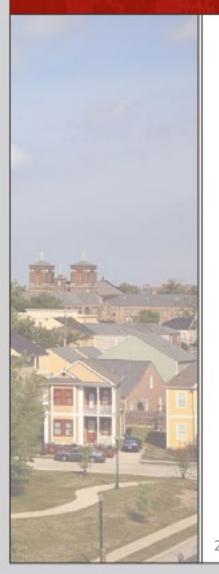


# Preserving an Aging Housing Stock

Jessie Cassella Klein Hornig LLP January 15, 2020



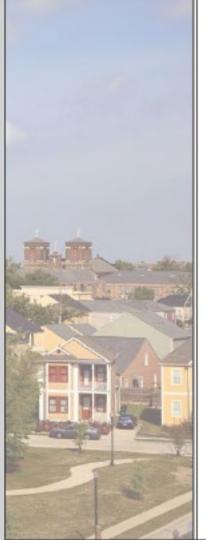
# Key Challenges to Affordable Housing Preservation



- ☐ 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



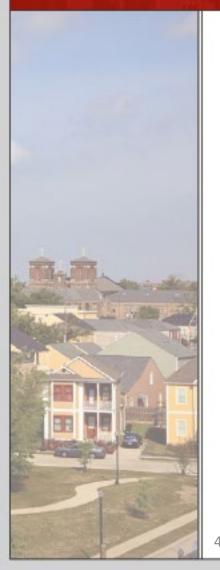
# Key Tools for Affordable Housing Preservation



- ☐ 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



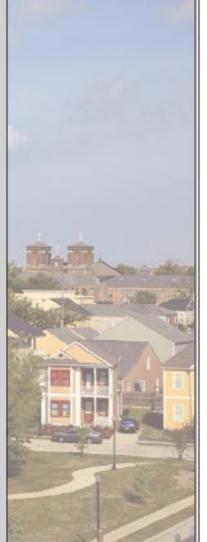
### Transferring HAP Assistance Between Projects



- ☐ "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"



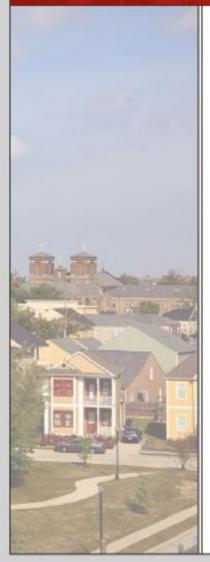
#### Connecting Preservation-Minded Owners with At-Risk Properties



- □ HUD maintains list of properties whose owners have expressed interested in receiving PBRA via Section 8(bb) transfers: <a href="https://www.hud.gov/program\_offices/housing/mfh/8bb">https://www.hud.gov/program\_offices/housing/mfh/8bb</a>
- ☐ HUD recommends that field offices share this info with state and local governments
  - ☐ Example: Chicago Preservation Compact



#### Questions?



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