

Preserving an Aging Housing Stock

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Key Challenges to Affordable Housing Preservation

- Limited financial resources
- Scope of necessary rehab and size of projects
- Changing local markets
- Time-limited affordability restrictions
- Connecting preservation-minded owners w/ at-risk properties



Key Tools for Affordable Housing Preservation

- Section 8 HAP renewals, including mark-up-to-market option
- Bond financing and 4% tax credits
- FHA refinancing
- Porting of Section 8 PBRA Contracts under "Section 8(bb)" or "Section 210" statutory authority



Transferring HAP Assistance Between Projects

- ❑ “Section 8(bb)” transfers (42 U.S.C. 1437f(bb))
 - Allows transfer of Section 8 ***budget authority*** from “Contract A” to “Contract B”
 - Requires willing Owner A and Owner B
 - Project B must be in a good location with demand for affordable housing, in good condition, with good management

- ❑ “Section 210” transfers (annual appropriations)
 - Allows transfer of ***project-based rental assistance, debt, and income-based use restrictions*** between properties
 - Nine statutory requirements, including that the transferring project must be either “physically obsolete” or “economically nonviable”



Connecting Preservation-Minded Owners with At-Risk Properties

- ❑ HUD maintains list of properties whose owners have expressed interested in *receiving* PBRA via Section 8(bb) transfers: https://www.hud.gov/program_offices/housing/mfh/8bb
- ❑ HUD recommends that field offices share this info with state and local governments
 - ❑ Example: Chicago Preservation Compact



Questions?



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