



# HUD/Federal Funding Overview

# Agenda

- ▶ What is LISC?
- ▶ Federal Funding Options for Senior Housing
- ▶ Examples of how funding can be used in projects



# LISC's Affordable Housing Work

LISC provides technical assistance and financing including predevelopment and construction funding, for nearly every aspect of housing development, from planning and acquisition to construction and renovation. LISC helps make quality, affordable housing available to low-income and vulnerable residents including seniors.

# Local Initiatives Support Corporation

- ▶ The San Antonio Office of LISC in conjunction with the LISC Housing Team provides support and technical assistance to government, nonprofit, and for-profit housing professionals; and
- ▶ Via consulting arrangements, the national LISC Housing Team provides a full array of one-on-one services for community development corporations, public housing authorities, and local governments including housing portfolio assessments, deal structuring, project underwriting, and creation and management of affordable housing funds.



# Types of Federal Funding Highlighted

- ▶ Section 202 PRAC (HUD)
- ▶ Section 223f or 221 (d) (4) (FHA-HUD)
- ▶ Low-Income Housing Tax Credits (through State)
- ▶ Section 8 Rental Assistance (through PHA/HUD)
- ▶ Weatherization Assistance Program (DOE, through State)
- ▶ HOME (through State, County, or City) (HUD)
- ▶ CDBG (through State, County, or City) (HUD)
- ▶ Opportunity Zones

# Why Necessary?

- ▶ Funding necessary because tenant incomes are not high enough to sustain market rents to support debt service and other operating costs
- ▶ Without these subsidies, many projects would not be built or preserved.

# Characteristic Requirements

- ▶ Use of Funds
  - ▶ Purpose (i.e. construction/rental assistance)
  - ▶ Design Requirements/Environmental Assessment
  - ▶ Davis-Bacon (labor wage requirements)
  - ▶ Procurement (most reasonable bidder)
  - ▶ Developer Fee/Other Underwriting restrictions
- ▶ Property Maintenance Requirements
- ▶ Owner Eligibility Requirements
- ▶ Fair Housing Requirements
- ▶ Renter Eligibility Restrictions
  - ▶ Renter Income Limits – Adjusted Median Income
  - ▶ Senior/Disability

# Benefits

- ▶ Lower Construction/Rehab Costs/Reduces Gaps in Operating budget (often grants/subsidy)
- ▶ Dedicated source of funding for affordable housing
- ▶ Encourages affordability
- ▶ Encourages fair housing



# Challenges

- ▶ Competition for funding
- ▶ Difficult/Lengthy Approval Process
- ▶ Rigid requirements
  - ▶ Restrictions in underwriting/developer fees
  - ▶ owner/tenant eligibility requirements
- ▶ Maintenance Requirements
  - ▶ Financial Audits
  - ▶ Tenant file audits/Income certifications
  - ▶ Project Inspections

# How to use federal sources to produce more units?

- ▶ Coordination among government officials and affordable housing stakeholders around local priorities.
  - ▶ Necessary because most affordable housing projects require a variety of financing sources
  - ▶ Priorities/planning to maximize federal sources



# Findlay Teller Apartments – Bronx, NY

# Findlay Teller Apartments

- ▶ 163 units
- ▶ Affordable to seniors up to 60% AMI
- ▶ 131 Studios, 32 – 1 BR
- ▶ Amenities
  - ▶ Commonspace
- ▶ Social Services Plan/Budget
  - ▶ 2 service coordinators; higher than average salary line.



# Finlay Teller Apartments – Bronx, NY

- ▶ Section 202/HAP Contract
- ▶ HUD Foreclosure
- ▶ City of New York, HUD NY, HUD Atlanta, LISC, NY State conversations on how to preserve the asset
- ▶ Bought at federal auction limited to nonprofits and allowed **Section 8 Rental Assistance** to remain with the Project
- ▶ NYC Acquisition Loan Fund \$4,519,966
- ▶ Financing for rehab: JP Morgan Chase, FHLB AHP, NYC HPD – PLP loan, NYSERDA, TD Bank, **Weatherization Assistance Program**

# Findlay Apartments - Building Amenities

- ▶ two new outdoor recreational spaces;
- ▶ a new green roof that will be partially covered with vegetation and a growing medium, planted over a waterproofing membrane.
- ▶ The building also provides 5 elevators, laundry facilities, and has 24-hour security.
- ▶ The project's design will incorporate features for the elderly, including shower bars, special lighting, and emergency call cords.
- ▶ The building includes generous common space, including a 200-seat auditorium, a 100-seat multipurpose room, and office space. These spaces will be used to provide social service and empowerment programs to the elderly and frail elderly tenants living in the building.



# Town Hall Apartments - Chicago

# A Testimony – Town Hall Apts.





# Town Hall Apartments - Project Details

- ▶ \$26M acquisition/rehab
- ▶ 79 units, 55+
- ▶ Located in heart of Chicago's gay and lesbian community
- ▶ LGBTQ-friendly (60/40%)
- ▶ Former police station, symbol of discrimination
- ▶ Neighborhood Amenities
  - ▶ Half a block – Social Service Provider/Senior Center
  - ▶ Near grocery stores
  - ▶ Near public transit
  - ▶ Near places of worship



# Building

# Amenities/Physical

▶ Building Amenities Include:

# Design

▶ landscaped terrace

▶ fitness room

▶ computer lab

# Town Hall Apartments - Funders

- ▶ Funding Sources: 9% LIHTC, HOME, IATHC, DCEO Energy-Efficiency Grant, Project Rental Assistance
- ▶ Funders:
  - ▶ City of Chicago Department of Housing and Economic Development
  - ▶ National Equity Fund
  - ▶ Citibank
  - ▶ BMO Harris Bank
  - ▶ Chicago Housing Authority
  - ▶ Illinois Department of Human Services
  - ▶ Illinois Department of Commerce and Economic Opportunity

# Conclusion

We look forward to working with you!

-LISC Housing Team