



# Pacific Northwest Regional Preservation Academy

## Preservation of HUD Assisted Housing

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- **What is HUD Affordable Housing?**
- **How to Maintain Affordability?**



## Efforts to Preserve Affordable Housing

- **Section 202/811 Capital Advance Programs**

[https://www.hud.gov/sites/dfiles/Housing/documents/H-2019-09-PIH-2019-23\\_RAD\\_Notice%20Rev4\\_20190905.pdf](https://www.hud.gov/sites/dfiles/Housing/documents/H-2019-09-PIH-2019-23_RAD_Notice%20Rev4_20190905.pdf)



# Section 202/8 Prepayment Advantages

- Refinancing
- Improved income stream
- Annual Rent Increases
- Distributions



# Section 8 Renewal Guidebook

- Option 1
- Option 2
- Option 3
- Option 4
- Option 5
- Chapter 15 (MUTB)



# Tips for Successful Contract Renewals

- Complete and accurate submission
- Timely submission
- Communication with HUD and Contract Administrator

# Ya-Po-Ah Terrace Eugene, Oregon

- ✓ Refinanced with two HUD insured mortgages 221(d)(4) Substantial Rehabilitation
- ✓ Bifurcated Section 8 Contract into two Section 8 Contracts
- ✓ FHA and CDBG financing



# QUESTIONS?





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## Affordable Housing Preservation with HOME Funding

Andrea Matthiessen  
OHCS HOME Program Manager



# What is HOME Funding?

- Allocated by HUD to Participating Jurisdictions (PJs) based on population and poverty criteria
- Individual PJs will have their own program priorities and funding priorities, required to spelled out in their annual Consolidated Plan approved by the local HUD office.
- Information on HOME Program PJs can be found on [HUD Exchange website](#).

# Using HOME Funding for Preservation

- Can be provided as a grant or loan to eligible projects
- Used for acquisition and/or to address repair needs, energy upgrades, deferred maintenance, and ongoing property sustainability
- Can be combined with other state and local resources, including tax credits
- Can provide operating support for eligible Community Housing Development Organizations (CHDOs).



# OHCS HOME Preservation NOFA Definition

Any Project with one of the following:

- A **HUD Section 8 Project-Based Rental Assistance Contract** that is expiring within seven (7) years of the date of the OHCS NOFA application; or
- A **USDA Rural Development direct mortgage** that is maturing within seven (7) years of the date of the OHCS NOFA application; or
- A **USDA Rural Development project** that has a pending prepayment request; or
- A **USDA Rural Development project** whose restrictive use covenants have expired; or
- A **Project with Public Housing Units** undergoing a preservation transaction involving a comprehensive recapitalization, including those converting to HUD Section 8 projects under the HUD Rental Assistance Demonstration or projects under the HUD Section 18 Demolition and Disposition ; or
- A **OHCS Portfolio Project** whose regulated affordability restrictions will expire within five (5) years of the date of the OHCS NOFA application.



# HOME Program Funding Limits

## Minimum HOME Funding:

- \$1,000 per unit
- \$500,000 per project

## Maximum 2020 Per-unit Subsidies:

- Total HOME NOFA request cannot exceed the total of the maximum per unit subsidies (below) for the HOME units included in the project.

Zero Bedroom	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom
\$153,314	\$175,752	\$213,717	\$276,482	\$303,489



# HOME CHDO Set-aside & Operating Support

## **HOME CHDO Set-aside**

- 15% of annual HOME allocation must be awarded to certified CHDOs
- CHDO must be acting as developer, owner, or sponsor of the HOME project

## **Community Housing Development Organization (CHDO)**

- Private nonprofit
- Demonstrated Capacity
- Geographically defined service area
- Board composition requirements

## **CHDO Operating Grants**

- Awarded to CHDO is working on a HOME eligible project
- Up to \$50,000 annually



# HOME Cross-cutting Regulations

## **Environmental Review**

- No choice limiting actions until complete

## **Uniform Relocation Act**

- General Information Notices provided to tenants prior to applying for HOME dollars

## **Lead Safe Housing Rule**

- Applies to properties built before 1978 (some exceptions apply)
- Testing methodology is prescribed by HUD, a risk assessment is required

## **Davis Bacon Labor Standards**

- Prevailing wage requirements for properties with more than 12 HOME units

