

Multifamily Housing Programs

California Community Transition

October 1, 2014

Presented by:

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Goto Meeting Logistics

- Dial in via the phone number on the screen and use the access code:**
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CCT Housing Specialist/Transition Coordinators Training

Series of 4 1-hour trainings

- 1. Affordable Housing Delivery System**
- 2. Fair Housing Tools: Reasonable Accommodation and Reasonable Modification (9/24)**
- 3. Multifamily Housing Programs (10/1)**
- 4. Engaging Your PHA to Increase Access to Resources (10/08)**

Overview

- ❑ **Overview of the Multifamily Programs**
- ❑ **Review of certain Multifamily Programs**
- ❑ **How to locate properties and identify property managers**
- ❑ **Strategies for developing set-asides, preferences and collaborations within multifamily developments**

The background features a vertical gradient from dark blue at the top to green at the bottom. Scattered throughout are numerous white circles of varying sizes, some overlapping, creating a bokeh-like effect.

Overview of the Multifamily Programs

Review: Types of Assistance

Project based

- Specific building/unit is subsidized
- Person must live in the building/unit in order to get assistance with rent
- Example: Multifamily rental housing

Tenant based

- Subsidy is tied to the person
- Subsidy is portable and can move with the person (within program limits)
- Example: Housing Choice Vouchers

Owners

- Housing Authorities [*next webinar*]**
 - Tenant and/or project-based programs**
 - “one-stop” shopping**

- Private Developers/Owners**
 - Project-based programs**
 - Single sites**

Types of Rents

- Income based rent**
- Tenant pays 30% of their income for rent**
- HUD/USDA pays difference between 30% and total rent**
- Housing Choice Voucher Program, Public Housing, Project-based Section 8, Section 202 and 811**

- Flat rent**
- Tenant pays a rent that is less than market value**
- Owner does not get any additional rent**
- Rent may be more than 30% of tenant's income**
- Some HUD/USDA Multifamily Housing, LIHTC**

Consumer's Perspective

What is the same?

What is different?

Examples of HUD Multifamily Housing

- Section 8 Project-Based Assistance**
- Section 202 Supportive Housing for the Elderly**
- Section 811 Supportive Housing for Persons with Disabilities**
- Section 221(d)(3) Below-Market Interest Rate (BMIR)**
- Section 236**
- Section 8 New Construction (Substantial or Moderate Rehabilitation)**

Examples of USDA Multifamily Housing

- ❑ **Rural Rental Housing Program (Section 515)**
- ❑ **Rental Assistance Program (Section 521)**
- ❑ ***Rural Rental Housing Guaranteed Loan Program (Section 538)***

IRS

**Low Income Housing Tax Credit
Program (LIHTC)**

Multifamily Rental Programs

Section 811

- Allows persons with disabilities to live as independently as possible in the community by subsidizing rental housing opportunities which provide access to appropriate supportive services.**
- Nonprofit developers/owners**
- Project based assistance**
- Income based rent**

Section 811

- Traditional: interest-free capital advances and operating subsidies to nonprofit developers of affordable housing for persons with disabilities**
 - independent living projects**
 - condominium units**
 - small group homes**

- New: project rental assistance to state housing agencies**

Section 202

- Supportive housing for very low-income elderly persons, including the frail elderly, and provides rent subsidies for the projects to help make them affordable**
- Nonprofit developers/owners**
- Project based assistance**
- Income based rent**

Section 202

- Elderly defined as 62 years and older**
- Capital advances to finance the construction, rehabilitation or acquisition with or without rehabilitation of structures and operating subsidies to nonprofit developers**

LIHTC

- ❑ **Internal Revenue Services Program (not HUD, USDA)**
- ❑ **Key players: CHFA, Owners, Investors**
- ❑ **Qualified Allocation Plan (QAP)**

<http://www.treasurer.ca.gov/ctcac/tax.asp>

LIHTC Program – How it Works

- ❑ IRS allocates tax credits to states – usually Housing Finance Agencies**
- ❑ Federal housing tax credits are awarded to developers of qualified projects**
- ❑ Developers then sell these credits to investors to raise capital (or equity) for their projects, which reduces the debt that the developer would otherwise have to borrow. Because the debt is lower, a tax credit property can in turn offer lower, more affordable rents.**

Low Rents

- ❑ **Flat – below market – rents**
- ❑ **20-50 Rule: At least 20 percent of the units must be rent restricted and occupied by households with incomes at or below 50 percent of the HUD-determined area median income (adjusted for household size); or**
- ❑ **40-60 Rule: At least 40 percent of the units must be rent restricted and occupied by households with incomes at or below 60 percent of the HUD-determined area median income (adjusted for household size).**

EXAMPLE

Area Median Income	Efficiency Unit	One Bedroom Unit
50% of AMI	\$818	\$876
60% of AMI	\$982	\$1,052

Other Multifamily Programs

- Section 221(d)(3) Below-Market Interest Rate (Section 221(d)(3) BMIR)**
- Section 236**
- Rental Assistance Payment (RAP)**
- Rent Supplement**
- Section 8 Project-Based Assistance**

USDA (CA)

- Section 515 - Family Projects (RRH)**

- 279 developments**

- 13,263 units: 7,929 RA units and 1,197 Section 8 units**

- Section 515 -Elderly Projects (RRH)**

- 125 developments**

- 5,782 units: 4,680 RA units and 170 Section 8 units**

Reference Materials

- ❑ **HUD Handbook 4350.3 Occupancy Requirements of Subsidized Multifamily Housing**
 - ❑ **Also applies to LIHTC**
- ❑ **USDA Rural Housing HB-2-3560 MFH Asset Management Handbook**

Housing Search

HUD Housing Search

- ❑ http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/hto/inventorysurvey
- ❑ http://portal.hud.gov/hudportal/documents/huddoc?id=DOC_13024.pdf
- ❑ <http://www.hud.gov/apps/section8/step2.cfm?state=CA%2CCalifornia>

CA State Govt. Housing Search

- ❑ <http://www.hcd.ca.gov/fa/affordable-housing.html>
- ❑ <http://www.calhfa.ca.gov/multifamily/rental/>

USDA Rural Housing Search

- http://rdmfhrentals.sc.egov.usda.gov/RDMFHRentals/select_state.jsp

Application Process

- ❑ **Critical differences:**

- ❑ **Generally must apply to each individual development; occasionally property management will combine applications**

- ❑ **More stringent background checks, e.g. credit checks**

- ❑ **Somewhat less regulated than public housing programs**

COLLABORATIONS

Preferences

- Owners may adopt a preference to select families that include a person with a disability**
- Owners may not create preferences for persons with a specific type of disability (unless allowed in the controlling documents for the property)**

Thank You

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