



Preservation of Existing Affordable Housing

2016 Housing Summit
Oklahoma City

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National Housing Trust



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- The National Housing Trust **protects and improves existing affordable rental** homes so that low income individuals and families can live in quality neighborhoods with access to opportunities.
- NHT engages in **public policy** development and advocacy that is informed by practice and experience through on the ground **real estate development, lending, and multifamily ownership**.



What is Preservation?

- When a privately owned, subsidized rental property is preserved, action is taken to ensure the federal subsidy and low-income restrictions remain in place, preserving long-term affordability.
- This is usually combined with raising new capital to repair the property.
- Often the property is transferred to a new owner who is committed to the long-term affordability of the property.



Galen Terrace, 84 homes in Washington, DC preserved by NHT/Enterprise



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Why is this stock at risk?



Market Risk

- Strong market- Gentrification
- Weak market- Downward pressure on rents

Policy Risk


- Owners “opt out” or mortgages are prepaid or mature
- HUD takes enforcement action

Owner Capacity/ Interest

- Owner may want out of the business
- Owner may lack capacity to maintain/ recapitalize housing

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Why Preserve?

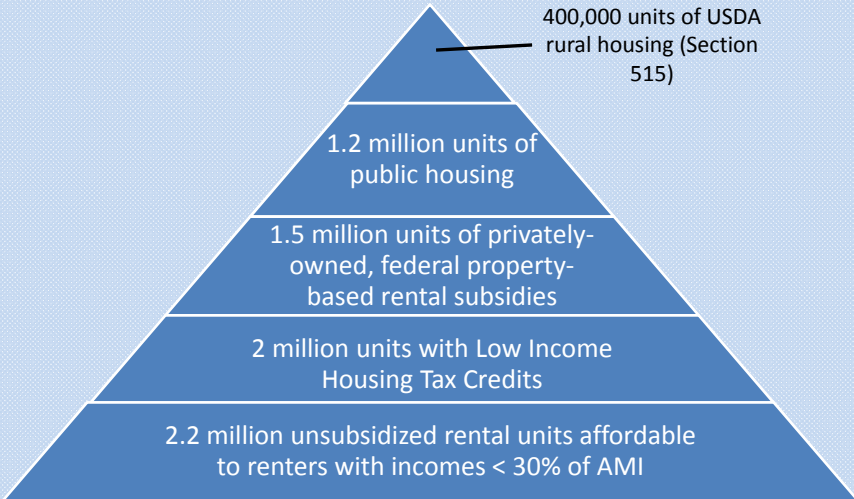


Stable rental housing is critical to Arizona's healthy communities.	It is <i>stable</i> housing, not tenure, that is key to providing quality of life benefits.
The supply of affordable apartment homes is decreasing.	For every new affordable apartment created, two are lost due to deterioration, abandonment or conversion to more expensive housing. Without preserving existing affordable housing, we fall two steps back for every step we take forward.
Preserving affordable housing is cost effective.	Rehabilitating an existing affordable apartment uses 40% less tax credit equity than new construction (2014).
Preserving affordable housing creates jobs quickly.	Rehabilitating existing housing is faster than building new housing, creating local jobs sooner.
Preservation is inherently green and energy efficient.	The greenest building is the one already built. Rehabilitation produces less waste and uses less new materials than new construction.

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What do we want to preserve?





400,000 units of USDA rural housing (Section 515)
1.2 million units of public housing
1.5 million units of privately-owned, federal property-based rental subsidies
2 million units with Low Income Housing Tax Credits
2.2 million unsubsidized rental units affordable to renters with incomes < 30% of AMI

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National Issue, Local Challenge: Components of Successful Preservation Strategies



Data Collection and Analysis

- Identify "at risk" affordable housing
- Assess resource needs

Policy and Program Coordination

- Align program requirements to support preservation
- Breakdown agency silos
- Preservation Collaboratives

Dedicated Funding for Preservation

- LIHTC and housing trust fund set asides
- Public-private funds for predevelopment, acquisition

Commitment to Sustainability

- Incentives for green preservation
- Integrate affordable housing preservation into TOD

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Data & Early Warning Systems



- Good policy follows good information: local data about the at-risk stock are essential.
- Create an Early Warning System with property data that indicate whether a property is at-risk.
- *The [National Housing Preservation Database](http://www.preservationdatabase.org/)* provides communities with the information they need to effectively preserve their stock of public and affordable housing. It incorporates all available data on federally subsidized housing properties and includes nine separate funding streams.

Property Name	Property Address	City	State	Zip	County	CD	Subsidy End Date	Total Units	Active Subsidies	Owner	Devel Type
08 SOUTHWOODS APARTMENTS	1308 SW 44th St	Oklahoma City	OK	73119-4347	Oklahoma	5	05/30/2022	101	1	Southwoods 100 Affordable Housing LP	For Profit
09 PERSHING CENTER L21	2400 General Pershing Blvd	Oklahoma City	OK	73107-6400	Oklahoma	5	06/10/2026	60	2	CITY CARE OF OK INC	Non-Profit
10 4315 N PENNINGTON	4315 N Pennington Ave	Oklahoma City	OK	73112-0911	Oklahoma	5	09/25/2004	72	0	Housing Authority of the City of Oklahoma City	Non-Profit
11 SOUTHWEST VILLAGES LONDON SQUARE VILLAGE APARTMENTS (1)	145 SW 27th St	Oklahoma City	OK	73108	Oklahoma	5		370	1	Housing Authority of the City of Oklahoma City	Non-Profit
12 WESTLEY VILLAGE RETIREMENT COMMUNITY	300 NW 12th St	Oklahoma City	OK	73107-3726	Oklahoma	5	02/28/2026	200	2	LONDON SQUARE ASSOCIATES LP (1)	For Profit
13 BERRYWOOD TERRACE	4301 S Bryant Ave	Oklahoma City	OK	73111-0143	Oklahoma	5	01/30/2024	85	1	Welder Village, LP	For Profit
14 TEMPLE GARDENS	1535 NE 48th St	Oklahoma City	OK	73111-0143	Oklahoma	5	12/30/2021	50	1	Broadview Terrace Corporation	Non-Profit
15 CHELSEA TERRACE	4th & Ash	Oklahoma City	OK	73111	Oklahoma	5	09/23/2025	38	1	ABERDEEN AGING AGENCY INC	Non-Profit
16 ANDREWS SQUARE	2201 S Harvey Ave	Oklahoma City	OK	73109-5960	Oklahoma	5		202	1	Housing Authority of the City of Oklahoma City	Non-Profit
17 GANDY LANE SENIOR CENTER	5301 N Meridian Ave	Oklahoma City	OK	73112-2191	Oklahoma	5		202	1	Housing Authority of the City of Oklahoma City	Non-Profit
18 BROOK VILLAGE SENIOR APARTMENTS	1401 SW 89th St	Oklahoma City	OK	73159	Oklahoma	5	12/30/2026	40	1	Brook Village Senior Apartments, LP	For Profit
19 CITY CARE'S DUPLEXES AT WESTLAWN	9 Scuttman Drive Tr 5	Oklahoma City	OK	73107	Oklahoma	5	12/30/2023	24	1	WESTLAWN GARDENS LP 1	Non-Profit
20 613 NW 30TH CATHOLIC CHARITIES	613 NW 30th St	Oklahoma City	OK	73118-7130	Oklahoma	5	08/20/2021	6	1		Non-Profit
21 1318 NW 8th St	1318 NW 8th St	Oklahoma City	OK	73106-7006	Oklahoma	5		12	1	CONTINENTAL FEDERAL SBL	For Profit

Subsidized units expiring before 1/1/2021

Oklahoma: 48,502
Oklahoma City: 7,936

<http://www.preservationdatabase.org/>

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State Databases



FLORIDA HOUSING DATA CLEARINGHOUSE
Improving Housing Decisions

Preserve Oregon Housing

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Preservation Database - Search

Search by...

Property Name

(enter any part of the property name)

Company Name (Owner)

(enter any part of the company name)

County

Please select.

Year Built (Between) to

YYYY to YYYY

Status

Please select.

Overall Expiration Date HUD PRBA Contract to

MM/DD/YYYY to MM/DD/YYYY

City

(select up to five)

Subsidy Program Type

Please Select.

Zip Code

(3 digits)

All these and more can be found on
www.prezcat.org

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Policy & Program Coordination



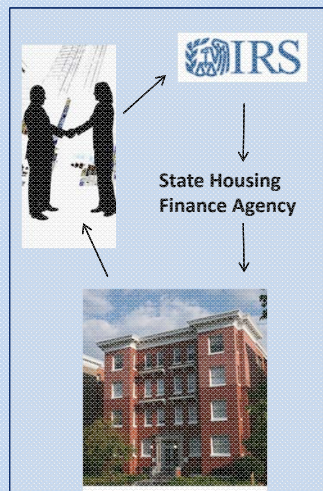
State/City	Approach
Illinois	Interagency Council coordinates housing agencies at the federal, state, county and city levels in Cook County through the tracking of at-risk properties, coordination of resources and outreach to owners.
Massachusetts	<ul style="list-style-type: none"> - Prioritization matrix to guide funding for preservation across state agencies; - Developing a shared appraisal guidelines across state agencies; - Achieving consensus on the preservation set-aside in the QAP, etc.
Minnesota	<ul style="list-style-type: none"> - Common application and joint review process (MN Housing, Family Housing Fund, the Greater MN Housing Fund & other coordinated funding partners) - Minneapolis and St. Paul and Hennepin and Ramsey Counties: collaborating partners, coordinating application processes with the Consolidated RFP.
Portland, OR	<p>2 level interagency working groups – senior officials looking at policy issues and staff level looking at technical & specific property issues.</p> <p>11x13 Preservation Campaign targeted 11 specific properties – successfully preserving 700 units.</p>
Others	<p>Ohio Preservation Compact: partnership involving local, state, federal and private for profit and nonprofit orgs.</p> <p>Washington State: common applications; collaborative review and awards; standardized policies & practices; coordinated closings; cost benchmarking</p>

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Tax Credit Equity & Qualified Allocation Plan Incentives

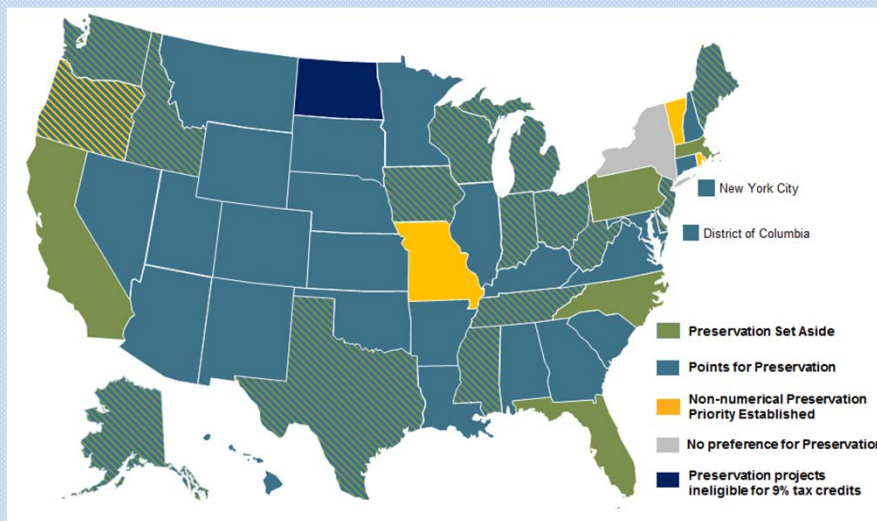


- LIHTCs are allocated and administered by state housing agencies.
- Has created or preserved nearly 2 million homes nationwide for families, elderly people, and people with special needs since 1986.
 - Currently, approximately 125,000/year
- Provides tax credits that developers use to raise capital for the acquisition, construction, or rehabilitation of affordable housing for low-income families.
- Agencies can establish selection criteria and promote objectives in a variety of ways:
 - Threshold requirements
 - Set-asides
 - Points



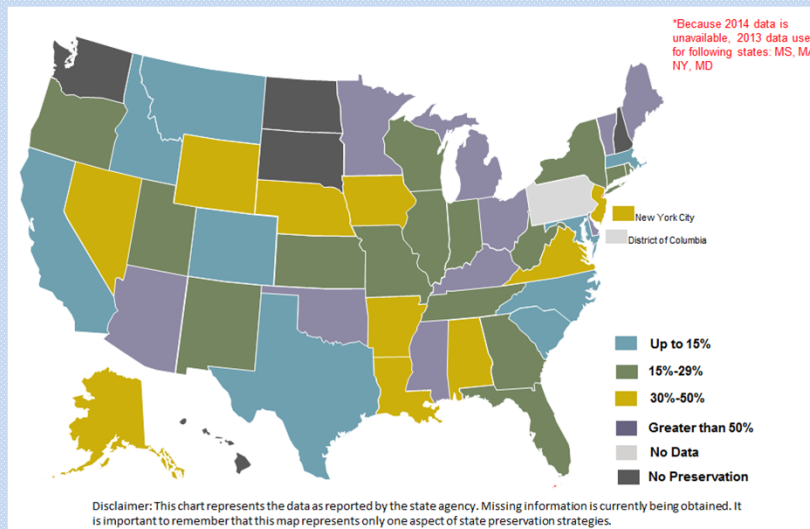
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Incentives for Preservation in QAPs (2015)

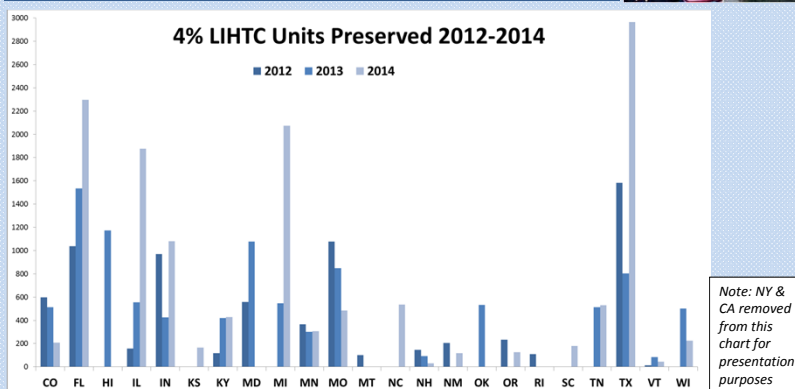


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Housing Credit Allocations to Preservation (2014)



4% LIHTC with Private Activity Bonds



- In 2014, more than 55% of states that utilized private activity bonds with 4% tax credits allocated a majority of those bonds for preservation.
- Diverse array of states using 4% tax credits for preservation
- Some states now require preservation projects applying for funding through QAP to consider 4% tax credits before requesting competitive 9% credits.

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Other Preservation Resources



- 4% tax credits and private activity bonds
 - States as diverse as California, Florida, Georgia, Missouri, Ohio, Pennsylvania and Virginia have been able to use 4% tax credits for a significant amount of preservation
- State and Local Housing Trust Funds
 - At least 30 state housing trust funds support affordable housing preservation. Some states award a preference for preservation (including CO, IL, IN, LA, UT, VT, WA and DC).
 - Many more local and country trust funds support preservation.
- Predevelopment and bridge loans
- States are taking a holistic approach to funding housing preservation.

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QAPs & Areas of Opportunity



- States have wide variety of definitions re: opportunity language in their QAPs
- Varying levels of sophistication & sensitivity
- Currently, at least 16 states are encouraging developers to use LIHTC to build/preserve MF housing in opportunity neighborhoods

	Economic/Job Growth	Good Schools	Low Poverty	Community Stability
AL			X	
AK	X			
AZ	X	X		
CT			X	X
DE				X
GA		X	X	
IL	X		X	
KS	X			
LA		X	X	
MA	X	X	X	X
MD	X	X	X	X
ME	X		X	
MI	X			X
MN	X			
MO			X	
MS	X		X	
NC			X	
NJ	X	X		
NY		X		X
OH*			X	
PA	X		X	X
TX		X		
VA			X	
WA	X	X		X
WI	X			
WV	X	X	X	X

*Ohio's fair housing incentives apply to new rental units only.

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Targeting Housing Credits Towards Green



- States use their QAPs to prioritize green building and energy efficiency
 - ✓ Threshold criteria
 - ✓ Points in the project scoring criteria;
- Standards include USGBC's LEED, Enterprise Green Communities, EarthCraft, others. Many states combine these standards or develop their own.
 - ✓ Require/encourage energy audits to identify cost-effective energy savings measures to be included in scope of work.
 - ✓ Points for demonstrating certain level of energy savings above a pre-retrofit baseline.
- 45 states incorporate separate green criteria for new construction vs. rehabilitation



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Utilities as a Resource



Annual Utility Spending on Efficiency Investments in Buildings



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Utilities as a Resource



- ✓ The **Maryland Department of Housing and Community Development** is providing financial assistance to owners through the Multifamily Energy Efficiency and Housing Affordability program, which is funded by the state's investor-owned utilities.
- ✓ The **Wisconsin Housing and Economic Development Authority** awards points to developers who participate in a Focus on Energy Consultation. Focus on Energy is Wisconsin utilities' energy efficiency and renewable resource program.
- ✓ The **Connecticut Housing Finance Agency** requires applicants to submit an Energy Conservation Plan that includes information regarding the applicant's efforts to pursue other energy efficiency-related funding opportunities including utility-sponsored incentive commitments.
- ✓ **Minnesota Housing** requires developments that receive tax credits to provide an Energy Rebate Analysis, detailing a list of utility-sponsored, local, regional, or federal energy efficiency rebate programs the property is eligible for.

For additional information see: <http://energyefficiencyforall.org/>

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www.PrezCat.org



www.prezcat.org

Three Access points:

1. Keyword Search
2. Pre-set Categories
3. Map



www.PrezCat.org



Search Results 9% LIHTC

- Middle - main research results
- Left side – drill into subcategories
- Right side – related national resources

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For more information...



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