



VENTANA FUND
NEW MEXICO

An Overview of Building Wealth in Investment Real Estate

FINANCING NEW MEXICO'S AFFORDABLE HOUSING

Investing in
New Mexico



FINANCING NEW MEXICO'S AFFORDABLE HOUSING

What is Generational Wealth?

Underwritten by Ventana Fund as part of our Education Initiative



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About the Instructor Todd Clarke, CCIM, CIPS

- NM Apartment Advisors Inc.
Owner/Qualifying Broker
- Cantera Consultants & Advisors
Owner/Consultant, Inc.
- Co-founder of Commercial Association
of Realtors in NM
- Realtor Good Neighbor Award (GAAR)
for efforts on behalf of the Ventana
Fund (2020)
- CARNM Founders Award (2019)
- Sold over 15,000 Apartment Units
- International Award Winning instructor
for CCIM institute, 25 years, 5,000_
students with over 200 classes





About the Instructor

Amanda Velarde, MBA, CCIM

- CEO Tamaya Ventures overseeing 1700+/- Acres at Santa Ana Pueblo
- 2024 Biz First Woman of Influence
- Broker Specializing in Land Transactions
- New Mexico Real Estate License 2005/QB (2017)
- Property Manager Commercial and Multi-housing
- Albuquerque Business First 40 Under Forty (2019)
- Economic Development Leadership Class (2020)
- Master of Business Administration, University of Phoenix



Investor 6-Step Course Series

Step 1: Connecting the Pieces to become an Investor

Step 2: The Business of Investments

Step 3: 5 C's of Credit- How the loan process works and discover how to navigate the loan process.

Step 4: Benchmarks Part 1- Speak the Language

Investment Basics A to Z- Part Two: Know the Numbers (the analysis)

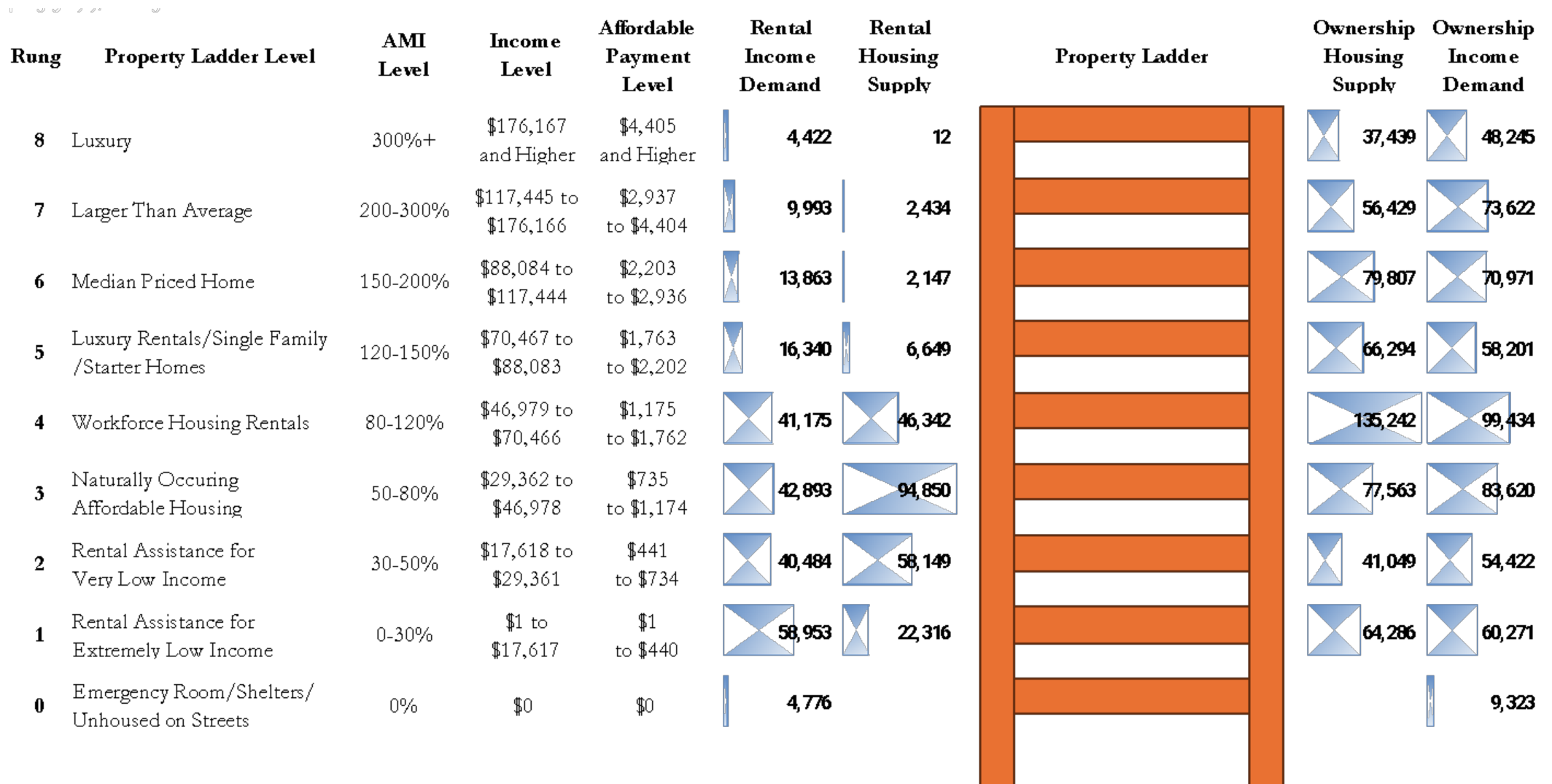
Step 5: 6 Unfounded Fears of Property Management- How to Hire a Professional Property Manager, Fair Housing, Diversity and the Law

Step 6: Capstone Course – Apply your knowledge

Overview of 6 Courses

- 1. Connecting The Pieces To Become An Investor:** By assembling key skills and knowledge to become a successful investor this step provides a comprehensive overview of the essential skills and knowledge required to become an investor. This course covers items such as understanding financial components, loan types, and how to build wealth.
- 2. The Business of Investing:** Connecting the pieces to becoming an investor and build wealth.
- 3. Understanding the Loan Process Through the 5 C's of Credit and Securing Funding:** This class covers the details of the loan process, explaining the 5 C's of Credit (Character, Capacity, Capital, Collateral, and Conditions), and strategies for securing funding for investment opportunities.
- 4. Navigating the Investment Industry Landscape:** Part 1: This course offers insights into the business side of investing, including understanding market trends, regulatory environment, and investment strategies.
Part 2: **Mastering Investment Analysis: A Deep Dive into Financial Metrics:** This step course focuses on the analytical aspect of investing. This course covers how to create financials, IRR, Cap Rates, NOI and understanding key financial metrics, and make informed investment decisions based on these analyses.
- 5. Overcoming Unfounded Fears of Property Management - Strategies for Hiring Professional Managers and Understanding Legal Responsibilities:** This course addresses common concerns in property management, provide guidance on hiring professional property managers, and explain the legal aspects of fair housing and diversity laws.
- 6. Capstone Course: Applying Your Investment Knowledge in Real-World Scenarios:** The final course is a comprehensive overview with an opportunity to use your skills by diving into a real property, it allows students to apply the knowledge and skills they've acquired throughout the course in real-world investment scenarios.

Property Ladder





About us

Ventana Fund is a non-profit Community Development Financial Institution Fund (CDFI) headquartered in New Mexico. We are dedicated to financing the creation and preservation of affordable multi-family housing by providing low-interest loans for Developers who serve New Mexico's low income residents in high need communities.



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Community Development Financial Institution Fund



FINANCING NEW MEXICO'S AFFORDABLE HOUSING

Our Projects

Ventana Fund is committed to financing affordable housing in low-income communities, underserved by traditional financial institutions.

Our target market within New Mexico include low-income populations earning less than 80 percent of the area's median income. Ventana Fund also focuses on hard-to-finance projects, such as older rental projects needing rehabilitation.



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Community Development Financial Institution Fund



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Personal Financial Statement

- 1) Tell your story
- 2) Scan the QR Code
- 3) Prepare a draft of your own personal financial statement
- 4) 15 mins to complete the financial statement



Proforma



QR Code to a
Blank Proforma

Internal Rate of Return (IRR)

		Year					Calculated for 1st year of next owners, ownership
		1	2	3	4	5	6
Total Potential Market Income	3.0% Increases	\$46,740	\$48,142	\$49,586	\$51,074	\$52,606	\$54,184
2 Less: loss to market lease	10.4%	\$4,860	\$5,006	\$5,156	\$5,311	\$5,470	\$5,634
3 Total Potential Income (Max Rent)		\$41,880	\$43,136	\$44,430	\$45,763	\$47,136	\$48,550
4 Less: Loss to lease	10.0%	\$4,200	\$4,326	\$4,456	\$4,589	\$4,727	\$4,869
5 Total Income		\$37,680	\$38,810	\$39,975	\$41,174	\$42,409	\$43,681
6 Less: vacancy	5.0%	\$1,884	\$1,941	\$1,999	\$2,059	\$2,120	\$2,184
7 Effective Rental Income		\$35,796	\$36,870	\$37,976	\$39,115	\$40,289	\$41,497
8 Plus: Other Income	2.0% Increases	\$0	\$0	\$0	\$0	\$0	\$0
9 Gross Operating Income		\$35,796	\$36,870	\$37,976	\$39,115	\$40,289	\$41,497
Total Operating Expenses	1.5% Increases	\$14,485	\$14,702	\$14,922	\$15,146	\$15,373	\$15,604
Net Operating Income		\$21,311	\$22,168	\$23,054	\$23,969	\$24,915	\$25,893
Mortgage Balance		\$257,690	\$252,695	\$247,509	\$242,123	\$236,532	
ADS		\$14,624	\$14,624	\$14,624	\$14,624	\$14,624	
- Principal Reduction		\$4,810	\$4,995	\$5,186	\$5,385	\$5,592	
= Mortgage interest		\$9,814	\$9,629	\$9,438	\$9,239	\$9,032	
- cost recovery (annual)	27.5 yrs 1. 80%	\$9,758	\$10,182	\$10,182	\$10,182	\$9,758	includes mid mon
= Taxable Income		\$1,740	\$2,357	\$3,434	\$4,549	\$6,125	
Tax on income at ordinary income rate of	2. 35%	\$609	\$825	\$1,202	\$1,592	\$2,144	
NOI		\$21,311	\$22,168	\$23,054	\$23,969	\$24,915	
- Annual Debt Service		\$14,624	\$14,624	\$14,624	\$14,624	\$14,624	
= Cash Flow Before Tax		\$6,688	\$7,544	\$8,430	\$9,345	\$10,291	
- Less Ordinary Income Tax		\$609	\$825	\$1,202	\$1,592	\$2,144	
= Cash Flow After Tax		\$6,079	\$6,719	\$7,228	\$7,753	\$8,148	

Sales Worksheet	
Calculation of Adjusted Basis	
Basis at Acquisition	\$350,000
+ Capital Additions	
-Cost Recovery (Depreciation) Taken	\$50,061
=Adjusted Basis at Sale	\$299,939
Calculation of Capital Gain	
Disposition CAP Rate	6.1%
Sale Price	\$425,250
-Costs of Sale	\$34,020
-Adjusted Basis at Sale	\$299,939
=Gain or (Loss)	\$91,291
-Straight Line Cost Recovery (limited to gain)	\$50,061
=Capital Gain from Appreciation	\$41,230
Calculation of Sales Proceeds after tax	
Sale Price	\$425,250
-Cost of Sale	\$34,020
-Mortgage Balance(s)	\$236,532
=Sale Proceeds Before Tax	\$154,698
-Tax: Straight Line Recapture at	25.0% \$12,515
-Tax on Capital Gains at	20.0% \$8,246
=SALE PROCEEDS AFTER TAX:	\$133,937

As a commercial real estate investor, the federal tax code gives you three advantages compared to other investments including:

1. Deduct your annual mortgage interest before you calculate your taxable amount;
2. Deduct your cost recovery/depreciation before you calculate your taxable amount, in the future when you sell the property, you only pay back 25% of the benefit you received;
3. Your long term profit, or capital gain, is taxed at 20%

The combination of these benefits could help lower an investor's effective federal tax rate from 35% federal tax rate to only 20%.

n	\$	
0	\$	(87,500)
1		\$6,688
2		\$7,544
3		\$8,430
4		\$9,345
5		\$10,291 +
		\$154,698

n	\$	
0	\$	(87,500)
1		\$6,079
2		\$6,719
3		\$7,228
4		\$7,753
5		\$8,148 +
		\$133,937

Investor's Effective Tax Rate =



Measurable Goals



Goal 1:	
Description:	
<i>What is the goal?</i>	
Measurable Outcome:	
<i>How will you measure success?</i>	
Action Steps: 1. 2. 3.	
Deadline:	
<i>When do you want to achieve this goal?</i>	
Goal 2:	
Description:	
<i>What is the goal?</i>	
Measurable Outcome:	
<i>How will you measure success?</i>	
Action Steps: 1. 2. 3.	
Deadline:	
<i>When do you want to achieve this goal?</i>	
Goal 3:	
Description:	
<i>What is the goal?</i>	
Measurable Outcome:	
<i>How will you measure success?</i>	
Action Steps: 1. 2. 3.	
Deadline:	
<i>When do you want to achieve this goal?</i>	



Buy Box Checklist for Real Estate

1. Location:	
Neighborhood: Desired neighborhoods or areas	
Proximity: Distance to schools, parks, shopping centers, public transportation	
Growth Potential: Areas with potential for appreciation	
2. Property Type:	
Single-Family Homes	
Multi-Family Homes	
Condos/Townhouses	
Commercial Properties	
Vacant Land	
3. Property Size:	
Square Footage: Minimum and maximum square footage	
Number of Bedrooms: Minimum number of bedrooms	
Number of Bathrooms: Minimum number of bathrooms	
Lot Size: Desired lot size	
4. Property Condition:	
Turnkey: Move-in ready properties	
Fixer-Uppers: Properties needing renovation	
Age of Property: Preferred age range of the property	
Maintenance: Low maintenance requirements	
5. Financial Criteria:	
Purchase Price: Maximum purchase price	
Down Payment: Minimum down payment amount	
Cash Flow: Positive cash flow potential	
Cap Rate: Desired capitalization rate	
GRM (Gross Rent Multiplier): Acceptable GRM range	
CoC (Cash-on-Cash Return): Minimum acceptable cash-on-cash return	

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Thank you

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