



2022
HOUSTON

Addressing Housing Supply Needs



OCTOBER 22 – 25 ANNUAL CONFERENCE & SHOWPLACE



DISCUSSION LEADER

PETE PAGONIS

Director of Homeownership | Rhode Island Housing

SPEAKERS

COLEEN BAUMERT

Director, Homeownership Programs | Pennsylvania Housing Finance Agency

STEPHANIE GRIFFIN

Director of Housing Development | Delaware State Housing Authority

CHRIS THOMPSON

Director of Strategic Housing | Virginia Housing



PENNSYLVANIA HOUSING FINANCE AGENCY

2022 NCSHA ANNUAL CONFERENCE

PRESENTER: COLEEN BAUMERT, DIRECTOR OF HOMEOWNERSHIP PROGRAMS



Tom Wolf, Governor

Robin L. Wiessmann, Executive Director

PHFA's ways to preserve housing supply



- Homeowners Energy Efficiency Loan Program (HEELP)
- Access Home Modification Program
- FHA 203K
- Purchase & Improvement Program
- HomeStyle® Renovation Program
- New Construction Financing

HEELP

- Homeowners Energy Efficiency Loan Program (HEELP)
 - ▣ Provides up to \$10,000 for specific energy repairs
 - ▣ Interest rate of 1% over 10 years
 - ▣ Specific income limits apply: 80% of AMI
 - ▣ Homeowner may have first mortgage with a different investor
- Renovations Include:
 - ▣ Air sealing, insulation and ductwork
 - ▣ Energy efficient windows and doors; heating and cooling systems
 - ▣ Roof replacements

Access Home Modification Program

- ❑ Assist anyone in the household with a disability
- ❑ Must be used in conjunction with any PHFA first mortgage program
- ❑ \$1,000 to \$10,000 soft/silent subordinate mortgage
- ❑ Repayment is not required as long as buyer occupies the home
- ❑ Modifications to be completed within 90 days of closing

FHA 203K Program

- ❑ Limited (up to \$35k) and Standard 203k mortgage
- ❑ FHA financing – MRB, Ginnie Mae, Taxable funding models
- ❑ Follow FHA 203k program guidelines
- ❑ Funds may be used for repairs, improvement or upgrades to the home

Purchase & Improvement Program

- ❑ Limited to the MRB and taxable bond products-
Conventional loans only
- ❑ MRB funds provide up to \$15,000 for repairs
- ❑ Taxable bonds provides up to \$30,000 for repairs
- ❑ Repairs to improve basic livability, energy efficiency, or safety
- ❑ Luxury amenities are not permitted

HomeStyle[®] Renovation Program

- ❑ Limited to the HFA Preferred[™] program
- ❑ Provides financing for home improvements in a purchase or refinance transaction
- ❑ Repair funds available:
 - Provides up to 75% of the “as completed” appraised value (one unit, condos and PUDs)
 - Manufactured homes are limited to the lesser of 50% of the “as completed” appraised value or \$50,000
- ❑ Repairs to improve basic livability, energy efficiency, or safety
- ❑ Work completed within 180 days of closing

Plans, Specs and Estimates submitted



Fannie Mae
HomeStyle® Renovation Maximum Mortgage Worksheet

This worksheet may be used to estimate the mortgage amount for a purchase or refinance transaction for the HomeStyle Renovation program.

| Business Name | City | State |
|---|------|--------------|
| A. Loan Parameters | | |
| 1. Acquisition Cost | | 200,000 |
| 2. Renovation Costs as a Percentage of Estimated "As Completed" Value (capped at 35%) | | 15.00% |
| 3. Property Address | | 1234 Main St |
| B. Property Information | | |
| 4. Estimated "As Completed" Value | | 240,000 |
| 5. Estimated "As Completed" Value (Refinance) | | 240,000 |
| 6. Estimated "As Completed" Value (Purchase) | | 240,000 |
| C. Estimated Costs | | |
| 7. Estimated Costs | | 240,000 |
| 8. Estimated Costs (Refinance) | | 240,000 |
| 9. Estimated Costs (Purchase) | | 240,000 |
| D. Estimated Mortgage Amount | | |
| 10. Estimated Mortgage Amount | | 240,000 |
| 11. Estimated Mortgage Amount (Refinance) | | 240,000 |
| 12. Estimated Mortgage Amount (Purchase) | | 240,000 |
| E. Estimated Monthly Payment | | |
| 13. Estimated Monthly Payment | | 240,000 |
| 14. Estimated Monthly Payment (Refinance) | | 240,000 |
| 15. Estimated Monthly Payment (Purchase) | | 240,000 |
| F. Estimated Closing Costs | | |
| 16. Estimated Closing Costs | | 240,000 |
| 17. Estimated Closing Costs (Refinance) | | 240,000 |
| 18. Estimated Closing Costs (Purchase) | | 240,000 |
| G. Estimated Total Cost | | |
| 19. Estimated Total Cost | | 240,000 |
| 20. Estimated Total Cost (Refinance) | | 240,000 |
| 21. Estimated Total Cost (Purchase) | | 240,000 |



Renovation Progress

- All work must be performed by a licensed, qualified and registered contractor
- PHFA holds the escrow funds; PHFA Purchasing Officer Liaison
- Draw Options available:
 - 50/50 – a draw is released when half the work has been completed; balance given when all work is completed
 - 25/75 – an initial draw of up to 25% may be disbursed at or after closing to pay for materials; balance given when all work is completed



PLEASE BEAR WITH US



Viewpoints

PROS

- ❑ Renovation financing options for buyers and homeowners
- ❑ PHFA Liaison available
- ❑ PHFA administer escrow
- ❑ PHFA Development Officers expertise to evaluate plans

CONS

- ❑ Contractors exceeding deadline
- ❑ Renovation consultant needed
- ❑ Lender involvement continues after the loan is sold to PHFA

New Construction Options

- ❑ Launched June 2020
- ❑ Available under the MRB model
- ❑ Provides 180-day lock period – for permanent financing
- ❑ Downpayment and closing cost assistance is available

INTRODUCING PHFA'S KEYSTONE FLEX LOAN PROGRAM (K-FLEX)



Flex your financial muscles and obtain an affordable mortgage under the Keystone Flex Loan Program!

Keystone Flex Loan Program includes:

- Keystone Flex with K-FIT (Purchases)
- Keystone Flex with Purchase and Improvement (\$30,000) with K-FIT
- Keystone Flex (Refinancing)

Program requirements include:

- Borrowers must have a minimum FICO score of 660
- Maximum financing required
- No first-time homebuyer requirements
- Homebuyer education must be completed through one of PHFA's approved counseling agencies

Eligible borrowers may receive:

- For purchase transactions – Conventional or Government financing paired with K-FIT
- Keystone Forgivable in Ten Years Loan Program (K-FIT) provides a forgivable, second lien loan at 5% of the lesser of the purchase price or appraised value
- Flexible refinancing options

To learn more, visit www.PHFA.org, email askphfa@phfa.org or call 855-827-3466.



HomeStyle® Renovation Program



The HomeStyle renovation program allows homebuyers or existing homeowners who are refinancing to complete renovations, repairs and improvements to their home. From a kitchen remodel to a bathroom upgrade, HomeStyle provides funds for repairs without needing a secondary loan payment.

WHO IS ELIGIBLE?

This program is open to homebuyers or homeowners who meet qualifying requirements for the HFA Preferred™ or the HFA Preferred Risk Sharing™ program. Applicants must also meet applicable PHFA program guidelines.

HOW MUCH MONEY CAN BE USED FOR RENOVATIONS?

The HomeStyle renovation program provides funds up to 75 percent of the completed appraised value of the home.

HOW CAN HOMESTYLE BE USED?

Eligible repairs or improvements include but are not limited to:

- ▶ roof repair and replacement;
- ▶ heating/air conditioning system installations;
- ▶ kitchen and bathroom remodels;
- ▶ plumbing or electric upgrades.

HOW CAN I APPLY?

Visit www.PHFA.org to find a participating lender in your area to see if you qualify for the HomeStyle Renovation program.



211 North Front Street • Harrisburg, PA 17101
855.LIARE.HOME (827-3466) • Online at www.PHFA.org

HOMEOWNERS ENERGY EFFICIENCY LOAN PROGRAM

Pennsylvania Housing Finance Agency's Homeowners Energy Efficiency Loan Program offers 1% APR¹ loans up to \$10,000 for specific energy efficiency repairs for low and moderate income households. The loans can pay for:

- Air sealing, insulation and ductwork;
- Energy-efficient windows and doors;
- Energy-efficient heating or cooling system repairs or replacements;
- Roof replacements.

HEELP loans are affordable! For example:

- If you borrow \$5,000 you pay \$44/month.
- If you borrow \$10,000 you pay \$88/month.

Note: The minimum loan is \$1,000.

For more information, visit www.PHFA.org, email HOP_Energy@phfa.org (specify HEELP in the subject line), or call PHFA at 855.827.3466.

¹ Subject to credit approval and restrictions including household income, loan use, and owner occupancy. Interest rate quoted as of 1/1/2019. The 1% APR is fixed for the 10 year term of the loan. Sample payments based on \$5,000 and \$10,000 loan examples have 10 year term and 120 payments. Total finance charge for a \$5,000 loan is \$256.25 and for a \$10,000 loan is \$512.49.



Learn more at PHFA.org
or call 855-827-3466.

Contact Information

Director of Homeownership Programs

Coleen Baumert cbaumert@phfa.org 717.780.1871



THANK YOU FOR YOUR
TIME AND ATTENTION

10/20/2022



www.phfa.org



Delaware Catalyst Fund

A Delaware State Housing Authority and Cinnaire Lending Corporation Partnership

Delaware Catalyst Fund

- ▶ Designed to support efforts addressing vacant properties in communities disproportionately impacted by the COVID-19 pandemic.
- ▶ Areas with high concentrations of vacant properties often makes scalable and targeted revitalization efforts financially out of reach.

Delaware Catalyst Fund

- ▶ Partnership between Cinnaire Lending and DSHA
- ▶ Provides construction financing and sales gap subsidy to developers who have the capacity to take title to and renovate/redevelop vacant properties for homeownership
- ▶ Expands homeownership opportunities for prospective homeowners up to 120% AMI
- ▶ Increases local development capacity by supporting emerging developers

Program Design

- ▶ Construction Financing:
 - ▶ Terms and conditions determined by Cinnaire Lending in compliance with restrictions imposed for SLFRF as established by ARPA
 - ▶ Financing approval will include review by DSHA to ensure that the development project is eligible for sales gap subsidy to be provided by DSHA through SLFRF

Program Design (cont'd)

- ▶ Sales Gap Subsidy:
 - ▶ Available upon completion of the homeownership unit, sale to an eligible homebuyer, and submission of all required closing documents
 - ▶ Will support the developer's repayment of the construction financing provided by Cinnaire Lending
 - ▶ Will pay Developer Fee calculated at 15% of the TDC up to a maximum of \$20,000 per property.

CATALYST FUND PROCESS FLOW

DEVELOPER

CINNAIRE LENDING

DSHA

Phase 1 Application

Submits Project
Proposal

Approves
Construction
Loan Request

Approves
Subsidy Request

Phase 2 Construction

Starts Rehab/New
Construction

Inspects
Construction and
Processes Draw
Requests

Completes
Construction

Certifies Costs

Approves
Cost
Certification

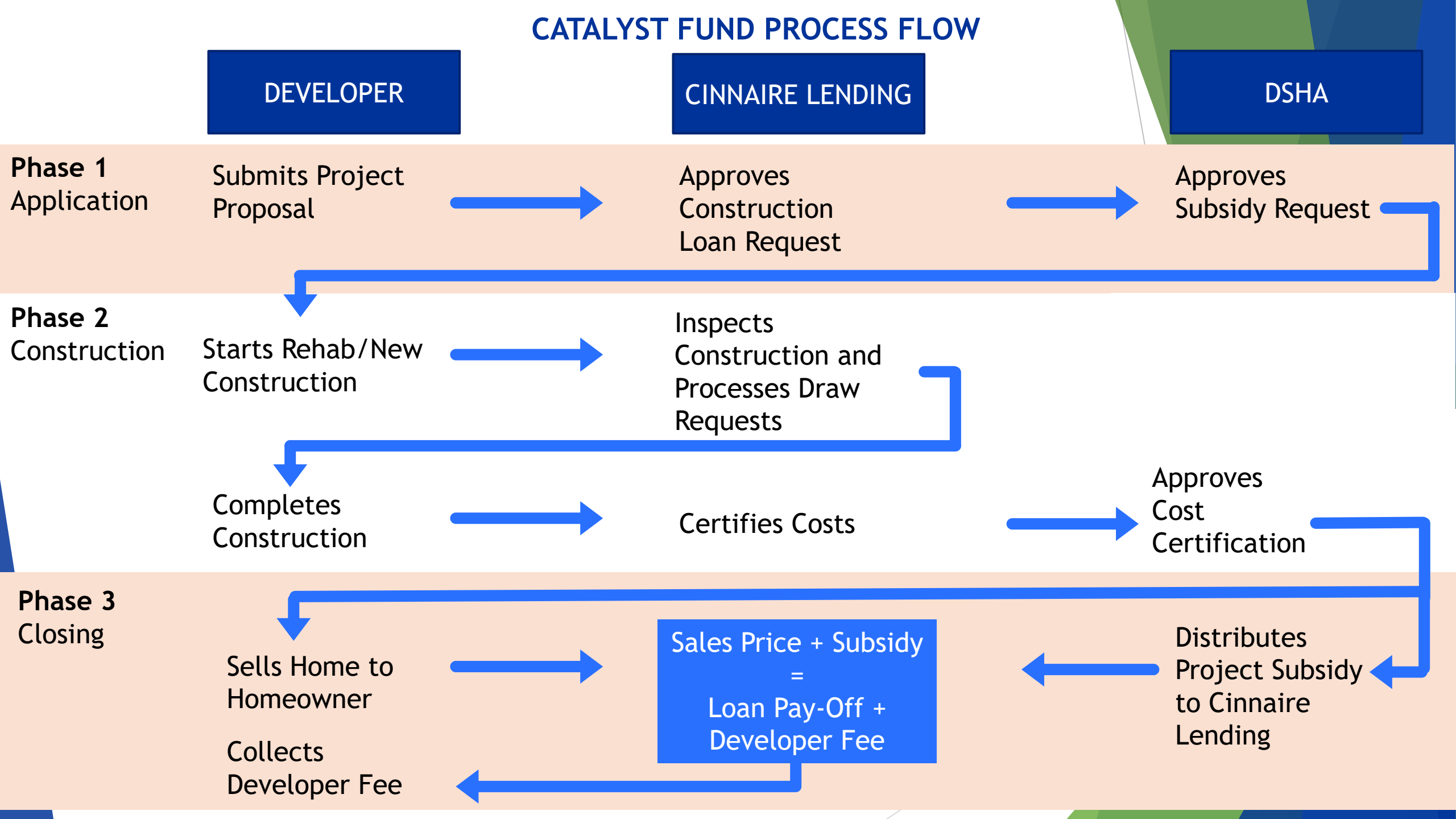
Phase 3 Closing

Sells Home to
Homeowner

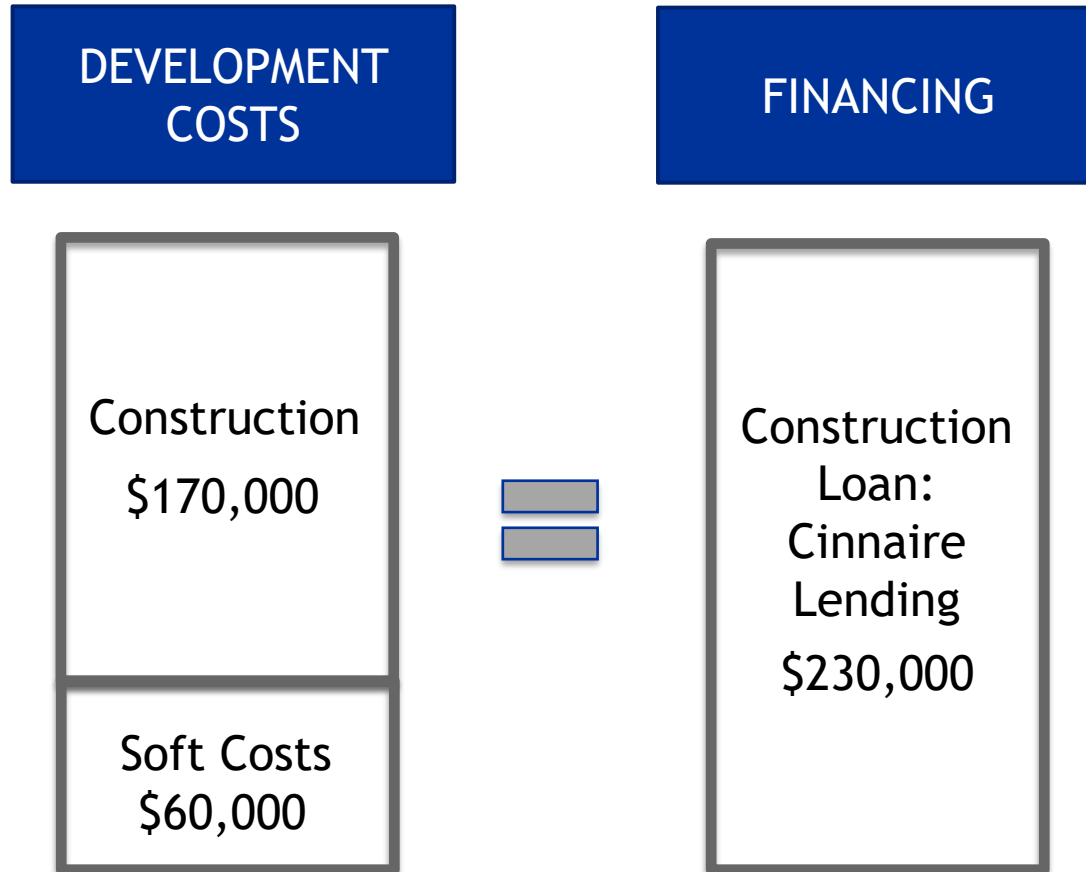
Collects
Developer Fee

Sales Price + Subsidy
=
Loan Pay-Off +
Developer Fee

Distributes
Project Subsidy
to Cinnaire
Lending



Construction Financing



Sales Gap Subsidy

TOTAL DEVELOPMENT
COSTS = \$250,000

Construction
\$170,000

Soft Costs
\$60,000

Developer Fee
\$20,000

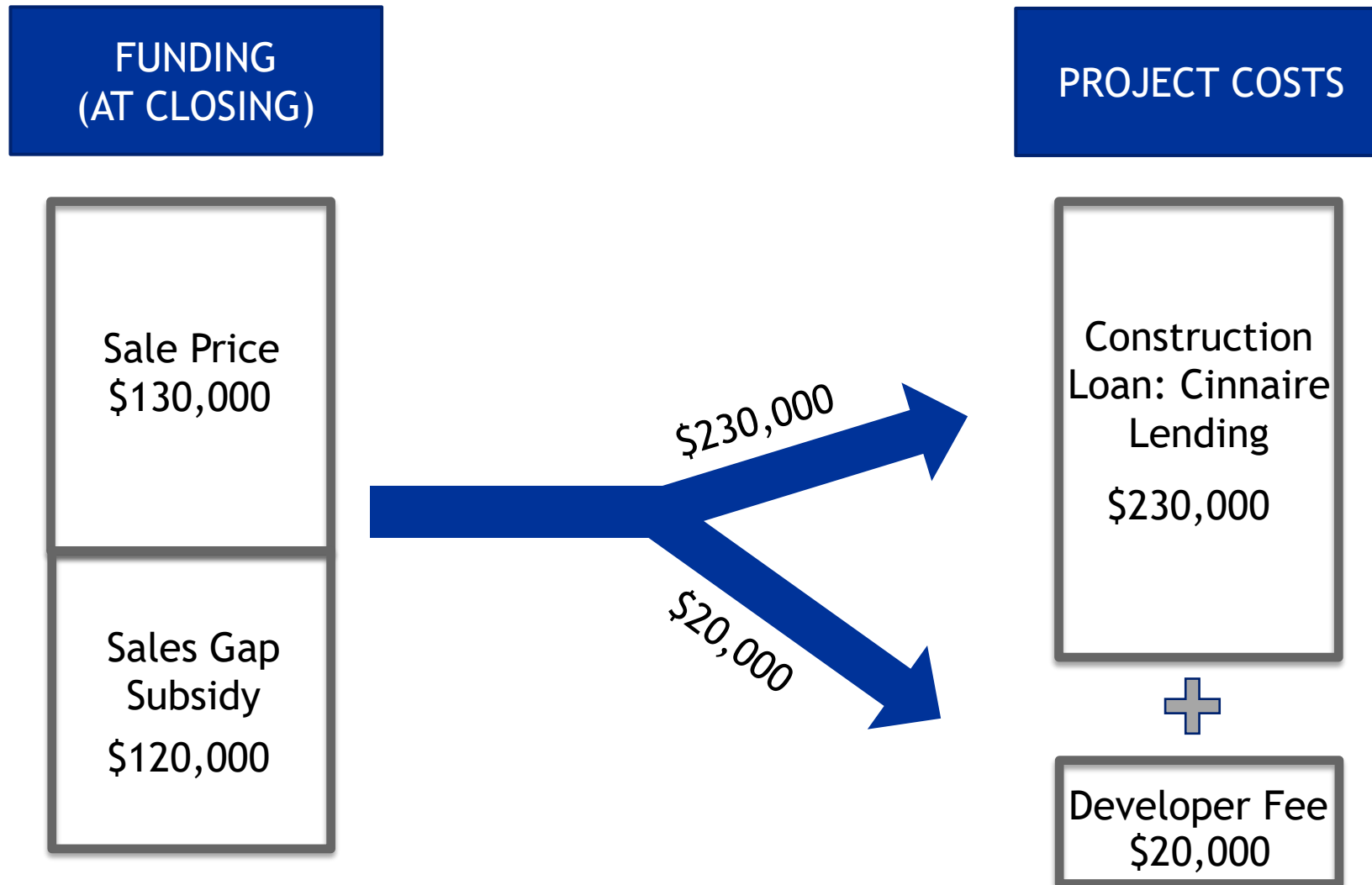
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FUNDING = \$250,000

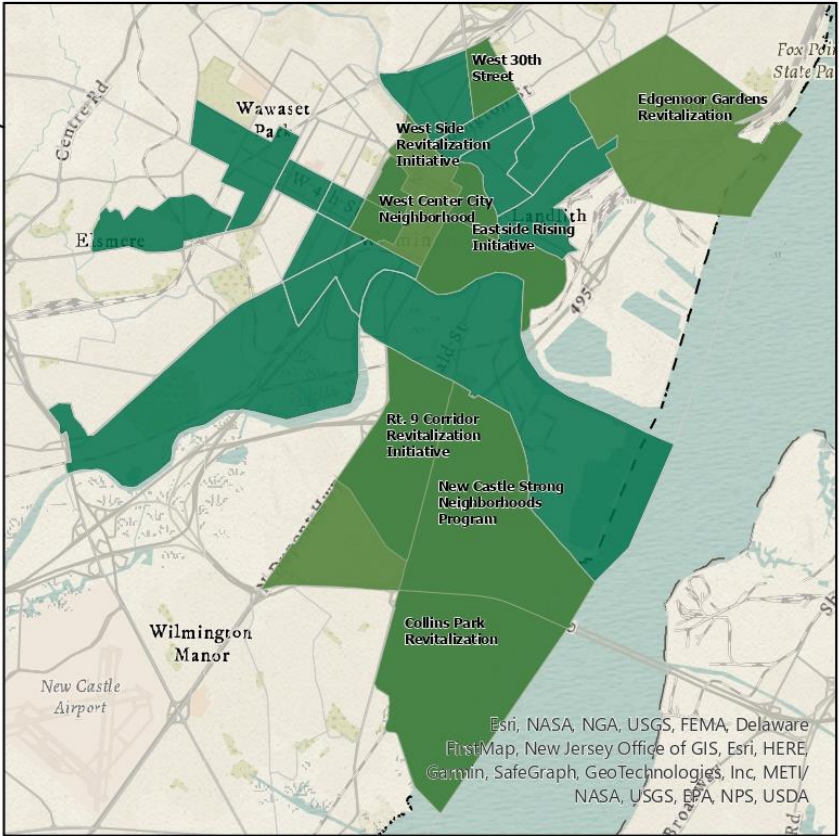
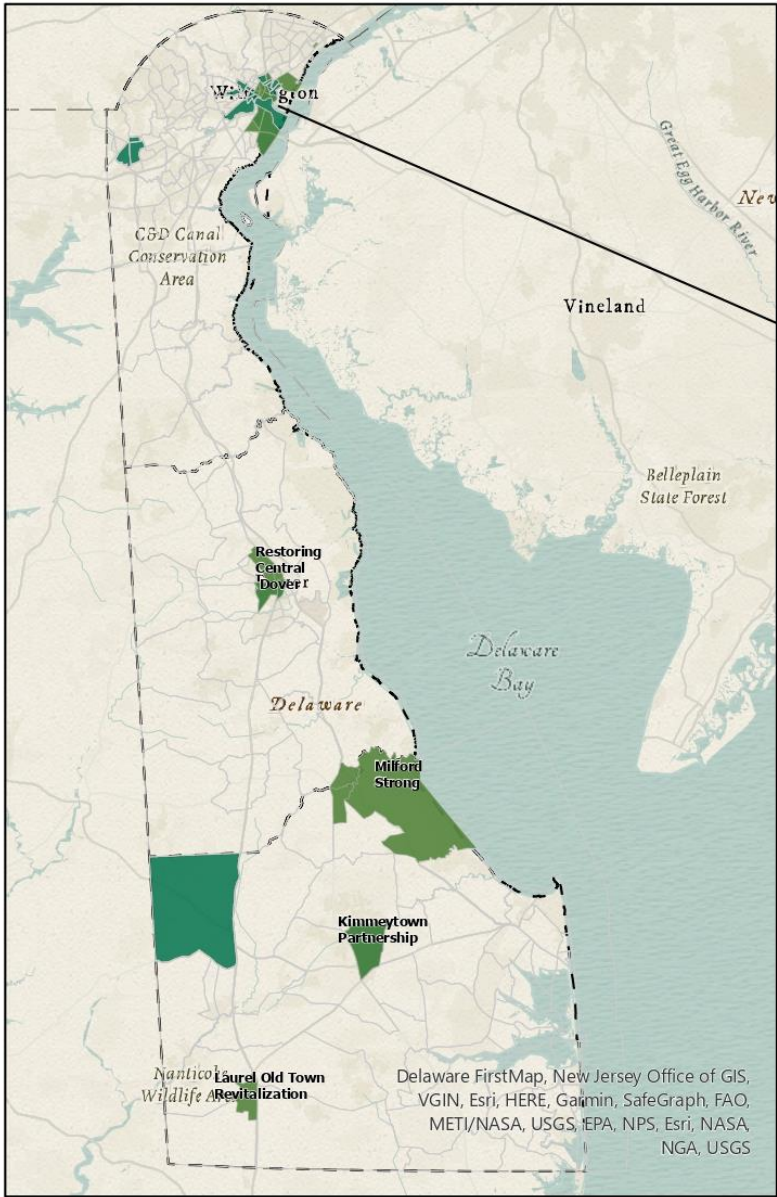
Sale Price
\$130,000

DSHA Sales
Gap Subsidy
\$120,000

Funding Disbursement



Eligible Areas



Key Contacts

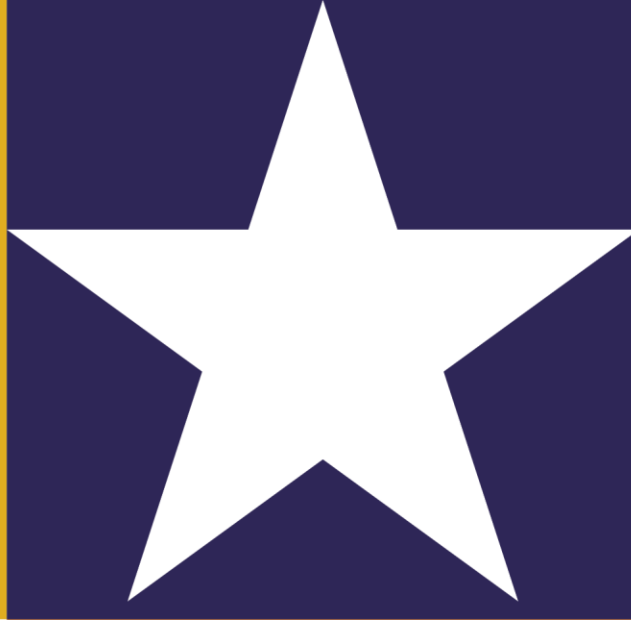
▶ DSHA:

- ▶ *Susan Eliason, Deputy Director*
- ▶ *Stephanie Griffin, Director of Housing Development*
- ▶ *Dawn C. Favors Jopp, Community Development Manager*
- ▶ *Angie Lord, Management Analyst*
- ▶ *Reach any of us at: **CatalystFund@destatehousing.com***

▶ Cinnaire:

- ▶ *Jennifer Everhart, Executive Vice President, Underwriting & Credit Risk*
- ▶ *Sarah Greenberg, Senior Vice President, Cinnaire Lending*
- ▶ *Dionna Sargent, Vice President, Community Development*
- ▶ *Reach any of them at: **DECatalyst@cinnaire.com***

Virginia
Housing



2022
HOUSTON

Zoning Acceptance of Factory-Built Housing



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Finding 5: About 2,000 new manufactured homes are added in the state each year.

Those deliveries are a fraction of 1990s levels.

Manufactured and modular home deliveries

Total deliveries by year



Minimum number of new homes needed each year to meet projected growth through 2040



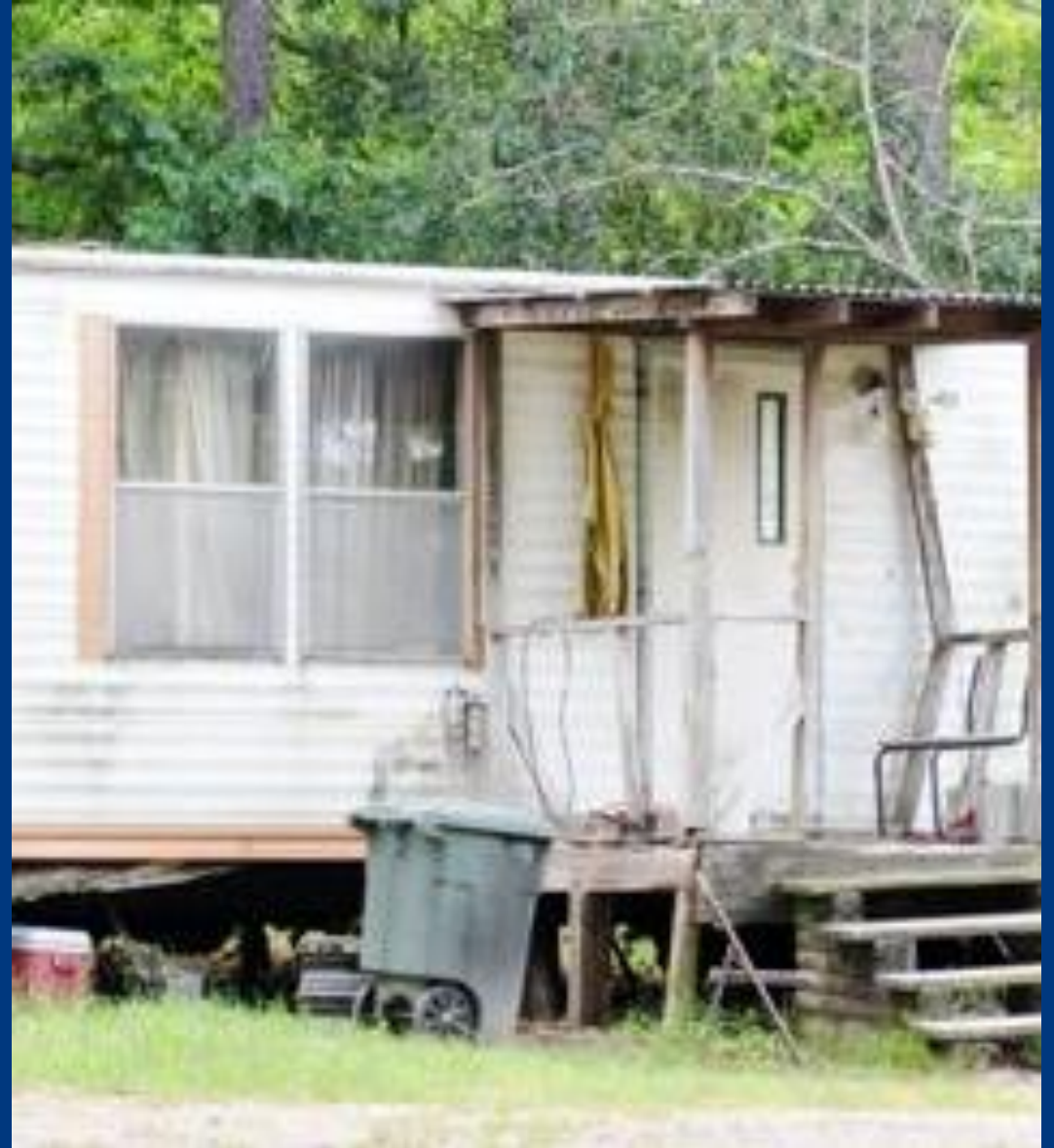
Based on calculations of data from University of Virginia Weldon Cooper Center for Public Service.

The Case for Zoning Innovation

- Manufactured homes provide an average cost savings of up to 50% compared to their stick-built counterparts, up to \$73 per square foot excluding land versus \$140
- Construction is precise and efficient due to technology and large-scale, factory-based work
- Environmentally friendly, as minimal waste remains after construction of a manufactured home
- Mortgages on manufactured homes perform nearly as well as those on site-built homes, and both categories appreciate at about the same rate

Manufactured Housing Stigma

- Jumble of changing terminology and evolving standards
 - Trailers, mobile homes, modular, manufactured housing, factory built, next generation housing, etc.
- Deteriorating housing stock (pre-1976)
- Fog of negativity when older stock not well maintained



Zoning Policies Restricting Manufactured Housing

- Outright bans
 - Lot size restrictions
 - Layering of multiple ordinances
 - Density
 - Restrictions to MHC
 - Age
 - Non-conforming uses
-





Innovation Demonstration Grant



Danville Partnership Pilot



We are a city that acknowledges our challenges. We embrace those challenges by forming partnerships to bring about change. Together, we learn from others, build frameworks and plant seeds.” – **Mayor Alonzo Jones, Danville VA**





**The Next
Generation....**



**Manufactured Housing's
Future**



Recommendations

- Create a template for owner, resident and local government collaboration
- Support education programs to inform and assist local policy makers
- Develop replicable models for current and future generation of manufactured housing
- Pilot models in partnership with MHA, lenders and local communities
- Learn, observe, modify and repeat