



# San Francisco Multifamily Hub Preserving Affordable Housing

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# Introductions

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# Overview

1. What is Preservation?
2. Why is Preservation Important Now?
3. It's a Preservation Friendly World

# What is Preservation?

- *Preservation deals include, but are not limited to, transactions to preserve a project as affordable housing (prepayment, tax credits, refinance, rehabilitation) often involving:*
  - A property with an active **Section 8 (HAP) contract** with a maturing FHA mortgage, typically under Sections:
    - **202**
    - **236**
    - **221 (d)(3); and/or**
  - A project with an active **Title II or VI Preservation Use Agreement** under the Low-Income Housing Preservation and Resident Homeownership Act (LIHPRHA); or
  - A project with a pre-MAHRA contract and maturing non-FHA mortgage (ex. Cal HFA projects).



# Why Is Preservation Important Now

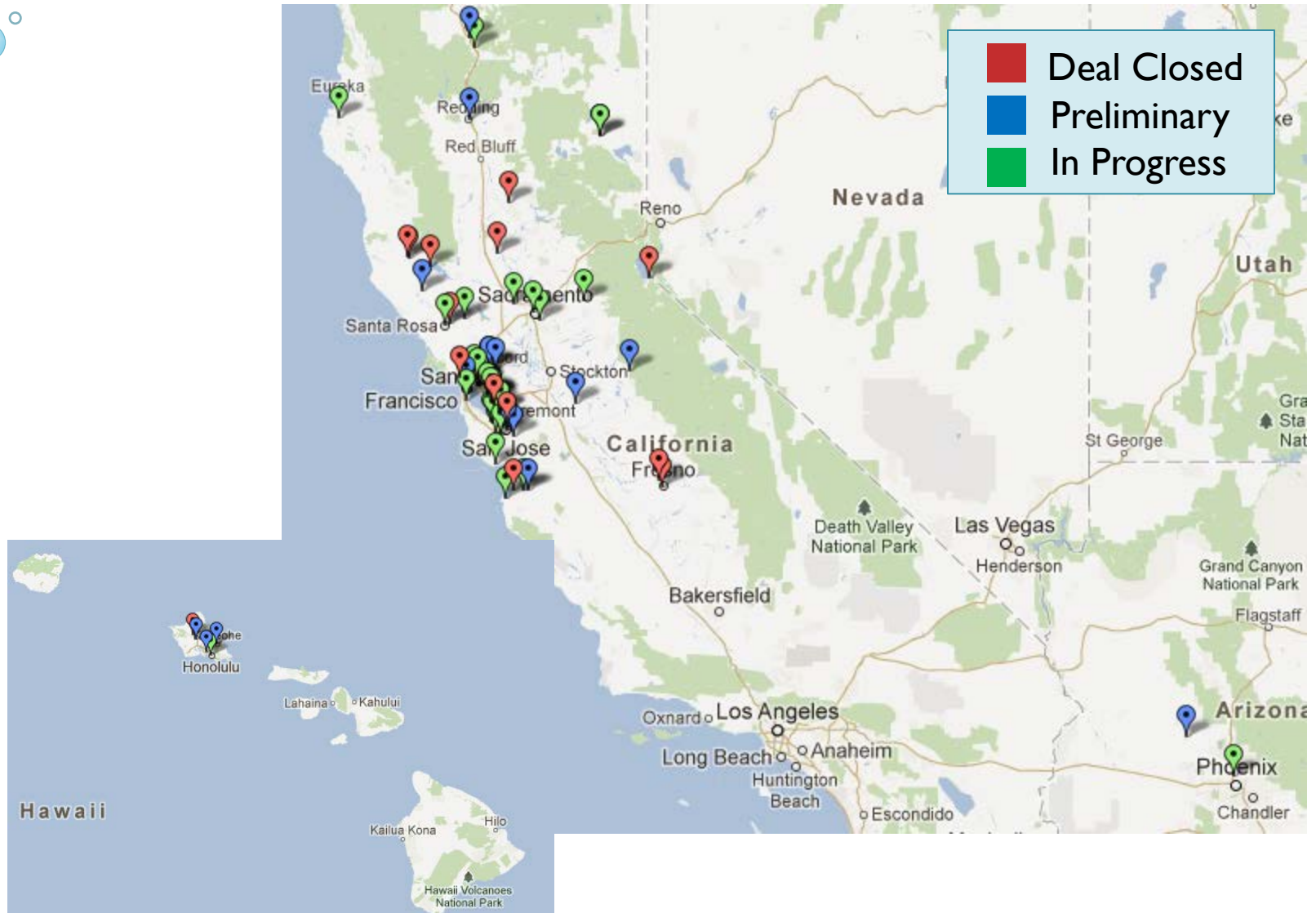
1. The need for affordable housing far exceeds the supply.
2. Organizational mission.
3. Projects in Need of Repair/Rehab
3. New preservation friendly rules, low interest rates, tax credits, and other potential financing sources.



# It's a Preservation Friendly World

1. Preservation a big priority for HUD.
2. Lots of new guidance.
3. Lots of potential resources.

# SF Preservation Pipeline: Geographic View -



# Lots of New Guidance

- **SPRACS:** *Advance Notice of Senior Preservation Rental Assistance Contracts Award (SPRACS) Process (comment period closed 3/11/13)*
- **RAD:** *Rental Assistance Demonstration Program*
- **H 2013-02:** *Collection Procedures for Delinquent Section 201 Flexible Subsidy Loans*
- **H 2012-25:** *Policy for Amending LIHPRHA Use Agreements*
- **H 2012-15:** *Funding for Tenant-Protection Vouchers for Certain At-Risk Households in Low-Vacancy Areas (not yet final)*
- **H 2012-08:** *Updated Requirements for Prepayment and Refinance of Section 202 Direct Loans & FAQ Memo from Marie Head, August 30, 2012*
- **H 2012-03** (joint notice with PIH): *Guidance on Eligibility for Tenant Protection Vouchers Following Certain Housing Conversion Actions*
- **H 2012-01:** *Multifamily Low Income Housing Tax Credit Pilot Program*
- **H 2011-31:** *Policy for Treatment of Proceeds Resulting from the Sale of FHA-insured or Secretary-held Projects by Nonprofit Owners*



## Easy Access to HUD Preservation Info

Check Out HUD's Preservation Page

[http://portal.hud.gov/hudportal/HUD?src=/program\\_offices/housing/mfh/presrv/presmfh](http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/presrv/presmfh)

Lots of Great Preservation Training

[http://portal.hud.gov/hudportal/documents/huddoc?id=Partners\\_MF\\_Pres\\_Training.pdf](http://portal.hud.gov/hudportal/documents/huddoc?id=Partners_MF_Pres_Training.pdf)



# What are the Next Steps if you are Considering Preservation

- Focus on options to secure the project's long-term preservation and meet capital needs.
- Connect with knowledgeable potential partners (developers, attorneys, lenders, tax credit syndicators, etc.)
- Consider options, develop acquisition, rehab and financing strategy.
- Talk to HUD early in the process.
- Schedule a Concept Meeting with HUD.

# Wrap Up

1. Preservation is Important Now
  - a. Demand vs. Supply
  - b. Mission
  - c. Projects in Need of Rehab
2. Preservation universe consists primarily of 236's and 202 with Section 8.
3. It's a Preservation Friendly World
  - a. Lots of notices, changes and helpful tools
  - b. Attractive financing options
4. HUD is interested in and committed to partnering with all of you to recapitalize and rehabilitate aging properties and achieve high quality housing with long term affordability.