

Affordable Housing Funding Sources Part I

PRESENTERS:

Amanda Rosado

**Chief Strategy
Officer**

Ashon Nesbitt

**Chief Programs
Officer**

Sponsored by the Florida Housing Finance Corporation's Catalyst Program

THE FLORIDA HOUSING COALITION



Our Thanks to the Florida Housing Catalyst Program



AFFORDABLE HOUSING CATALYST PROGRAM

Sponsored by the Florida Housing
Finance Corporation



we make housing affordable™

THE FLORIDA HOUSING COALITION



Catalyst Training Schedule



Fine Tune Your SHIP Program
REGISTER NOW FOR

**CATALYST
TRAINING**



www.flhousing.org

THE FLORIDA HOUSING COALITION



Agenda

Introduction

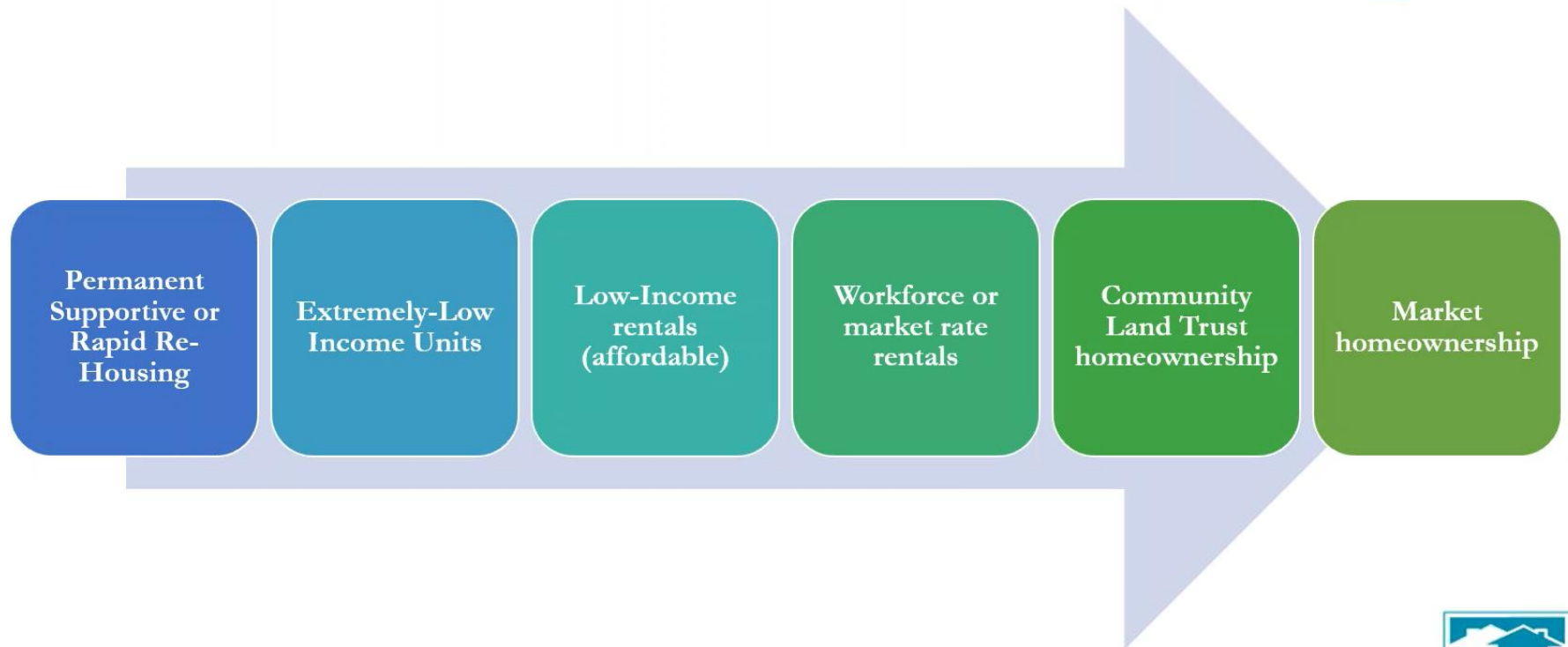
Funding Sources Targeted
to End Homelessness

HOME-ARP

Funding Sources for
Rental Development

Q & A

Affordable Housing Resources Cover Homelessness to Homeownership



COMPONENTS OF AN EFFECTIVE
HOUSING CRISIS
Response System



THE FLORIDA HOUSING COALITION



Federal Funding for Homelessness

- HUD Continuum of Care (CoC)
- Emergency Solutions Grant (ESG) (ESG-CV)
- HUD-VASH and SSVF
- HOPWA
- HOME-ARP



HUD McKinney-Vento Homeless Assistance Grants



**CONTINUUM OF CARE
PROGRAM (COC)**



**EMERGENCY SOLUTIONS
GRANT (ESG)**

CoC/ESG Funding

	<u>Continuum of Care</u>	<u>Emergency Solutions Grant</u>
Eligible Applicant or Recipient	Nonprofits, State and local governments, public housing agencies*	Metropolitan cities, urban counties, territories, and states
Type of Grant	Competitive	Formula
Eligible Activities	Permanent Housing <ul style="list-style-type: none"> • Permanent Supportive Housing • Rapid Re-Housing HMIS Planning (Lead Agency) Transitional Housing Support Services	Street Outreach Emergency Shelter Homelessness Prevention Rapid Re-Housing HMIS



Allocation of ESG Funds

- Congress appropriates funding
- HUD Formula determines allocation amount
- Grantee applies to HUD for funding
 - Consolidated Plan/Annual Action Plan

How to Apply for ESG Funds

- Apply directly to grantee
 - HUD Exchange
 - Grantee Contact Information
 - <https://www.hudexchange.info/grantees/contacts>
- All grantees must consult with CoC on how to allocate ESG funds

Funding for Veterans

- HUD-Veterans Affairs Supportive Housing (VASH)
 - HUD housing voucher + VA supportive services
 - Permanent supportive housing
 - Most in need/acute and chronically homeless
- Supportive Services for Veteran Families (SSVF)
 - Prevention, Rapid Rehousing, and Rapid Resolution
 - Literally homeless or at-risk



Housing Opportunities for Persons with AIDS

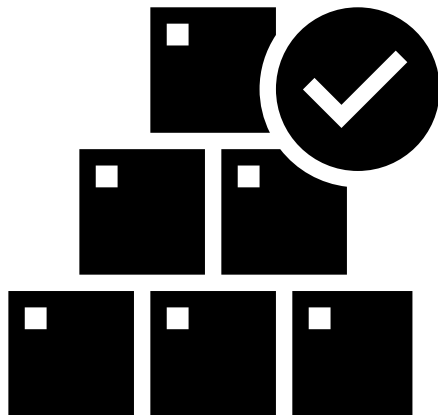
- Governed by 24 CFR Part 574
- Housing assistance and supportive services for low-income persons living with HIV/AIDS and their families
- Formula allocation to qualifying cities in Eligible Metropolitan Statistical Areas (EMSA)



THE FLORIDA HOUSING COALITION



HOPWA Eligible Activities



- Acquisition/Rehab/New Construction of Housing
- Facility operations
- Short-term Rent, Mortgage, and Utility assistance (STRMU)
- Rental Assistance

Allocation of HOPWA Funds

- Congress appropriates funding
- HUD Formula determines allocation amount
 - Grantee applies to HUD for funding
 - Consolidated Plan/Annual Action Plan
- Competitive Program
 - States
 - Local governments
 - Nonprofit Organizations



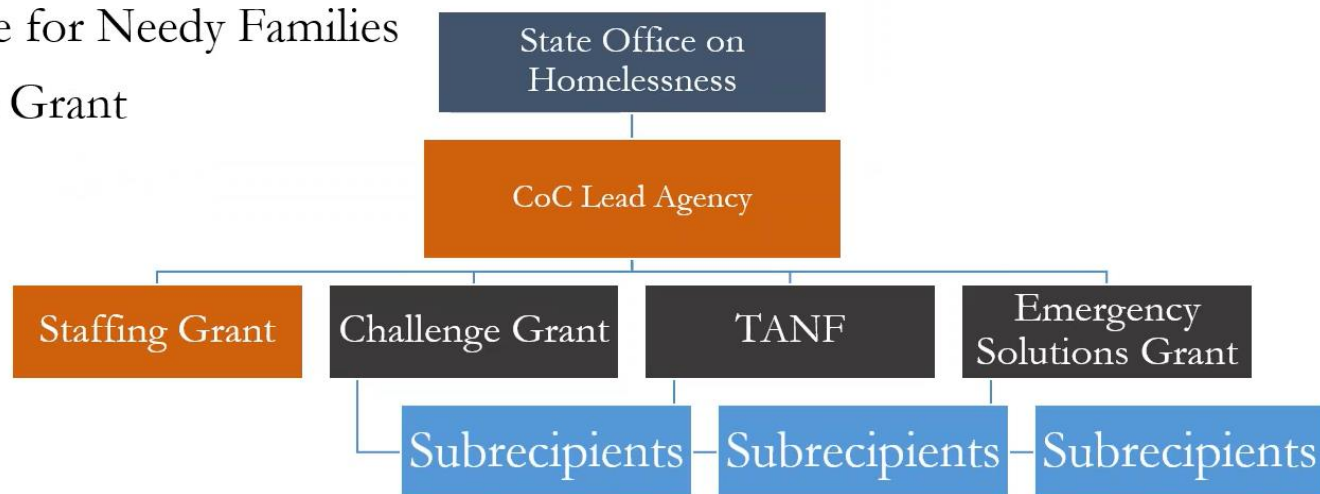
How to Apply for HOPWA Funds



- Apply directly to grantee
 - HUD Exchange
 - Grantee Contact Information
 - <https://www.hudexchange.info/grantees/contacts>

State of Florida Homelessness Funding

- Challenge Grant
- Temporary Assistance for Needy Families
- Emergency Solutions Grant
- Staffing Grant





Challenge Grant

- Continuum of Care (CoC) Lead Agency conducts local RFP to solicit & select projects
- State of Florida specific funding
- Uses: flexible, must support CoC plan – construction, acquisition, rapid rehousing, social services...

Temporary Assistance for Needy Families (TANF)



- Continuum of Care (CoC) Lead Agency conducts local RFP to solicit & select projects
- Homelessness prevention funding
- Offers rental assistance and case management

Local Government Funding

- Local governments have access to a wide variety of funding sources
- Most are not homeless specific, **but can be used for activities that would help end homelessness**
 - Development/Rehab of rental housing
 - Capacity building, infrastructure

www.flhousing.org/publications



Funding Sources for Rental Rehabilitation or Development	
Community Contribution Tax Credit (CCTC)	
Community Development Block Grant (CDBG)	
Community Development Block Grant Disaster Recovery (CDBG-DR)	
Federal Home Loan Bank Affordable Housing Program (AHP)	
Financing to Build or Rehab Smaller Permanent Supportive Housing for Persons with Developmental Disabilities	
Florida Community Loan Fund (FCLF)	
HOME For Hurricane Michael Rental New Construction	
HOME Investment Partnerships Program (HOME)	
Hurricane Housing Recovery Program (HHRP)	
Hurricane Rental Recovery Loan Program (RRLP)	
Low Income Housing Tax Credits (LIHTC)	
Multifamily Mortgage Revenue Bond Program (MMRB)	
Neighborhood Stabilization Program (NSP)	
Opportunity Zone (OZ) Equity	

Other Federal, State, and Local Funding that can be used to address homelessness

- Coronavirus State & Local Fiscal Recovery Funds
- CDBG and CDBG-CV
- HOME and HOME ARP
- Public Housing Authority (TBRA, PBRA, EHV)
- Managing Entities- focus Substance Use and Mental Health
 - Annual awards; New RFPs for special projects
 - Supportive housing, peer support, case management
- Community Action Agency
- SHIP
- SAIL and other FHFC-administered sources

Coronavirus Local Fiscal Recovery Funds

- From the American Rescue Plan
- \$350 billion to support state, local, and Tribal governments in their response and recovery
- Many Uses
 - Including affordable housing!!!

Allocation information at the [Treasury's website](#)



Using Coronavirus State & Local Fiscal Recovery Funds (SLFRF) for Affordable Housing

The American Rescue Plan (ARP) created the Coronavirus State and Local Fiscal Recovery Fund (SLFRF), which can be used on a number of activities to address the public health and economic effects of the pandemic. This program provides a once-in-a-generation opportunity for local governments to address the affordable housing crisis. Now is the time for advocates, housing professionals, and local governments to devote a substantial amount of SLFRF dollars to address the housing crisis.

How can this money be spent on affordable housing?

Local governments have the flexibility to spend their SLFRF funds on a broad variety of affordable housing activities. The following list describes the activities that Treasury has confirmed are eligible. Even if a use is not stated here or in the Treasury Final Rule, a use may be eligible if the local government can show that the use is addressing the economic effects of COVID-19.

Construction costs	Rent and mortgage assistance	Demolition or deconstruction of vacant or abandoned buildings
Land acquisition and title clearing	Environmental remediation	Conversion of vacant or abandoned properties into affordable housing
Down payment assistance	Housing vouchers and relocation assistance	Inspection fees
Gap Financing	Supportive housing services	Site prep work and infrastructure
Operating support, housing counseling, and legal aid	Home repair and preservation	Home repair and preservation

This program provides a **once-in-a-generation opportunity for local governments to address the affordable housing crisis.**

Who is eligible?

Any housing activity that would be eligible under the HOME Investment Partnerships Program (HOME) or the National Housing Trust Fund (HTF) is presumed eligible for SLFRF funding. The following households and communities are also presumed to be eligible. Even if a household or population is not presumed eligible, a local government may still serve them if it can show the household or population was impacted economically by the pandemic.

Low- or moderate-income households or communities as defined by Treasury

Households that qualify for LIHEAP

Households and developments in a Qualified Census Tract (QCT)

Households that qualify for Section 8 vouchers

Households that experienced unemployment or housing insecurity

Households that qualify for Medicaid, TANF, SNAP, SSI, and other listed programs.

What are the main messages for advocates?

- Even though local governments are allowed to use these federal funds for a broad range of programs, there are few as pressing as the ones that address the affordable housing crisis.
- This is a once-in-a-generation opportunity to address the affordable housing shortage.
- The amount in ARPA funds that a local government receives drastically exceeds what a local government receives in SHIP funds annually.

For questions on advocacy or implementation of SLFRF-funded affordable housing programs, contact Kody Glazer at glazer@flhousing.org

THE FLORIDA HOUSING COALITION



CDBG Community Development Block Grant Program

Federal program administered by HUD that provides funding for community revitalization purposes.

- Program goals include the provision of:
 - Decent housing;
 - Suitable living environment; and
 - Expanding economic opportunities



Allocation of CDBG Funds

- Congress appropriates funding
- HUD Formula determines allocation amount
 - Extent of poverty, Population, Housing overcrowding, Age of Housing
- Grantee applies to HUD for funding
 - Consolidated Plan/Annual Action Plan
- Eligible grantees:
 - Urban Counties population > 200k
 - Metro cities population > 50k
 - States

CDBG

housing + supportive services



THE FLORIDA HOUSING COALITION



CBDG - Applicable Housing Uses

- Acquisition and rehabilitation of rental housing
- Conversion of a closed building from one use to residential use
- Develop facilities for persons with special needs and homeless shelters (generally under public facilities)
- New construction by a Community Based Development Organization (CBDO) under certain conditions
- Support for new construction

CDBG Public Facilities

- Public facility – publicly owned or owned by a nonprofit and open to the general public
- Public facilities include facilities for persons with special needs such as homeless and domestic violence shelters
- Can be used for acquisition, construction, reconstruction, rehab

CDBG Public Services

- Services for homeless persons
- Employment services
- Childcare
- Health services
- Substance abuse services (such as counseling)
- Education programs
- Welfare services (excluding income payments)

CDBG Public Services

- Can be used to pay for labor, supplies, material, costs associated with maintaining/operating facilities
- Must generally be a
 - New service
 - Quantifiable increase in level of service
- Continuing funding of previously funded service at same or decreased level
- Subject to 15% cap

Florida Small Cities CDBG Program

- Administered by FL Dept. of Economic Opportunity (DEO)
- Governed by Rule Chapter: 73C-23, Florida Administrative Code
- Competitive grant program awarded to units of local government in small urban and rural areas
 - 249 eligible communities
 - Cities with fewer than 50K residents
 - Counties with more than 50K residents that have opted out of the urban entitlement program

How to Apply for Small Cities CDBG Program

- Apply to DEO
 - www.floridajobs.org/smallcitiescdbg
- Eligibility
 - Units of Local Government
 - Non-entitlement community
 - Meet at least one national objective
- Awards between \$600K-\$750K

HOME Investment Partnerships Program

- Governed by 24 CFR Part 92
- Funding exclusively to create affordable housing
- Participating jurisdictions (PJ)
 - States
 - Local governments, and
 - Consortia
- Emphasizes partnership with local nonprofit and for-profit organizations, developers, lenders
 - CHDO Set-aside – 15% of allocation

Allocation of HOME Funds

The background image is a composite of several office-related items. In the upper center, there is a model of a multi-story building constructed from orange plastic blocks, with a white chimney on top. To the right, a silver laptop is partially visible. In the foreground, a blue folder holds a white calculator with orange accents and a blue clipboard with a silver clip. A person's finger is seen pressing a button on the calculator. In the lower left, there is a small model of a house with a grey roof and green landscaping.

- Congress appropriates funding
- HUD Formula determines allocation amount
 - Inadequacy of housing supply
 - Incidence of poverty
 - Fiscal distress
 - Other factors
- Grantee applies to HUD for funding
 - Consolidated Plan/Annual Action Plan

HOME Eligible Activities

- Rental housing
 - Rehabilitation and New Construction
- Tenant-based rental assistance (TBRA)
 - Rent, security deposits, utility deposits
 - Up to 2 years, renewable
 - Moves with tenant
 - Can target populations such as persons experiencing homelessness
 - Must be lease for at least 1 year



HOME Program Compliance

- Affordability
 - Homebuyer assistance and rental projects
 - Depends on activity type and funding amount
 - Period of affordability = Period of compliance

HOME Assistance per Unit or Buyer	Length of Affordability Period
Less than \$15,000	5 Years
\$15,000 - \$40,000	10 Years
More than \$40,000	20 Years
New construction of rental housing	20 Years
Refinancing of rental housing	15 Years

HOME Investment Partnerships Program at



- Non-amortized, low interest loans
- Acquisition and/or new construction or rehabilitation of affordable rental housing to low-income families.
- Financing for first or subordinate mortgages with a simple interest rate of zero percent to nonprofit applicants and 1.5% per annum interest rate to for-profit applicants.
- Loan terms are generally for 15 years for rehabilitation and 20 years for new construction.
- Non-entitlement communities
- CHDO setaside

THE FLORIDA HOUSING COALITION



HOME-ARP



Designed to address the need for homelessness assistance and supportive services

Addressing Homelessness

- Non-congregate Shelter
- Nonprofit Operating & Capacity Building
- Rental Housing
- Supportive Services
- Tenant-Based Rental Assistance

Legislative Budget 22-23

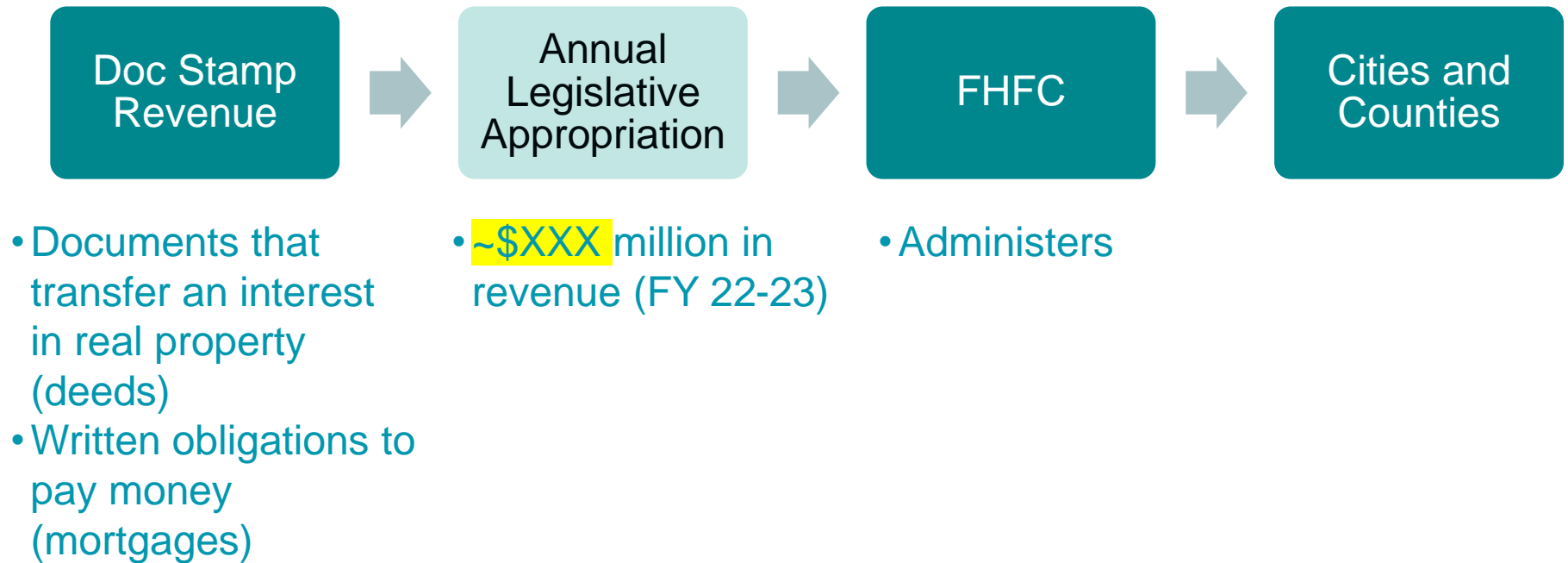
SHIP & SAIL FUNDS

	GOVERNOR FY 22-23	SENATE FY 22-23	HOUSE FY 22-23	FinalBUDGET FY 22-23	FINALBUDGET FY 21-22
FHFC: SAIL & otherFHFC Line 2289	\$94,967,332	\$128,250,000	\$0	\$28,250,000	\$62,500,000
SHIP Line 2290	\$220,526,178	\$209,475,000	\$268,100,000	\$209,475,000	\$146,700,000
Hometown HeroHousing Program Line 2289 Proviso	\$40,000,000	\$0	\$0	\$100,000,000	\$0
TOTAL HOUSING	\$355,493,510	\$337,725,000	\$268,100,000	\$337,725,000	\$209,200,000

Proviso/Back of the Bill:

- \$25 million of non-recurring General Revenue for SAIL, bringing total SAIL to \$53,250,000
- Total Sadowski & FHFC programs = \$362,725,000**

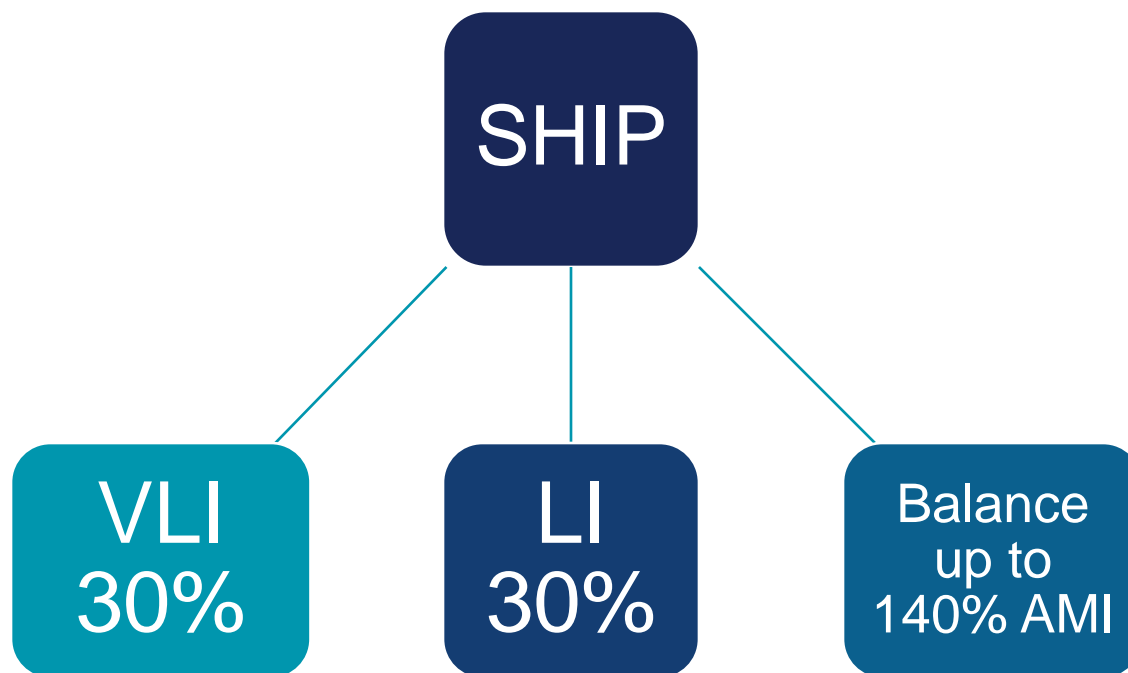
State Housing Initiatives Partnership (SHIP)



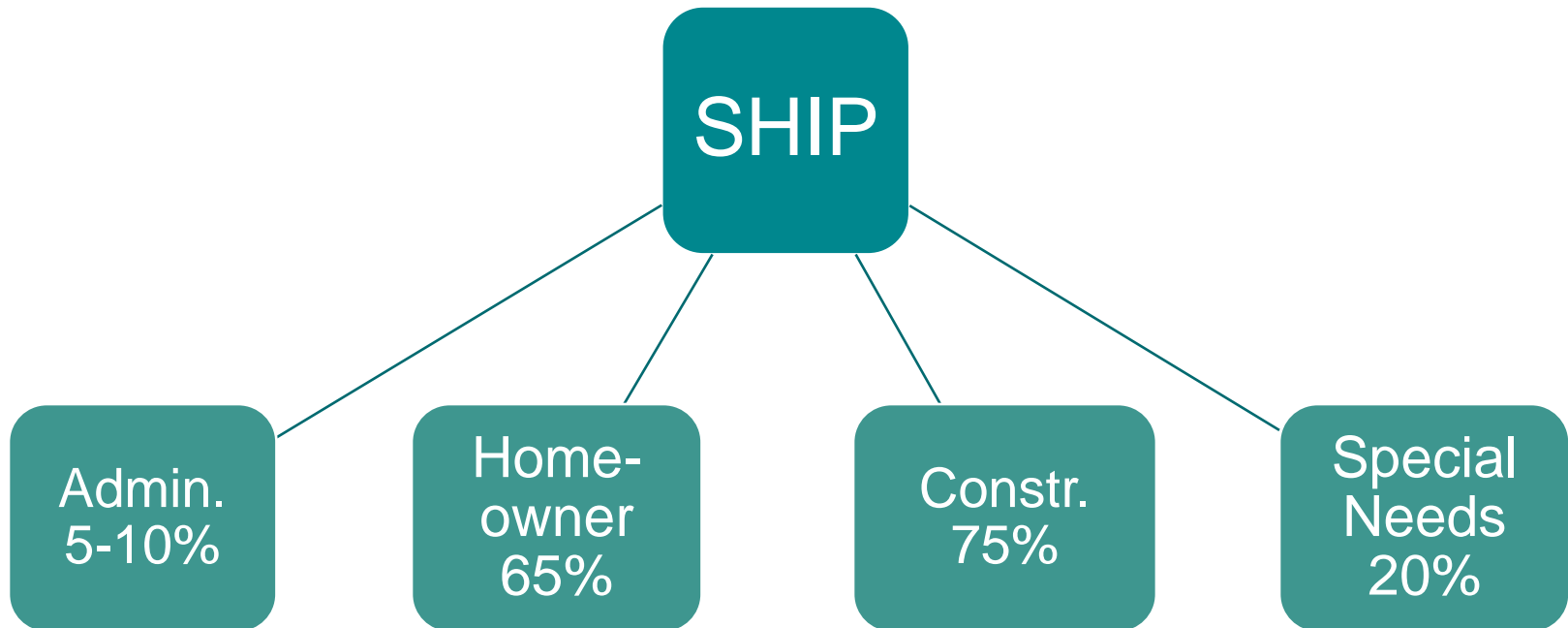
State Housing Initiatives Partnership (SHIP)



SHIP: Income Set Asides



SHIP: Program Set Asides



Local governments must fully expend SHIP within 3 years of allocation.

SHIP: Eligible Uses



Homeownership

- Purchase Assistance
- Acquisition/construction or renovation of for-sale housing
- Owner-occupied Rehab



Construction

- Construction/rehab of rental housing
- Construction/rehab of ownership housing
- Local contribution for LIHTC



Special Needs

- Home modifications
- Technological enhancements and devices
- Independent living

SHIP: Rental Assistance

- ~15% of funds available
- Utility and/or security deposits
- Eviction prevention subsidies, not to exceed 6 months rent
- Ongoing rental assistance, up to 12 months
- VLI households ONLY
- VLI households are eligible if:
 - At least one adult who is a person with a special need (s.420.0004)
 - A person who is homeless when the person initially qualified for a rent subsidy. (s.420.621)
- Collaboration with social service/homeless CoC recommended



SAIL - State Apartment Incentive Loan Program

- Administered by FHFC
- RFAs
 - Construction/acquisition/rehab
 - Part of gap (HC/HOME deals) or Stand alone (special needs, special programs, workforce)
 - 0-1% - cash flow loan

THE FLORIDA HOUSING COALITION



Low Income Housing Tax Credits (LIHTC)

- Become equity in multifamily housing development
- New construction & acquisition/rehab
- Usually 60+ units
- Usually ALL units serve <60% AMI
- Additional set aside for ELI (30-35% AMI)

MMRB – Multifamily Mortgage Revenue Bond Program

- Multifamily Mortgage Revenue Bonds
- MMRB with or without 4% credits
- Uses both taxable and tax-exempt bonds to provide below market rate construction loans to nonprofit and for-profit developers of affordable housing.
- Can apply for SAIL for gaps



National Housing Trust Fund

- Exclusively to build and preserve housing for people at the lowest incomes
- Funded by small fee on GSEs
- Administered by HUD as block grant to states, administered by a state-designated agency (FHFC) in accordance with Allocation Plan
- 90% must be used for rental housing
- 75% must be used for households at or below 30% AMI
- May not serve households above 50% AMI

REQUEST FOR APPLICATIONS

- Process
- Pre-application research
- RFA participation factors
- LG Role in understanding RFA process

Examples of Recent RFAs

- RFA 2022-210 – Permanent Supportive Housing Focusing on Best Practices
- RFA 2022-103 – Housing Credits and SAIL Financing for Homeless Housing Developments Located in Medium and Large Counties
- RFA 2022-102 SAIL Financing to Build Smaller Permanent Supportive Housing for Persons with Special Needs

Other Rental Funding Sources

- USDA
- Conventional Lending
- Local Housing Finance Authority
- Local Housing Trust Fund
- Community Development Finance Institutions
- Federal Home Loan Bank
- Philanthropic Investors

Q & A



Thank You!

Amanda Rosado

Chief Strategy Officer

Rosado@flhousing.org

Ashon Nesbitt

Chief Programs Officer

Nesbitt@flhousing.org

THE FLORIDA HOUSING COALITION

