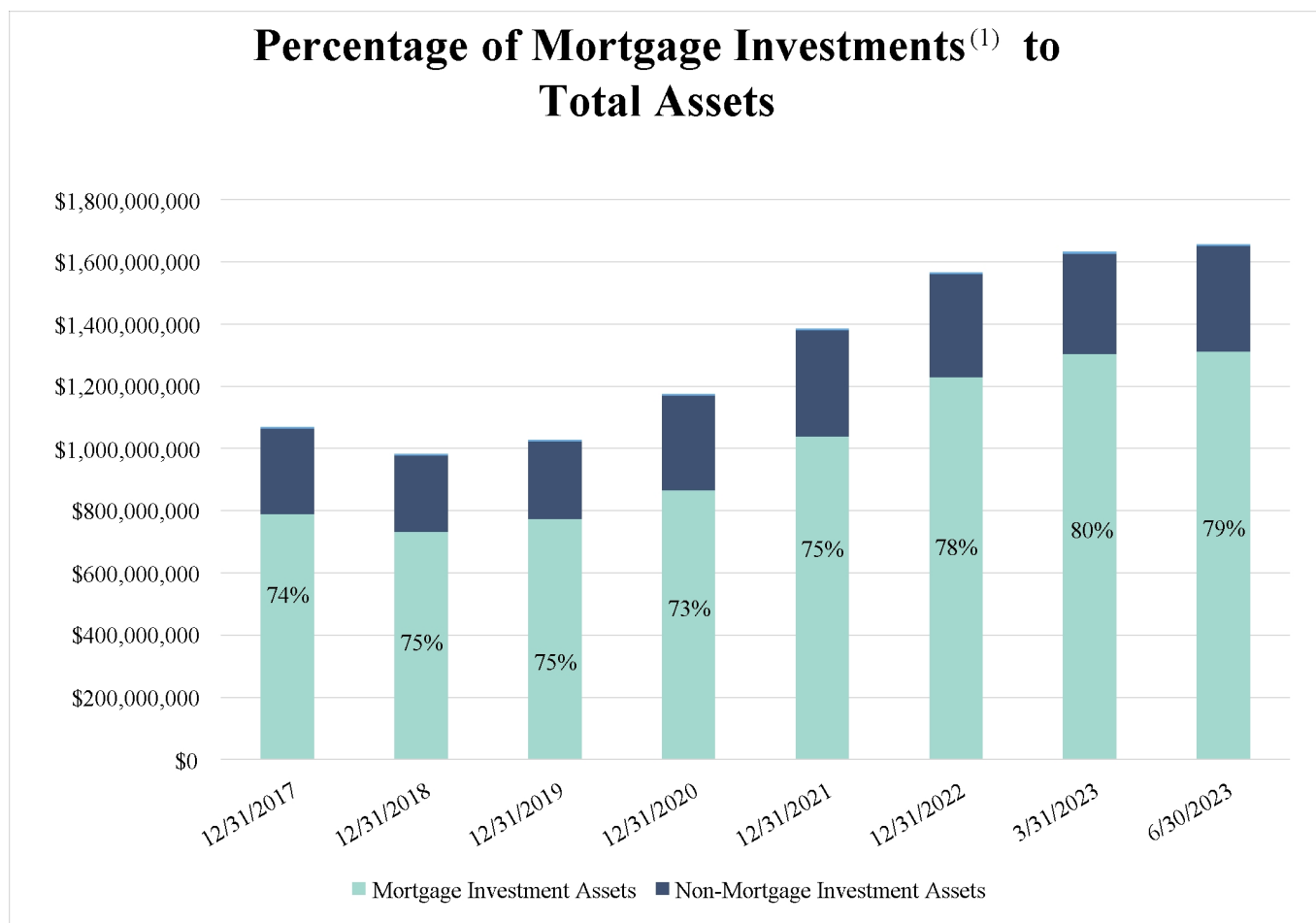
- (1) The distribution was paid on July 31, 2023 for BUC holders of record as of June 30, 2023. The distribution is payable to BUC holders of record as of the last business day of the quarter end and GHI trades ex-dividend one day prior to the record date, with a payable date of the last business day of the subsequent month. The distribution includes the regular quarterly cash distribution of \$0.37 per outstanding BUC and a supplemental distribution payable in the form of additional BUCs equal to \$0.07 per BUC. The Second Quarter 2023 BUCs Distribution was paid at a ratio of 0.00448 BUCs for each issued and outstanding BUC as of the record date.
- (2) The annualized yield calculation is based on year-to-date distributions declared of \$0.81 per BUC.
- (3) Our overall leverage ratio is calculated as total outstanding debt divided by total assets using cost adjusted for paydowns and allowances for MRBs, Governmental Issuer Loans, property loans, taxable MRBs and taxable GILs, and initial cost for deferred financing costs and real estate assets.
- (4) Management utilizes a calculation of Cash Available for Distribution ("CAD") to assess the Partnership's operating performance. This is a non-GAAP financial measure and a reconciliation of our GAAP net income (loss) to CAD is provided on page 16 of this report.

## Asset Profile



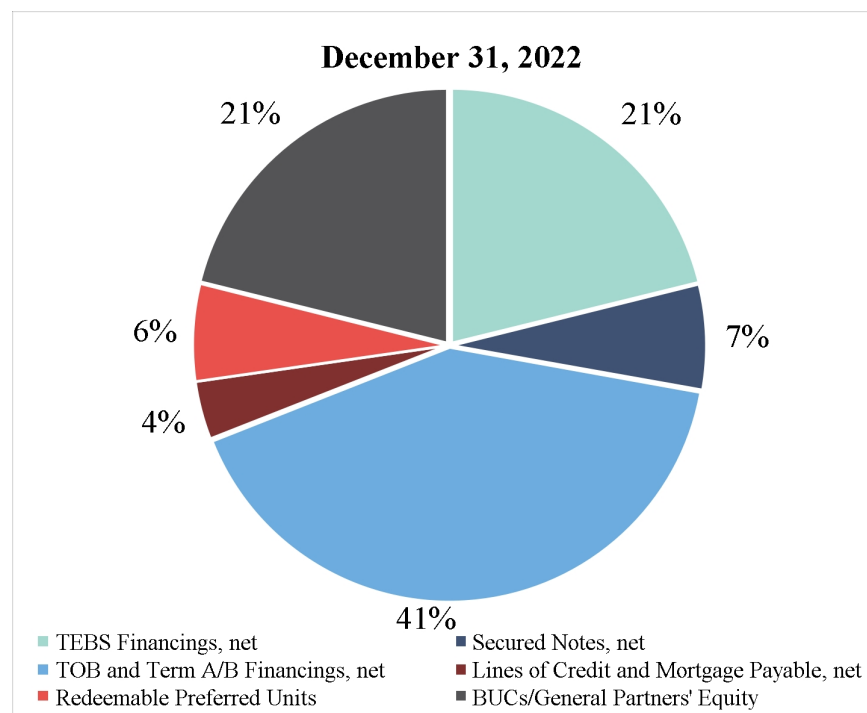
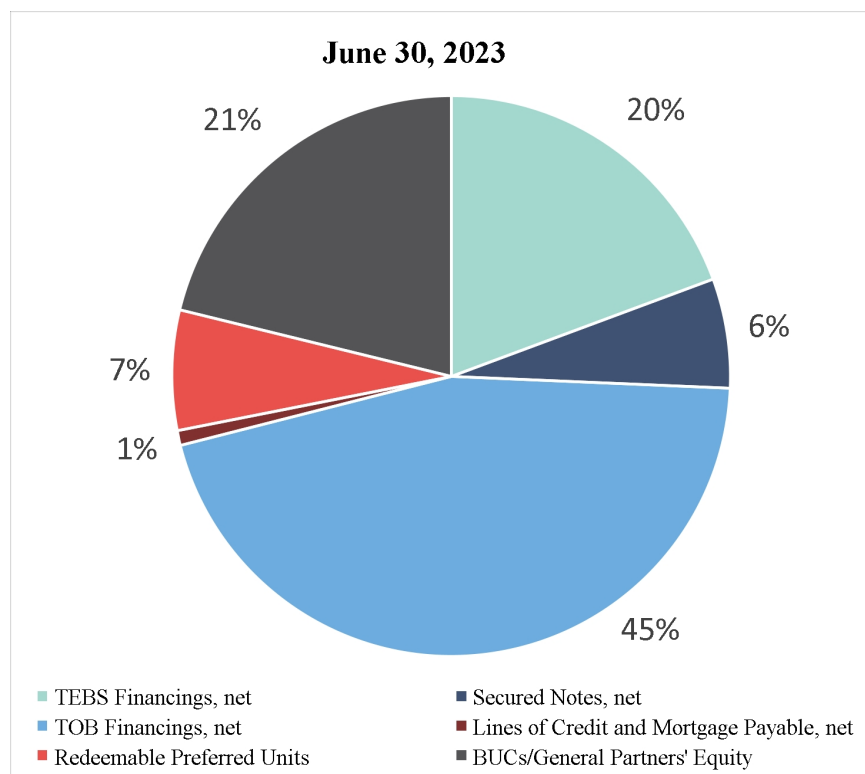


## Mortgage Investment Profile

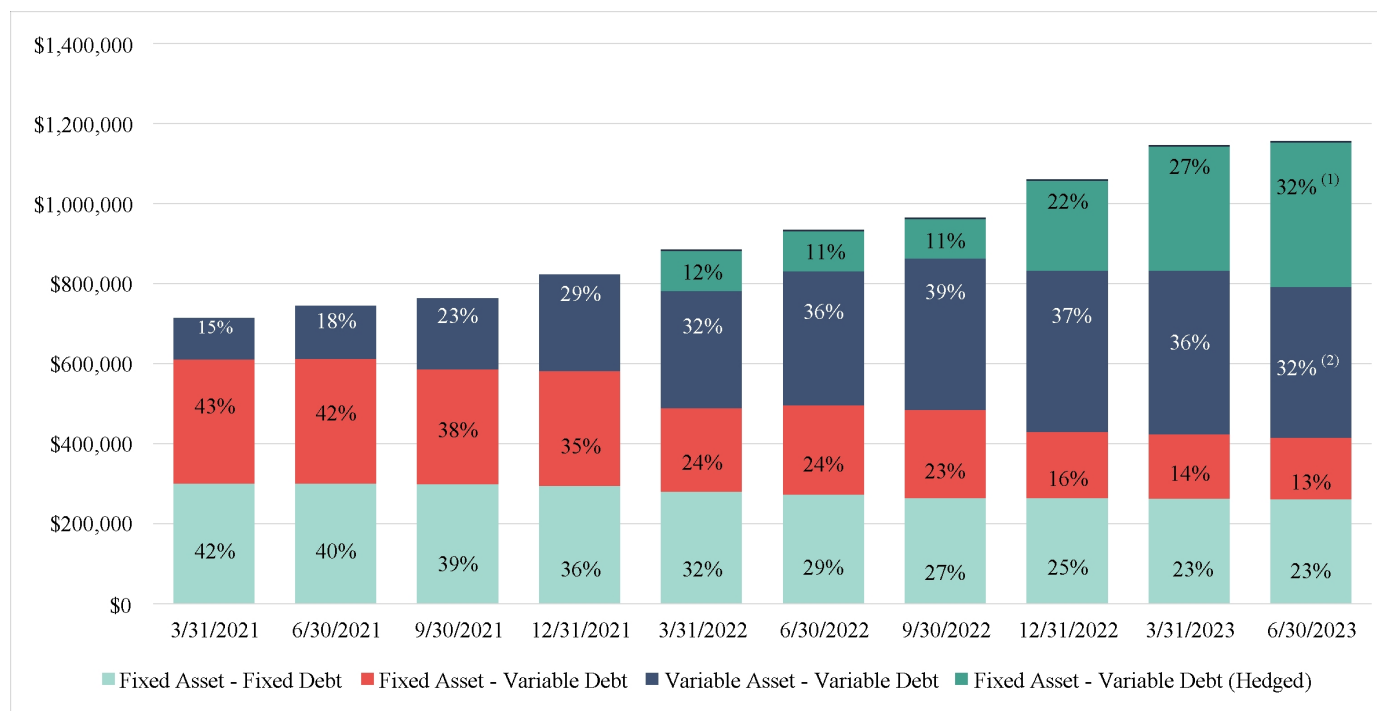


<sup>(1)</sup> Mortgage Investments include the Partnership's Mortgage Revenue Bonds, Governmental Issuer Loans and Property Loans that share a first mortgage lien with the Governmental Issuer Loans.

## Debt and Equity Profile



## Debt Financing (\$'s In 000's)



<sup>(1)</sup> The variable-rate debt financing is hedged through our interest rate swap agreements. Though the variable rate indices may differ, these interest rate swaps have effectively synthetically fixed the interest rate of the related debt financing.

<sup>(2)</sup> The securitized assets and related debt financings each have variable interest rates, though the variable rate indices may differ. As such, the Partnership is largely hedged against rising interest rates.

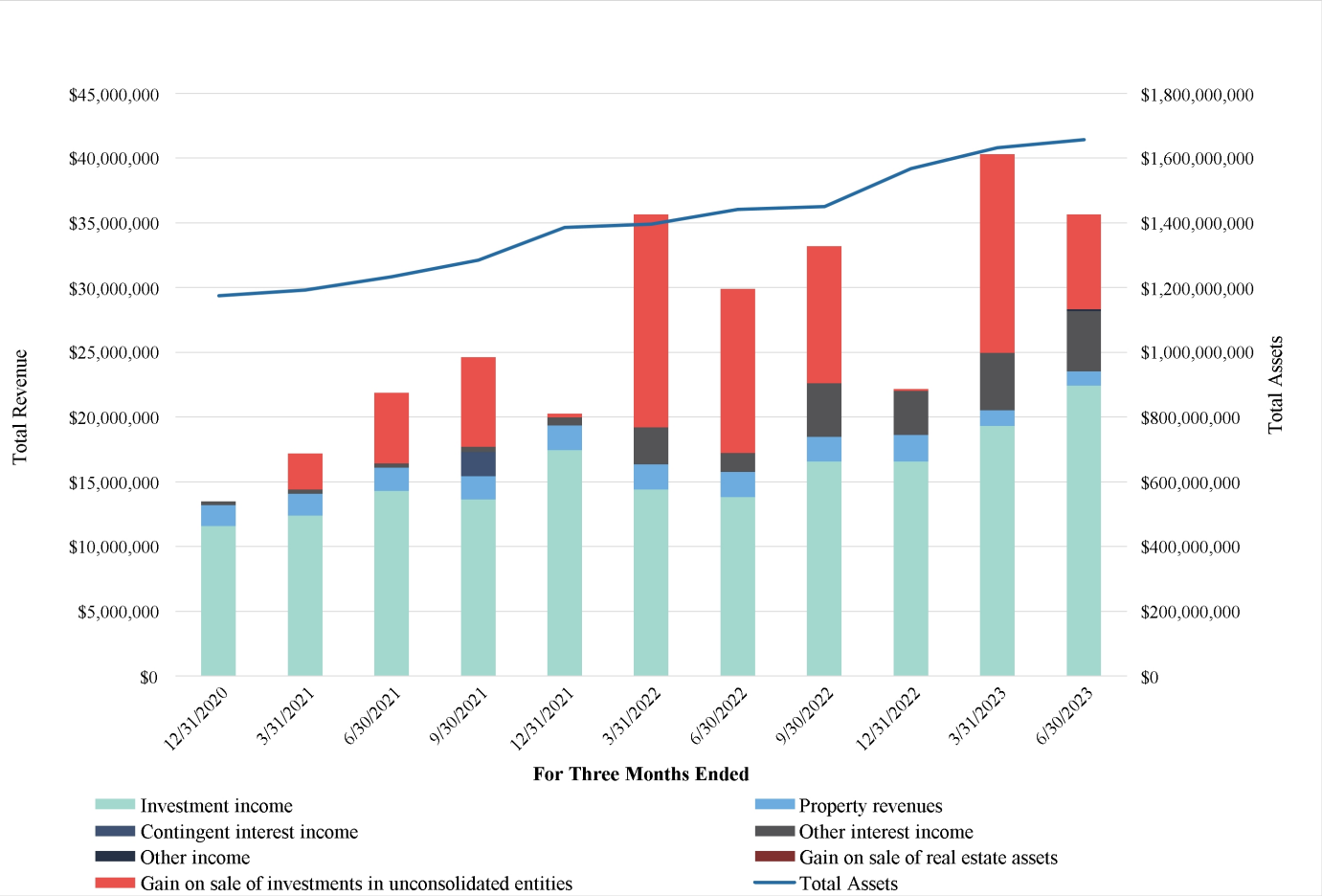
## Interest Rate Sensitivity Analysis <sup>(1)</sup>

Description	- 25 basis points	+ 50 basis points	+ 100 basis points	+ 150 basis points	+ 200 basis points
TOB Debt Financings	\$ 1,190,974	\$ (2,381,947)	\$ (4,763,894)	\$ (7,145,841)	\$ (9,527,788)
TEBS Debt Financings	116,738	(233,475)	(466,950)	(700,425)	(933,900)
Other Investment Financings	(464,271)	928,542	1,857,085	2,785,627	3,714,170
Variable Rate Investments	(673,058)	1,346,116	2,692,232	4,038,349	5,384,465
Net Interest Income Impact	<u>\$ 170,383</u>	<u>\$ (340,764)</u>	<u>\$ (681,527)</u>	<u>\$ (1,022,290)</u>	<u>\$ (1,363,053)</u>
Per BUC Impact <sup>(2)</sup>	<u>\$ 0.008</u>	<u>\$ (0.015)</u>	<u>\$ (0.030)</u>	<u>\$ (0.045)</u>	<u>\$ (0.060)</u>

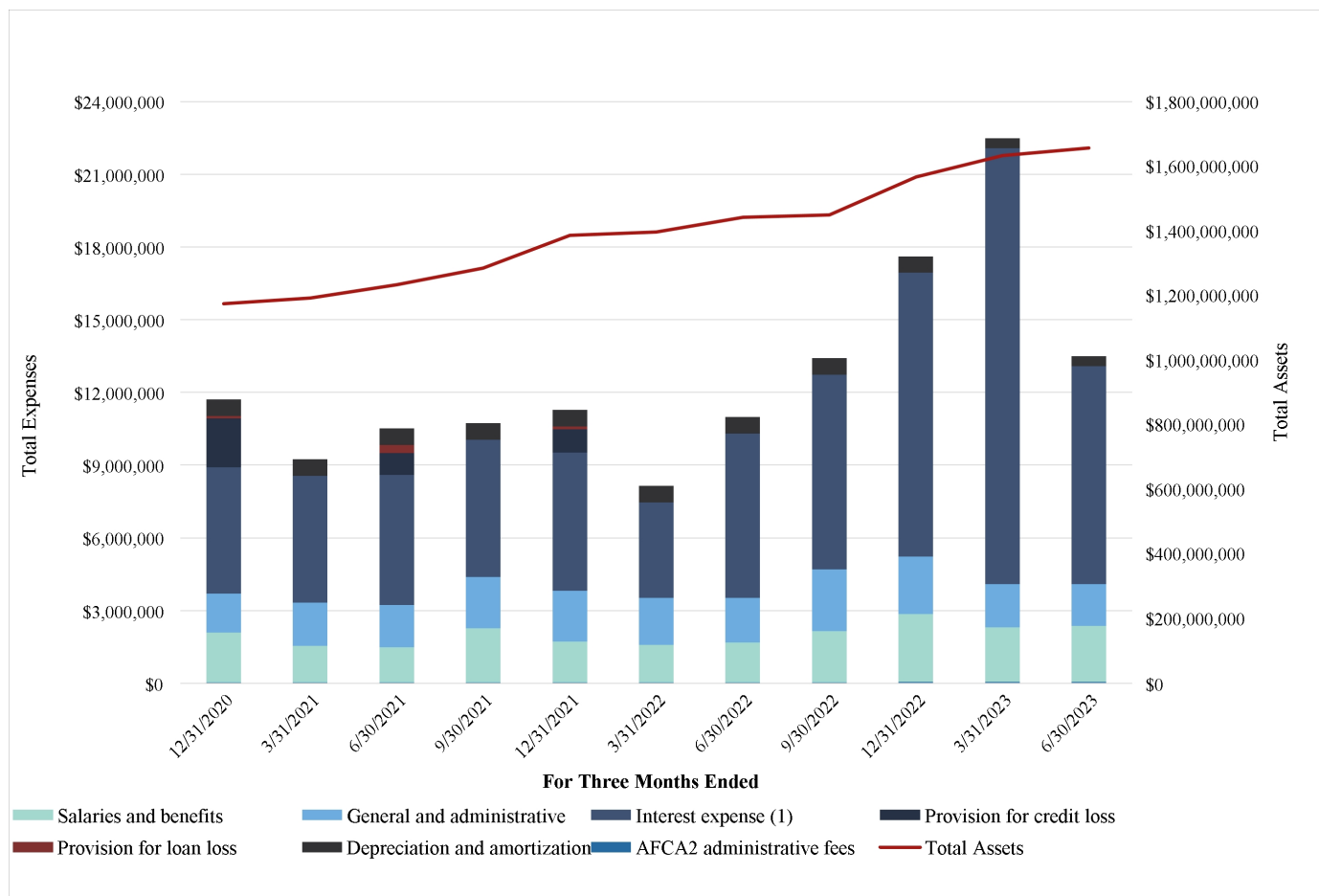
<sup>(1)</sup> The interest rate sensitivity table above represents the change in interest income from investments, net of interest on debt and settlement payments for interest rate derivatives over the next twelve months, assuming an immediate parallel shift in the SOFR yield curve and the resulting implied forward rates are realized as a component of this shift in the curve and assuming management does not adjust its strategy in response. The amounts in the table above do not consider any potential derivative fair value adjustments in determining the net interest income impact.

<sup>(2)</sup> The net interest income change per BUC calculated based on 22,639,852 BUCs outstanding as of June 30, 2023.

Total Revenue & Gain on Sale Trends



## Operating Expense Trends



(1) Interest expense includes fair value adjustments to the Partnership's interest rate derivative instruments that are non-cash income (expense) in the period reported.

Since July 1, 2021, the ratio of "Salaries and benefits" and "General and administrative" expenses to Total Assets has averaged approximately 0.28% per quarter.

## Other Partnership Information

### Corporate Office:

14301 FNB Parkway  
Suite 211  
Omaha, NE 68154  
Phone: 402-952-1235  
Investor & K-1 Services: 855-428-2951  
Web Site: [www.ghiinvestors.com](http://www.ghiinvestors.com)  
K-1 Services Email: [ghiK1s@greyco.com](mailto:ghiK1s@greyco.com)  
Ticker Symbol (NYSE): GHI

### Transfer Agent:

American Stock Transfer & Trust Company  
59 Maiden Lane  
Plaza Level  
New York, NY 10038  
Phone: 718-921-8124  
888-991-9902

### Corporate Counsel:

Barnes & Thornburg LLP  
11 S. Meridian Street  
Indianapolis, IN 46204

### Independent Accountants:

PwC  
1 North Wacker Drive  
Chicago, Illinois 60606

### Board of Managers of Greystone AF Manager LLC:

(acting as the directors of Greystone Housing Impact Investors LP)

Stephen Rosenberg  
Jeffrey M. Baevsky  
Drew C. Fletcher  
Steven C. Lilly  
W. Kimball Griffith  
Deborah A. Wilson  
Robert K. Jacobsen

Chairman of the Board  
Manager  
Manager  
Manager  
Manager  
Manager  
Manager

### Corporate Officers:

Chief Executive Officer – Kenneth C. Rogozinski  
Chief Financial Officer – Jesse A. Coury

## Statements of Operations

	For The Three Months Ended June 30, 2023	For The Three Months Ended June 30, 2022	For The Six Months Ended June 30, 2023	For The Six Months Ended June 30, 2022
<b>Revenues:</b>				
Investment income	\$ 22,415,771	\$ 13,825,300	\$ 41,718,456	\$ 28,228,703
Property revenues	1,108,356	1,944,541	2,333,976	3,871,542
Other interest income	4,646,347	1,463,126	9,056,012	4,339,093
Other income	133,467	-	133,467	-
<b>Total Revenues</b>	<b>28,303,941</b>	<b>17,232,967</b>	<b>53,241,911</b>	<b>36,439,338</b>
<b>Expenses:</b>				
Real estate operating (exclusive of items shown below)	614,692	978,521	1,216,945	2,043,083
Provision for credit losses	(774,000)	-	(1,319,000)	-
Depreciation and amortization	405,408	684,362	810,389	1,368,024
Interest expense <sup>(1)</sup>	8,988,483	6,776,966	26,959,981	10,714,097
General and administrative	5,109,419	3,808,887	10,182,006	7,490,725
<b>Total Expenses</b>	<b>14,344,002</b>	<b>12,248,736</b>	<b>37,850,321</b>	<b>21,615,929</b>
<b>Other Income:</b>				
Gain on sale of investments in an unconsolidated entities	7,326,084	12,643,501	22,693,013	29,083,251
Income before income taxes	21,286,023	17,627,732	38,084,603	43,906,660
Income tax expense (benefit)	(1,149)	21,051	6,209	35,961
<b>Net income</b>	<b>\$ 21,287,172</b>	<b>\$ 17,606,681</b>	<b>\$ 38,078,394</b>	<b>\$ 43,870,699</b>
<b>Net income</b>	<b>21,287,172</b>	<b>17,606,681</b>	<b>38,078,394</b>	<b>43,870,699</b>
Redeemable preferred unit distributions and accretion	(799,182)	(716,500)	(1,545,832)	(1,434,244)
<b>Net income available to Partners</b>	<b>\$ 20,487,990</b>	<b>\$ 16,890,181</b>	<b>\$ 36,532,562</b>	<b>\$ 42,436,455</b>
<b>Net income available to Partners allocated to:</b>				
General Partner	\$ 1,010,088	\$ 232,036	\$ 3,489,146	\$ 2,969,080
Limited Partners - BUCs	19,323,960	16,600,246	32,814,794	39,329,444
Limited Partners - Restricted units	153,942	57,899	228,622	137,931
	<b>20,487,990</b>	<b>16,890,181</b>	<b>36,532,562</b>	<b>42,436,455</b>
<b>BUC holders' interest in net income per BUC, basic and diluted</b>	<b>\$ 0.85</b>	<b>\$ 0.74</b>	<b>\$ 1.45</b>	<b>\$ 1.74</b>
<b>Weighted average number of BUCs outstanding, basic</b>	<b>22,639,852</b>	<b>22,582,055</b>	<b>22,639,877</b>	<b>22,581,421</b>
<b>Weighted average number of BUCs outstanding, diluted</b>	<b>22,639,852</b>	<b>22,582,055</b>	<b>22,639,877</b>	<b>22,581,421</b>

<sup>(1)</sup> Interest expense includes approximately \$5.9 million and approximately \$2.3 million of gains from derivative fair value adjustments for the three and six months ended June 30, 2023, respectively. Interest expense includes approximately \$1.3 million and approximately \$3.7 million of gains from derivative fair value adjustments for the three and six months ended June 30, 2022, respectively.

As of June 30, 2023, we had interest rate swaps with notional amounts totaling approximately \$255.8 million and the 5-year SOFR swap rate was 3.94%. As of December 31, 2022, we had interest rate swaps with notional amounts totaling \$194.7 million and the 5-year SOFR swap rate was 3.75%.

## Cash Available for Distribution (CAD)

The following table contains reconciliations of the Partnership's GAAP net income to its CAD:

	For the Three Months Ended June 30, 2023	For the Three Months Ended June 30, 2022	For the Six Months Ended June 30, 2023	For the Six Months Ended June 30, 2022
Net income	\$ 21,287,172	\$ 17,606,681	\$ 38,078,394	\$ 43,870,699
Change in fair value of derivative instruments	(6,020,265)	(1,232,433)	(2,584,298)	(3,707,564)
Depreciation and amortization expense	405,408	684,362	810,389	1,368,024
Provision for credit losses	(774,000)	-	(1,319,000)	-
Amortization of deferred financing costs	392,983	492,720	1,398,750	944,192
Restricted unit compensation expense	587,177	165,509	937,136	339,407
Deferred income taxes	(1,073)	(13,973)	(2,055)	(6,707)
Redeemable Preferred Unit distributions and accretion	(799,182)	(716,500)	(1,545,832)	(1,434,244)
Tier 2 Income allocable to the General Partner	(878,407)	(189,569)	(3,293,628)	(2,835,548)
Recovery of prior credit loss	(17,345)	(17,344)	(34,312)	(22,623)
Bond premium, discount and origination fee amortization, net of cash received	(47,046)	(59,341)	(94,227)	(137,716)
Total CAD	<u>\$ 14,135,422</u>	<u>\$ 16,720,112</u>	<u>\$ 32,351,317</u>	<u>\$ 38,377,920</u>
Weighted average number of BUCs outstanding, basic	<u>22,639,852</u>	<u>22,582,055</u>	<u>22,639,877</u>	<u>22,581,421</u>
Net income per BUC, basic	<u>\$ 0.85</u>	<u>\$ 0.74</u>	<u>\$ 1.45</u>	<u>\$ 1.74</u>
Total CAD per BUC, basic	<u>\$ 0.62</u>	<u>\$ 0.74</u>	<u>\$ 1.43</u>	<u>\$ 1.70</u>
Cash Distributions declared, per BUC	<u>\$ 0.368</u>	<u>\$ 0.556</u>	<u>\$ 0.737</u>	<u>\$ 0.878</u>
BUCs Distribution declared, per BUC	<u>\$ 0.07</u>	<u>\$ -</u>	<u>\$ 0.07</u>	<u>\$ -</u>



## Balance Sheets

	June 30, 2023	December 31, 2022
<b>Assets</b>		
Cash and cash equivalents	\$ 59,246,152	\$ 51,188,416
Restricted cash	45,764,758	41,448,840
Interest receivable, net	10,315,367	11,628,173
Mortgage revenue bonds	905,963,979	799,408,004
Governmental issuer loans, net	302,172,903	300,230,435
Property loans, net	142,903,262	175,109,711
Investments in unconsolidated entities	106,295,533	115,790,841
Real estate assets, net	35,563,000	36,550,478
Other assets	48,458,219	35,774,667
<b>Total Assets</b>	<b>\$ 1,656,683,173</b>	<b>\$ 1,567,129,565</b>
<b>Liabilities</b>		
Accounts payable, accrued expenses and other liabilities	\$ 22,468,434	\$ 21,733,506
Distribution payable	9,322,108	10,899,677
Secured lines of credit	12,500,000	55,500,000
Debt financing, net	1,154,029,163	1,058,903,952
Mortgages payable and other secured financing, net	1,690,000	1,690,000
<b>Total Liabilities</b>	<b>1,200,009,705</b>	<b>1,148,727,135</b>
Redeemable preferred units	112,421,303	94,446,913
<b>Partners' Capital</b>		
General Partner	488,564	285,571
Beneficial Unit Certificate holders	343,763,601	323,669,946
<b>Total Partners' Capital</b>	<b>344,252,165</b>	<b>323,955,517</b>
<b>Total Liabilities and Partners' Capital</b>	<b>\$ 1,656,683,173</b>	<b>\$ 1,567,129,565</b>

## Tax Income Information Related to Beneficial Unit Certificates

The following table summarizes tax-exempt and taxable income as percentages of total income allocated to the Partnership's BUCs on Schedule K-1 for tax years 2020 to 2022. This disclosure relates only to income allocated to the Partnership's BUCs and does not consider an individual unitholder's basis in the BUCs or potential return of capital as such matters are dependent on the individual unitholders' specific tax circumstances. Such amounts are for all BUC holders in the aggregate during the year. Income is allocated to individual investors monthly and amounts allocated to individual investors may differ from these percentages due to, including, but not limited to, BUC purchases and sales activity and the timing of significant transactions during the year.

	2022	2021	2020
Tax-exempt income	25%	32%	215%
Taxable income (loss)	75%	68%	-115% <sup>(1)</sup>
	100%	100%	100%

<sup>(1)</sup> The taxable loss in 2020 is due primarily to net rental real estate losses that exceeded gains on sale for tax purposes during the year related to the Partnership's investment in unconsolidated entities.