

HOUSING TRUST FUND – Building and Preserving Housing in Rural Areas

Corina Grigoras

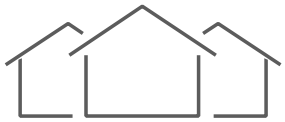
DEPUTY ASSISTANT DIRECTOR, COMMUNITY SERVICES AND HOUSING DIVISION

MARCH 31, 2021 | ENTERPRISE'S RURAL PRESERVATION ACADEMY

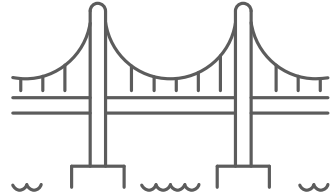


Washington State
Department of
Commerce

We strengthen communities



**HOUSING
HOMELESSNESS**



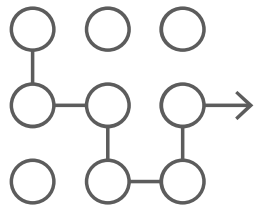
INFRASTRUCTURE



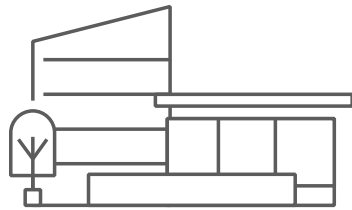
**BUSINESS
ASSISTANCE**



ENERGY



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**CRIME VICTIMS &
PUBLIC SAFETY**



**COMMUNITY
SERVICES**

Housing Trust Fund Overview

- Enacted in 1986 to create and preserve affordable housing
- Primarily funded with bonds via the Capital Budget
- Administers annual competitive funding rounds
- Recipients are nonprofits, housing authorities, tribes, local governments
- Coordinates projects with other public funders and local communities
- Must benefit low-income populations—less than 80% AMI:
 - Rental tenants, permanent supportive housing, shelters, first-time homebuyers, etc.
- Properties are rent- and income-restricted for 40-50 years
 - 25-year restricted for homebuyers

35-year old portfolio at a glance



39

Counties in Washington State have received HTF investments



\$1.2+B

Invested since program created in 1986



55+k

Units have been developed or preserved



50%

Of households served include at least one person with special needs



75%

Of households served are extremely low income (<30% AMI)



90+k

People residing in HTF funded units at any point in time



\$↑

For every HTF dollar invested, \$5 are leveraged on average

Competitive funding criteria

- Established in statute and capital budget appropriations
- Geographic distribution including **30% to RURAL**
 - 3 geographic pools: Rural, Urban, King County
- Project readiness: site control, permits, zoning, full funding
- Population served
 - Income levels, with priority for lowest incomes
 - Legislative categories: homeless, chronic mental illness, special needs/disability, veterans, farmworkers, etc.
- Local funding and community support
- Cost to develop, leverage of other funds, additional requirements

“RURAL” Definition

RCW requires the Department to define “**RURAL**” in its policies

- Current definition is in the [HTF Handbook](#):
 1. Counties with a population of less than 90,000, except for those cities within these counties with a population of greater than 25,000 (e.g., Pasco).
 2. Counties with a population greater than 90,000 but less than 390,000 when more than an aggregated 25% of that county’s population resides in one substantially contiguous metropolitan area (e.g., Yakima).
 3. Counties with a population greater than 390,000, but where the project is located in a sufficiently remote location to be reasonably considered as not associated with an Urban center (e.g., Lummi Reservation).

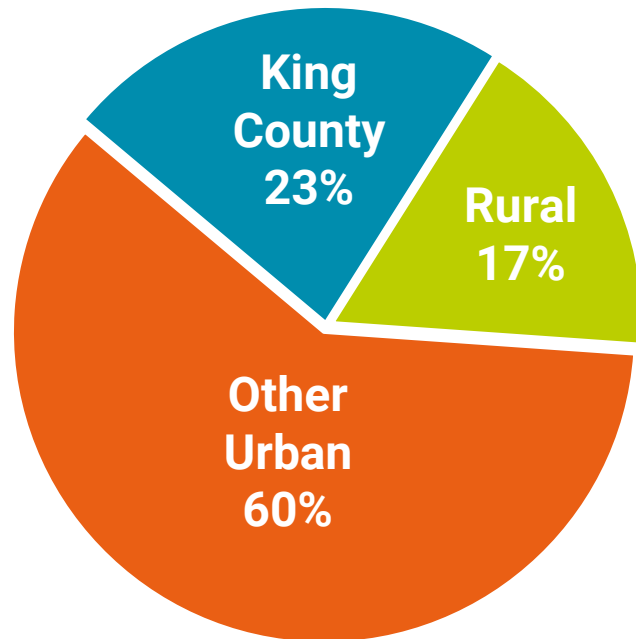
What we observed...

- Difficulty in reaching target “**allocate 30% to rural**”
- Insufficient/unsuitable rural applications received
- Small rural housing providers lack capacity to develop and/or maintain housing
- Great need for technical assistance and pre-development consultation/funding
- Opportunity to re-evaluate the application review process and remove criteria resulting in unintended consequences
- Need to focus on BOTH new development and preservation!

Applications received

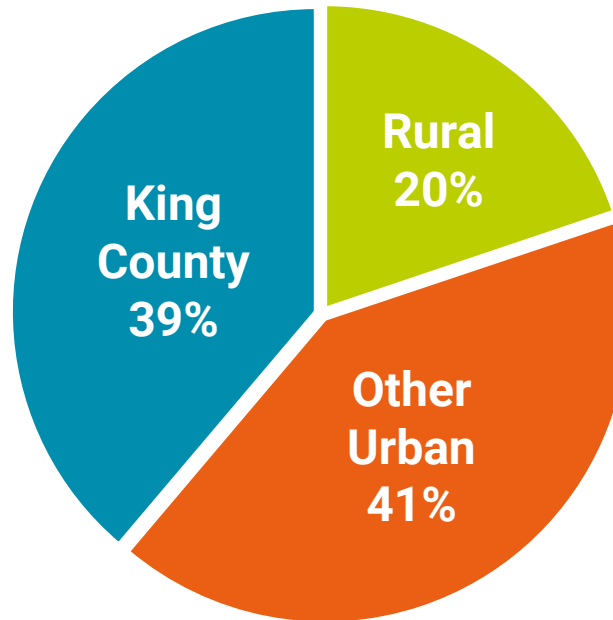
2018

\$35 Million | 17 applications



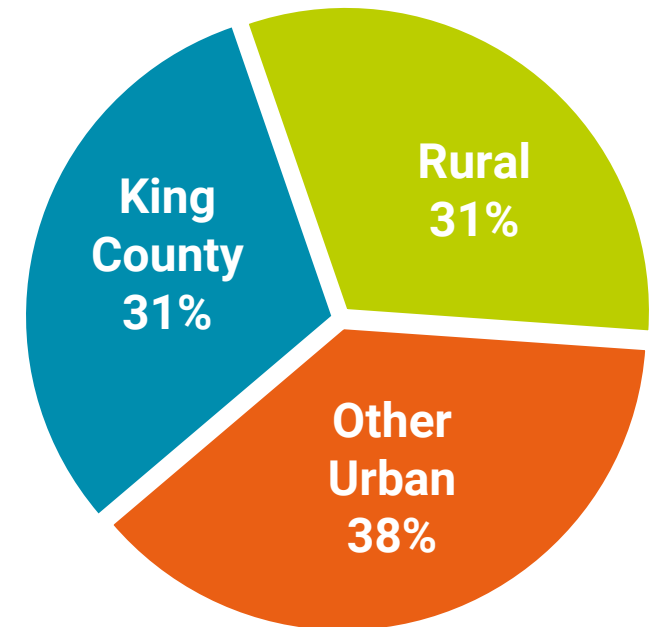
2019

\$168 Million | 81 applications



2020

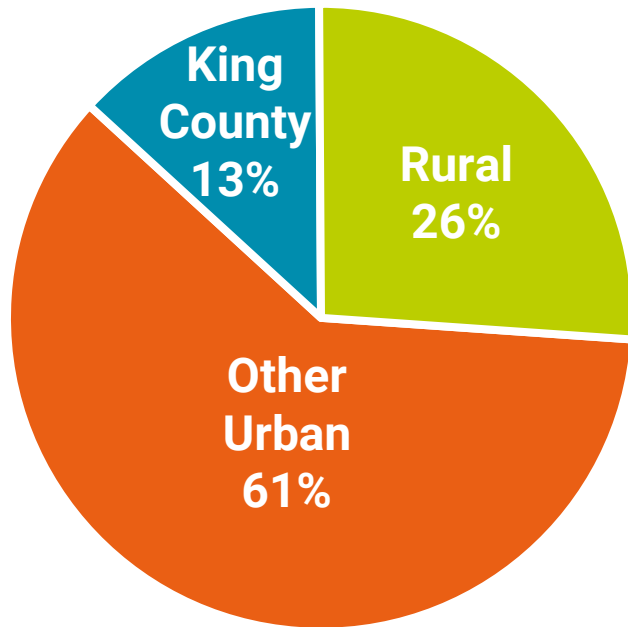
\$207 Million | 82 applications



Awards made

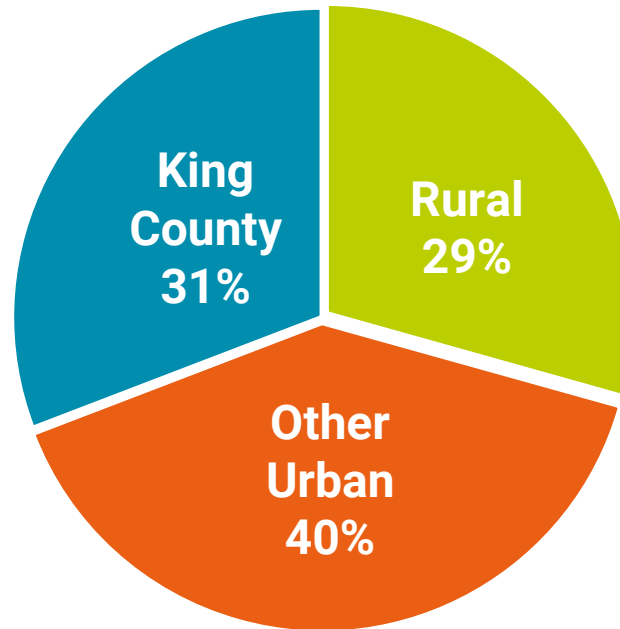
2018

\$23 Million | 9 applications



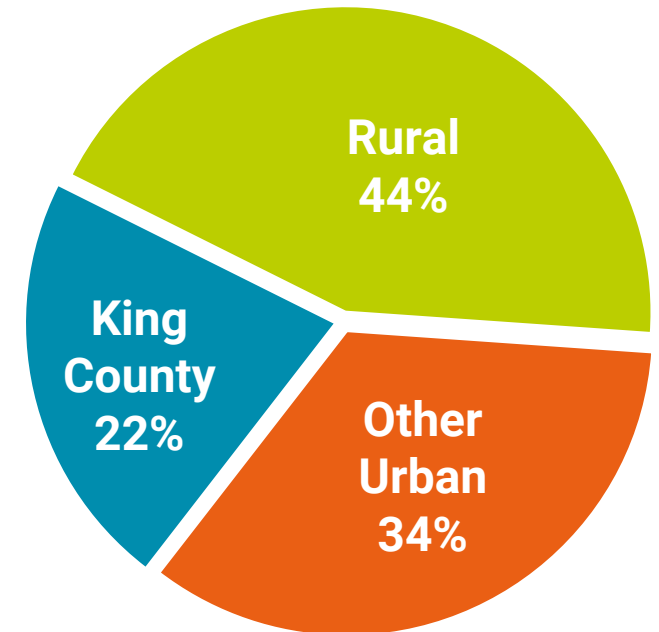
2019

\$92 Million | 46 projects



2020

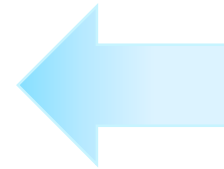
\$97 Million | 37 applications



Engaging the community...

HTF engaged stakeholders early in the discussion:

- Dedicated a Policy Advisory Team* meeting to a brainstorming session
- Surveyed the affordable housing community and stakeholders
- Formed a “Rural Subcommittee” to
 - review and compare rural definitions across programs
 - discuss PAT’s brainstorming session ideas
 - analyze the competitive application evaluation criteria
 - create a list of strategies/action items
- Categorized strategies
 - A. Actions implementable at HTF’s discretion
 - B. Actions needing funding and/or legislation
 - C. Actions outside HTF’s purview



* PAT is a subcommittee of Affordable Housing Advisory Board (AHAB) comprised of AHAB members and HTF stakeholders

Actions implemented and underway

- Increased share of annual awards in rural projects ... 44% in 2020!
- Made deeper investments in rural projects unable to secure LIHTC
- Increased award limits and added waiver for rural projects ONLY
- Created new HTF portfolio preservation program
- Suspended some scoring criteria
 - investment-per-unit and leverage-of-other-funds
- Clarified that rural projects only compete with rural projects
 - population set-asides had been a deterrent
- Aligned application timelines between LIHTC and HTF
- Submitted request to Governor for:
 - \$250 Million for capital investments
 - \$2 Million for Technical Assistance/pre-development funding

Next steps...

- Continue to uphold new policies encouraging rural applications and removing obstacles
- Reconvene the “Rural Subcommittee”
- Fund Technical Assistance in the community:
 - RFP/Q is drafted and ready to release
 - Hire one or more development consultants to work with rural communities to pre-develop projects
 - Define success – successfully funded applications, units developed and maintained long-term
- PRESERVE AND BUILD MORE RURAL HOUSING!

A rural preservation story!

- In April 2020, the Legislature appropriated \$10M for the preservation of housing at risk of losing affordability
- Within 4 months, HTF solicited applications and awarded \$12.M to 7 **rural** projects
- All 7 will acquire housing properties previously financed by USDA RD
- 150 units will be preserved and remain affordable for another 40 years
 - 106 units will maintain their USDA rent assistance

Thank you!



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Visit our website: <http://www.commerce.wa.gov/HTF>

Oregon Overview of Preservation & Rural Priority

Oregon Housing and Community Services

Natasha Detweiler-Daby, Assistant Director of Policy and Planning



Preservation in Oregon

- Expiration of Affordability Restrictions
 - Project Based Rent Assisted Portfolio from HUD and RD
 - Tax Credit Portfolio
 - Gap funded Portfolio
- Physical Deterioration / Deferred Maintenance
- Challenges in Rural Oregon:
 - Owner / Capacity and Interest
 - Size of Projects / Economies of Scale
 - Lack of local resources for investment and leverage
 - Income Levels
 - Aging Housing Stock

Rural Communities Oregon Priority



- Rural Communities Statewide Housing Plan Policy Priority
 - Focus on increasing investments in Rural Oregon including Affordable Rental Housing production and Capacity
- Affordable Rental Housing Funding Set-Asides for Rural Oregon
 - **LIFT** program targets half of its resources to rural areas of the state.
 - **9% LIHTC** resources, funding region for rural Oregon in addition to a 10% set-aside for development on tribal trust land.
 - **Land Acquisition Program**, when resources are available for this program they are only made available for use in rural areas of the state for 12 months for affordable rental housing development plans (and 6 months for affordable homeownership) before allowing them to be accessed to support urban development.
 - **Small project NOFA** allocates the majority of its resources to rural areas with a focus on building small projects best fit to serve rural areas.



Rural Communities Oregon Priority



- Customized Rural Program Efforts
 - **HOME Program:** this year's NOFA includes a deliberate push to rural Oregon, with five points offered specifically for that any project located in a rural area.
 - **LIHTC** program includes a state basis boost that effectively increases the amount of credit a project is able to access, specifically for projects located in rural areas
 - Scales scoring criteria differently for rural vs urban projects
 - Includes higher project gap resources for rural projects than those in the urban centers
 - **LIFT program:** includes higher per bedroom subsidy limits in rural areas than in urban areas
 - **Small Project NOFA:** incorporates higher subsidy limits with a rural lens and this year will incorporate the Agricultural Workforce Housing Tax Credit to further ensure the ability to fully fund projects to serve the agricultural workforce.



Rural Communities Oregon Priority



- Capacity Building

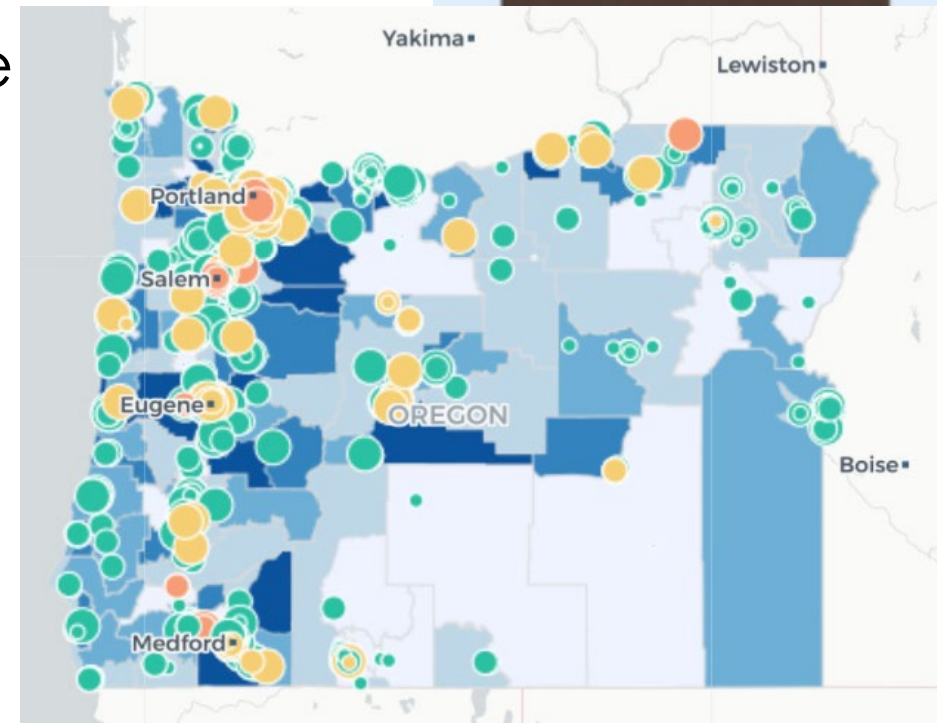
- Many planned efforts for Rural Capacity Building have been sidelined by COVID, except for:
 - **Permanent Supportive Housing Institute:** held places for a mix of urban, rural, and tribal team participants and used capacity building resources to ensure that barriers of travel and technology were covered for rural participants in the training program.
 - **Rural COVID Capacity Response:** funded rural and culturally specific organizations up to \$20,000 for expenses to facilitate remote-work under COVID
 - Sponsorship of the **Enterprise Rural Preservation Academy**



Preservation in Oregon

- Publicly Supported Housing Preservation (PuSH) Regulations
 - Required public noticing for properties approaching expiration
 - Allows the state to identify designees to have rights of first refusal to purchase property
 - OHCS maintains inventory of properties and expiration (*dashboard coming soon!*)

<https://www.oregon.gov/ohcs/compliance-monitoring/Pages/push.aspx>



Preservation in Oregon



- Biennial Funding Calendar:
 - Historically \$20 million in dedicated Lottery Backed Bond proceeds from the Legislature to support all Preservation; was swept in 2020
 - Oregon Document Recording Fee gap funds
- Preservation Funding:
 - Cancelled 2021 Preservation NOFA; seeking additional resources for 2021-23 biennium preservation funding
 - 25% Set-Aside in 9% LIHTC NOFA
 - Eligibility for Small Project NOFA
 - *NEW* Oregon Affordable Housing Tax Credit (OAHTC) Pool with \$215 million in OAHTC loan amount targeting preservation





USDA Rural Development Multifamily Housing Overview Alaska, Idaho, Oregon & Washington

March 31, 2021

Agenda

- Rural Development Overview
- Multifamily Programs Section 514/515/516/521
- Multifamily Portfolio AK, ID, OR and WA
 - Physical Attributes
 - Tenant Income
 - Maturing Loans
- Rural Development Multifamily Data Sets
- Multifamily Communication
 - Agency Contacts
 - GovDelivery

USDA Rural Development

We are committed to helping improve the economy and quality of life in rural America. Through our programs, we help rural Americans in many ways.

We offer loans, grants and loan guarantees to help create jobs and support economic development and essential services such as housing; health care; first responder services and equipment; and water, electric and communications infrastructure.

We promote economic development by supporting loans to businesses through banks, credit unions and community-managed lending pools. We offer technical assistance and information to help agricultural producers and cooperatives get started and improve the effectiveness of their operations.

We provide technical assistance to help communities undertake community empowerment programs.

We help rural residents buy or rent safe, affordable housing and make health and safety repairs to their homes.

USDA Rural Development Multi-Family Housing Programs

Over the past 40+ years USDA Rural Development through its direct funding program has financed thousands of affordable housing properties accost Rural America.

- **Section 515 - Family and Elderly/Disabled Housing**
 - Direct loans, with varying terms, from 30-50 years in length, property is income restricted to very low, low, and moderate income households. Additionally, the properties are eligible for interest credit subsidy which effectively reduces the interest rate to 1%.
 - Elderly/Disabled properties are additionally restricted to those households 62 and old or disabled.
- **Section 514/516 - Domestic Farm Labor Housing**
 - Direct loans and grants, 33 year term with a 1% interest rate, properties are restricted to very low, low, and moderate income households of which one member meets the Domestic Farm Labor definition as defined by the Agency.

USDA Rural Development Multi-Family Housing Programs

Section 521 - Rental Assistance

- In addition to funding the development of housing the Agency also provides Section 521 Rental Assistance. The Section 521 RA program is project based and ensures the tenant pays only 30% of their adjusted income. For a property to be eligible for the Section 521 program they must have an active Section 514 or 515 direct loan with the Agency.

AK, ID, OR and WA RD MFH Portfolio – Physical Attributes

	Total Number Units	Average Number of Units Per Property	Number of 1 Bedroom Units	Number of 2 Bedroom Units	Number of 3 Bedroom Units	Number of 4 Bedroom Units
Section 515						
Alaska	840	25	368	411	54	7
Idaho	3,729	25	1,728	1,839	162	-
Oregon	5,410	35	2,951	2,183	276	-
Washington	7,987	30	4,375	2,782	783	47
Section 514/516						
Alaska	-	-	-	-	-	-
Idaho	159	27	-	72	69	18
Oregon	951	34	70	379	380	122
Washington	711	34	120	282	247	50
AK, ID, OR & WA Total	19,787	30	9,612	7,948	1,971	244
National Total	413,885	31	207,985	172,793	29,792	3,263

Source: [2020 MFH Annual Fair Housing Occupancy Report](#),
USDA Rural Development, November 21, 2020

AK, ID, OR and WA RD MFH Portfolio – Tenant Income

	Number of Properties	Number of Households	Number of Tenants/ Cotenants	Average Adjusted Income	Households with Rental Assistance	Percent of Households with Rental Assistance	Average Adjusted Income with Rental Assistance
Section 515							
Alaska	33	752	815	\$ 18,549	727	97%	\$ 18,418
Idaho	151	3,616	4,146	\$ 12,468	3,436	95%	\$ 11,690
Oregon	153	5,208	6,022	\$ 13,659	4,212	81%	\$ 12,170
Washington	263	7,654	8,740	\$ 14,644	5,597	73%	\$ 12,567
Section 514/516							
Alaska	-	-	-	\$ -	-	-	\$ -
Idaho	6	146	214	\$ 23,694	86	59%	\$ 10,992
Oregon	28	854	1,361	\$ 28,718	526	62%	\$ 17,917
Washington	21	524	772	\$ 24,782	380	73%	\$ 18,259
AK, ID, OR & WA Total	655	18,754	22,070	\$ 15,102	14,964	80%	\$ 12,865
National Total	13,348	385,180	435,773	\$ 14,131	268,916	70%	\$ 11,669

Source: [2020 MFH Annual Fair Housing Occupancy Report](#),
USDA Rural Development, November 21, 2020

AK, ID, OR and WA RD MFH Portfolio – Tenant Income

	Average Rent	Total Overburdened Households	Overburden Average Income	Number of Households Paying 30-40 Percent Of Income	Number of Households Paying 41-50 Percent of Income	Number of Households Paying 51+ Percent of Income
Alaska	\$ 1,047	-	-	-	-	-
Idaho	\$ 593	10	11,774	4	1	5
Oregon	\$ 650	223	15,660	108	47	68
Washington	\$ 700	764	17,115	282	192	290
AK, ID, OR & WA Total	\$ 678	997	14,871	394	240	363
National Total	\$ 544	41,121	14,241	15,716	9,849	15,556

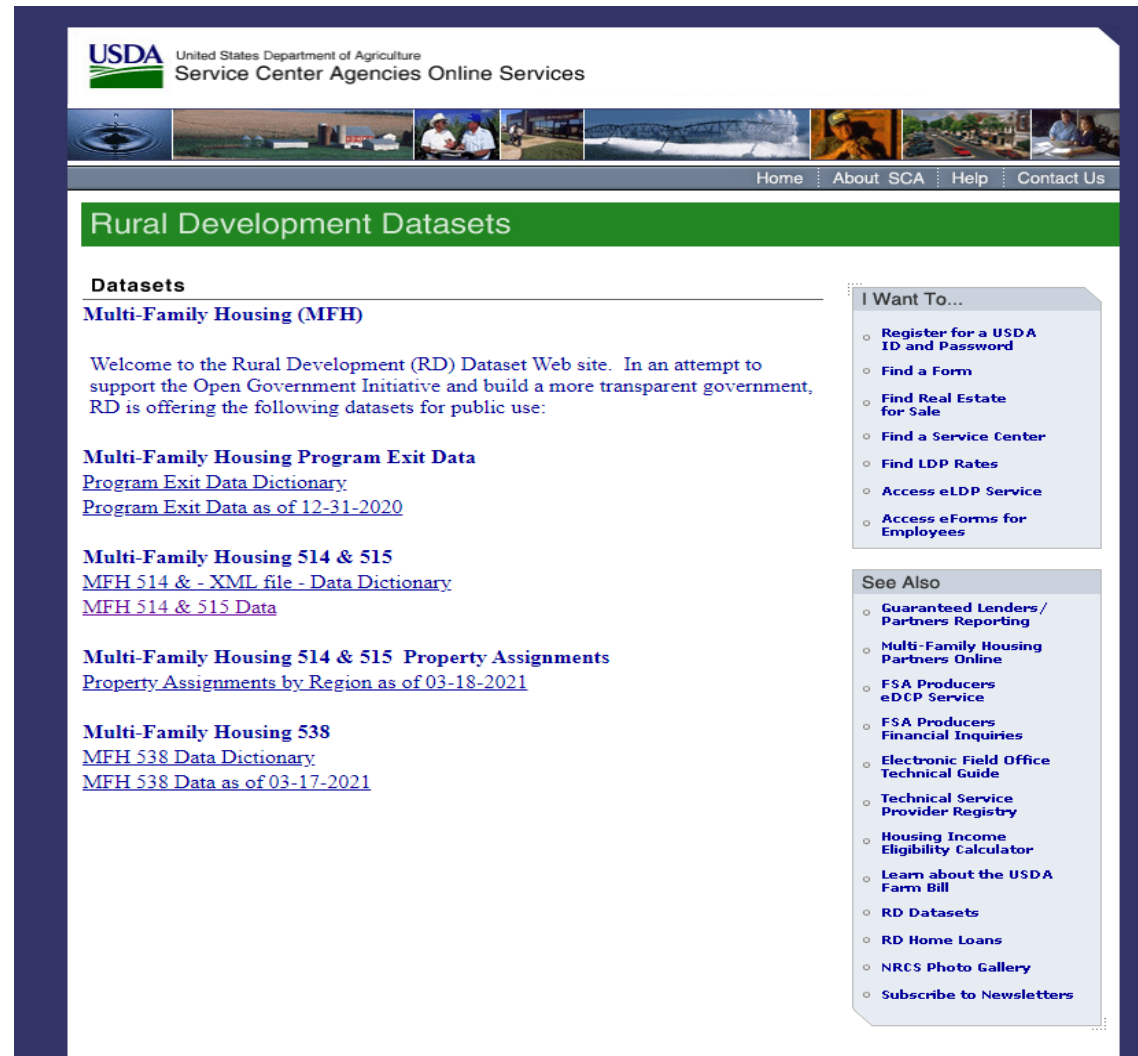
Source: [2020 MFH Annual Fair Housing Occupancy Report](#),
USDA Rural Development, November 21, 2020

AK, ID, OR and WA RD MFH Portfolio – Maturing Loans

USDA Rural Development MFH Maturing Loans 2021-30										
	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030
Section 515										
Alaska							1	1	2	1
Idaho		1	2	1	1	2	3	7	5	7
Oregon	1	1		3	1	1	2	5	6	7
Washington	1	2	2	2	8	5	8	6	3	8
Section 514/516										
Alaska										
Idaho								1	1	
Oregon			2	1			2	1	1	1
Washington		1					1			1
AK, ID, OR & WA Total	2	5	6	7	10	8	17	21	18	25

Source: [Program Exit Data as of 12-31-2020](#)
USDA Rural Development

USDA Rural Development MFH Data Sets



USDA United States Department of Agriculture
Service Center Agencies Online Services

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Rural Development Datasets

Datasets

Multi-Family Housing (MFH)

Welcome to the Rural Development (RD) Dataset Web site. In an attempt to support the Open Government Initiative and build a more transparent government, RD is offering the following datasets for public use:

Multi-Family Housing Program Exit Data

[Program Exit Data Dictionary](#)
[Program Exit Data as of 12-31-2020](#)

Multi-Family Housing 514 & 515

[MFH 514 & - XML file - Data Dictionary](#)
[MFH 514 & 515 Data](#)

Multi-Family Housing 514 & 515 Property Assignments

[Property Assignments by Region as of 03-18-2021](#)

Multi-Family Housing 538

[MFH 538 Data Dictionary](#)
[MFH 538 Data as of 03-17-2021](#)

I Want To...

- Register for a USDA ID and Password
- Find a Form
- Find Real Estate for Sale
- Find a Service Center
- Find LDP Rates
- Access eLDP Service
- Access eForms for Employees

See Also

- Guaranteed Lenders/Partners Reporting
- Multi-Family Housing Partners Online
- FSA Producers eDCP Service
- FSA Producers Financial Inquiries
- Electronic Field Office Technical Guide
- Technical Service Provider Registry
- Housing Income Eligibility Calculator
- Learn about the USDA Farm Bill
- RD Datasets
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- NRCS Photo Gallery
- Subscribe to Newsletters

<https://www.sc.egov.usda.gov/data/MFH.html>

USDA Rural Development - MFH Contacts

Field Operations – Western Region

The Field Operations Division can help you with questions about a specific MFH servicing and general questions about preservation. A complete and sortable list of servicing Specialist for a specific property is located at: <https://www.sc.egov.usda.gov/data/MFH.html>

Regional Director

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Melissa Ciliento, Team 4 Lead – melissa.ciliento@usda.gov

Production and Preservation Division

The production and preservation division handles specific preservation questions along with transfer application intake. All requests should be sent to the Processing and Report Review Branch via the following email, MFHprocessing2@usda.gov

USDA Rural Development - GovDelivery

What is GovDelivery?

GovDelivery is a marketing platform and communications cloud custom-built for government. It allows the USDA Rural Development Multifamily Housing to easily provide program updates to our partners across the country via email.

We will be using **GovDelivery** for all future general Multifamily Housing updates.

To ensure you are receiving these updates, please sign-up for GovDelivery at https://public.govdelivery.com/accounts/USDARD/subscriber/new?topic_id=USDARD1272





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