



PHFA

PENNSYLVANIA HOUSING FINANCE AGENCY

PHFA Initiatives to House and Support Persons with Disabilities

Presented to

“The Future of the Disability Housing Market” Conference

6/14/2011

Our Mission:

In order to make the Commonwealth a better place to live while fostering community and economic development, the Pennsylvania Housing Finance Agency provides capital for decent, safe and affordable homes and apartments for older adults, persons of modest means, and those with special housing needs

Today we will discuss PHFA's major initiatives to provide housing and services to people with disabilities in two areas:

- Multifamily Housing
- Homeownership

Can your lending institution, disability services organization or community development agency

Partner with PHFA?

Use PHFA & our Partners' Programs?

Share Information So that Others May Use our Programs?

Multifamily (Rental) Housing

- PHFA provides money for developers to build affordable apartments by using several different sources of federal funds, tax credits and the proceeds from bond sales.
- Distribution of resources is determined by specific funding rules, input from state partners and consumers, and population/market data. This input guides PHFA in creating programs and allocating funds for our competitive loans.

Multifamily Partnership Possibilities

- PHFA programs are typically one of 6-8 financial sources that developers need to build new apartments or complete substantial rehabilitation on existing properties. Your institution's investment will help construct rental housing with the following characteristics and supports for people with disabilities
- Alternatively, could your organization become a housing developer or partner with one to inform their design and marketing choices to promote housing options for people with disabilities?

Federal Low Income Housing Tax Credit (LIHTC):

- The major source of financing for affordable rental housing. PHFA is the designated allocating agency to administer Pennsylvania's 'Tax Credit' program.
- The amount of Tax Credits received by each state is determined on a per capita basis. PA receives approximately \$27.3 million in tax credits.
- Each state develops a plan for allocating the credits known as the Qualified Allocation Plan (QAP). Very competitive!

LIHTC: 2011 Qualified Allocation Plan

Accessibility & Services

Application requirements:

- New construction - each unit that can be accessed by a wheelchair user must be VisitAble
- Existing buildings/Rehabilitation – a minimum of 25% of the units must be VisitAble
- At least 10% of units must be affordable to persons at 20% Area Median Income; at least half of these units must be accessible

Application Incentives:

- Double the required number of accessible units.
- Staffing and setting aside funds to address the supportive service needs of all residents earns a development extra points (5 base plus 5 more)
- 5% Set Aside to create Permanent Supportive Housing

Permanent Supportive Housing (PSH) Set Aside

- Developers compete for these funds by committing to assist people with special needs to remain successful renters. The populations to be served include: homeless or at risk; people with disabilities; people with AIDs; Veterans, among others.
- Developers must designate up to 25% of the development (based on # of units) as affordable to the target group and agree to rent these units only to them.
- \$1.36M of tax credits, or 5% of PA's 2011 Tax Credits, were set aside to finance Permanent Supportive Housing. These funds will leverage approximately **\$11M** for developments.

Tenant Based Rental Assistance (TBRA)

- TBRA provides up to 2 years of assistance in paying rent to recipients (that is, tenants). They pay 30% of their income toward the unit rent and TBRA pays the difference.
- TBRA has two source of funds and targets two different populations.
 - HOME \$ from PA Dept. of Community & Economic Development targets people with disabilities in certain geographic regions of the state
 - Nursing Home Transition \$ from the Dept. of PA Public Welfare's Office of Long Term Living subsidizes rent for people moving out of nursing homes.
- Nearly 200 people have been provided with rental assistance using these funds.

Project Based Operating Assistance (PBOA)

- PBOA funded by Office of Mental Health & Substance Abuse Services (OMHSAS) in 5 counties (Philadelphia, York/Adams, Lehigh, Delaware, Montgomery) with County Health Choices Reinvestment Funds. \$ used as a project-based subsidy to reduce tenant share of rent to 30% of their income.
- Very low income individuals are supported (most have incomes that are 20% of Area Median). Without this assistance, rents at these developments would be affordable for people with incomes up to 60% of Area Median.

PAHousingSearch.com

- Free web-based search engine of affordable rental housing in Pennsylvania. [Also a few homes for sale]
- Powered by Social Serve, Inc. on behalf of PHFA, PEMA, DCED, DPW and Aging
- Offers free live support by phone 9am-8pm M-F
- Includes properties financed by PHFA, HUD, USDA, Tax Credits, and private landlords.
- For property managers to use as a marketing tool. For consumers to locate affordable and accessible housing.

Regional Housing Coordinator Initiative

- Partnership with DPW Office of Long Term Living to improve housing outcomes for people served by Home & Community Based (HCBS) Waiver system
- Provides 10 regional experts in housing and services resources located throughout PA

***PREP* – Prepared Renter Program**

- Collaborative effort of PHFA and Self Determination Housing Project to help prepare renters in Pennsylvania.
- Provides training and tools to service organizations and case managers to help them coach consumers searching for rental housing.

PREP addresses:

Renting fundamentals

Budgeting: What can you afford?

Personal history: housing, credit, criminal

Finding an apartment

Homeownership Programs

- Program partners – Primarily lenders, expanding links with centers for independent living, non-profit housing organizations, local governments, state Departments of Public Welfare and Aging.
- Purchase Money loans are Keystone, Keystone Plus, Purchase Improvement and Keystone Government (K-Gov).
- Subordinate loans are deferred payment, zero-percent interest loans for downpayment & closing cost assistance and accessibility modifications.

Homeownership Partnership Possibilities

- Become a participating lender for our purchase money and subordinate mortgages
- Partner with a community housing organization or a local lender to provide the Renovate & Repair program
- Support a housing counseling agency with your expertise

PHFA Homeownership Programs Advantages

- Lower-than-market fees
- No loan level pricing adjustments:
 - the rate you see is the rate you get!
- Downpayment and/or closing cost assistance
- Conventional, FHA, VA and RD
- Assumable to qualified borrowers
- Funds available year-round

PHFA Homeownership Programs Advantages, cont.

- Flexible underwriting guidelines
- 25% discount on Title Policy, if requested
- Up to \$15,000 may be available for upfront home repairs or improvements
- PHFA Services all loans
- Buyer advocacy is our guiding principle – check out **Homeworks** under “Publications” at www.patf.us

Access Home Modification Program

- This is a loan to provide homebuyers with between \$1,000 and \$10,000 to make home modifications. These typically include: ramps, new walkways, wider doors and hallways, bathroom or kitchen changes.
- Made more affordable by being a subordinate loan that is non-interest bearing with repayment due only upon sale, transfer or non-owner occupancy.
- Can be combined with down-payment and closing cost assistance.

Access Downpayment & Closing Cost Assistance Program

- Used with PHFA first mortgages AND a PHFA Access Modification Loan. (Again, Homebuyers).
- Household income can't exceed \$51,040 (in 2011) which is approx. 80% of the state median for a family of 4 and borrowers assets may not exceed \$5k after closing costs.
- Loans of \$1,000 to \$15,000 available.
- Made more affordable by being a subordinate loan that is non-interest bearing with repayment due only upon sale, transfer or non-owner occupancy.

Renovate and Repair (R&R)

- Affordable loan to help eligible homeowners improve and repair their home or make it accessible.
- Between \$2,500 and \$35,000 available per home
- Below- market, fixed rate and loan terms of 10, 15 or 20 years.
- Income limits are much higher than many PA programs: \$96,300 to 117,450, depending on county Area Median Income.

PHFA Servicing

- Benefits of PHFA servicing our own loans:
 - call borrowers as soon as payment late rather than 30-60 days later
 - stay on phone as needed
 - reduce interest rates down to as low as 1% or extend loan terms for borrowers who are experiencing repayment difficulties
 - offer subordinate loans for home mods and improvements
 - one philosophy for all borrowers
 - if multiple servicers then multiple philosophies and styles

PHFA Outreach Efforts to Increase Housing for People with Disabilities

- Significant information on website
- Bi-lingual English/Spanish Agency call centers provide same info via mail
- PAHousingSearch.com has a bi-lingual call center open 9am-8pm
- Extra effort to train lenders and inform developers of rental housing partners
- Working to pair private developers with social service organizations and government programs across PA

PHFA Contacts

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