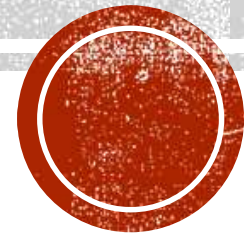


SUPPORTIVE HOUSING POLICIES IN QUALIFIED ALLOCATION PLANS

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Georgia Supportive Housing Association Conference

November 2015



OVERVIEW

- Basics of 2 major financing tools:
 - Project-Based Rental Assistance
 - Low Income Housing Tax Credit (“LIHTC” or “tax credits”)
- How LIHTCs are allocated to developments
- Georgia’s LIHTC policies
- Ideas from other states

Credit to CSH’s report: *“Housing Credit Policies in 2014 that Promote Supportive Housing”*, December 2014



FIRST MAJOR TOOL: PROJECT-BASED RENTAL ASSISTANCE

Rental assistance and PBRA defined

Types of PBRA

- Housing Choice Vouchers (“Section 8”)
- Shelter Plus Care
- Housing Authorities (Project-Based Vouchers)
- HUD 811
- Veterans Affairs Supportive Housing (“VASH”)



SECOND MAJOR TOOL: LIHTC

- Federal subsidy administered and allocated by each state's HFA (e.g. Georgia Department of Community Affairs)
- Dollar-for-dollar tax credit allocated to owners, sold to investors in exchange for credits
- LIHTC equity can fund 40% to 100% of the total development costs
- Rent and income restrictions for households with incomes at or below 60% of Area Median Income (AMI)
 - Atlanta AMI family of 4 = \$68,300 \$1,707 housing costs/mo.
 - 60% AMI family of 4 = \$40,980 \$1,025 housing costs/mo.
 - 30% AMI household of 1 = \$14,400 \$360 housing costs/mo.



OTHER LIHTC CONSIDERATIONS

- Qualified Allocation Plan (“QAP”)
- Production in GA: 2300 housing units annually
- Physical disabilities – federal law mandates inclusion through design in all affordable developments
- Effect of Olmstead on housing policies



LIHTC ALLOCATION GUIDELINES

THRESHOLD

- Zoning
- Market
- Environmental
- Water and sewer availability
- Financial feasibility
- Design quality

SCORING

- Proximity to amenities
- Proximity to transit
- Deeper targeting
- Combing with other subsidies
- Located in revitalizing areas
- Located in low-poverty areas
- Green building

SET-ASIDES

- Rural versus urban
- Non-profit sponsors
- Preservation of existing affordable housing
- Special needs



GEORGIA'S 2015 QAP AND PSH

THRESHOLD

- Strong preference for Integrated PSH (max 20% of units)
- If PSH units, MOU with service provider

SCORING

- Willingness to accept HUD 811 or other DCA PBRA
 - Must be 1 bedrooms
 - Up to 10% of units
 - Not senior housing
- Public Housing Authority PBRA – PSH preference
- Preservation of preserving single-site PSH
- Innovative project – 3 points for strong Integrated Housing proposal

SET-ASIDES

- Non-profit sponsors
- “General Set-aside”



GENERAL PSH POLICY CONCEPTS

THRESHOLD

- Every property must have X% PSH units
- Every property must have X% units at 30% AMI
- Mandate for certain services for all tenants

SCORING

- X Points for commitment of Y% of PSH units (including PBRA commitment and services MOU)
- X Points for willingness to accept PSH
- X Points for PSH for certain populations (e.g. Veterans)

SET-ASIDES

- X% of credits to projects that commit to PSH
- Preservation of existing affordable housing (including PSH)



EXAMPLE STATES: VIRGINIA

- Scoring: 50 points to developments in which the greater of 5 units or 10% of units provide rental subsidies to 30% AMI households and are actively marketed to people with special needs.
- Set Aside: A non-competitive pool for projects dedicating 50% (or up to 25% if 811 vouchers are used) to non-elderly disabled people that provide rent subsidies 30% AMI.



EXAMPLE STATES: FLORIDA

- Set aside: 5% of credits allocated must serve persons with disabilities (State Law!)
 - Result: up to 2 projects will service formerly homeless tenants with disabilities
 - 2014 focus on developmental disabilities
 - Properties only in 7 most populous counties



EXAMPLE STATES: KENTUCKY

- Set Aside: Nonprofit Supportive Housing Pool - 29% of credits
 - \$750,000 Recovery Kentucky Set-Aside (those recovering from substance abuse)
 - \$500,000 to the Nonprofit Supportive Housing pool: at least 50 percent of units for individuals or families for homeless and disabled
- Scoring: 25 points to Nonprofit Supportive Housing Projects that address how they will provide supportive services.



EXAMPLE STATES: NORTH CAROLINA

- Threshold: 10% of total units to persons with disabilities or homeless populations.
- Threshold: Projects with federal project-based rental assistance must target at least 5 units regardless of size.
- Threshold: A memorandum of understanding (MOU) among the developer(s), management agent and the lead local agency.

