



# Office of Multifamily Housing Programs Overview & Elderly Housing

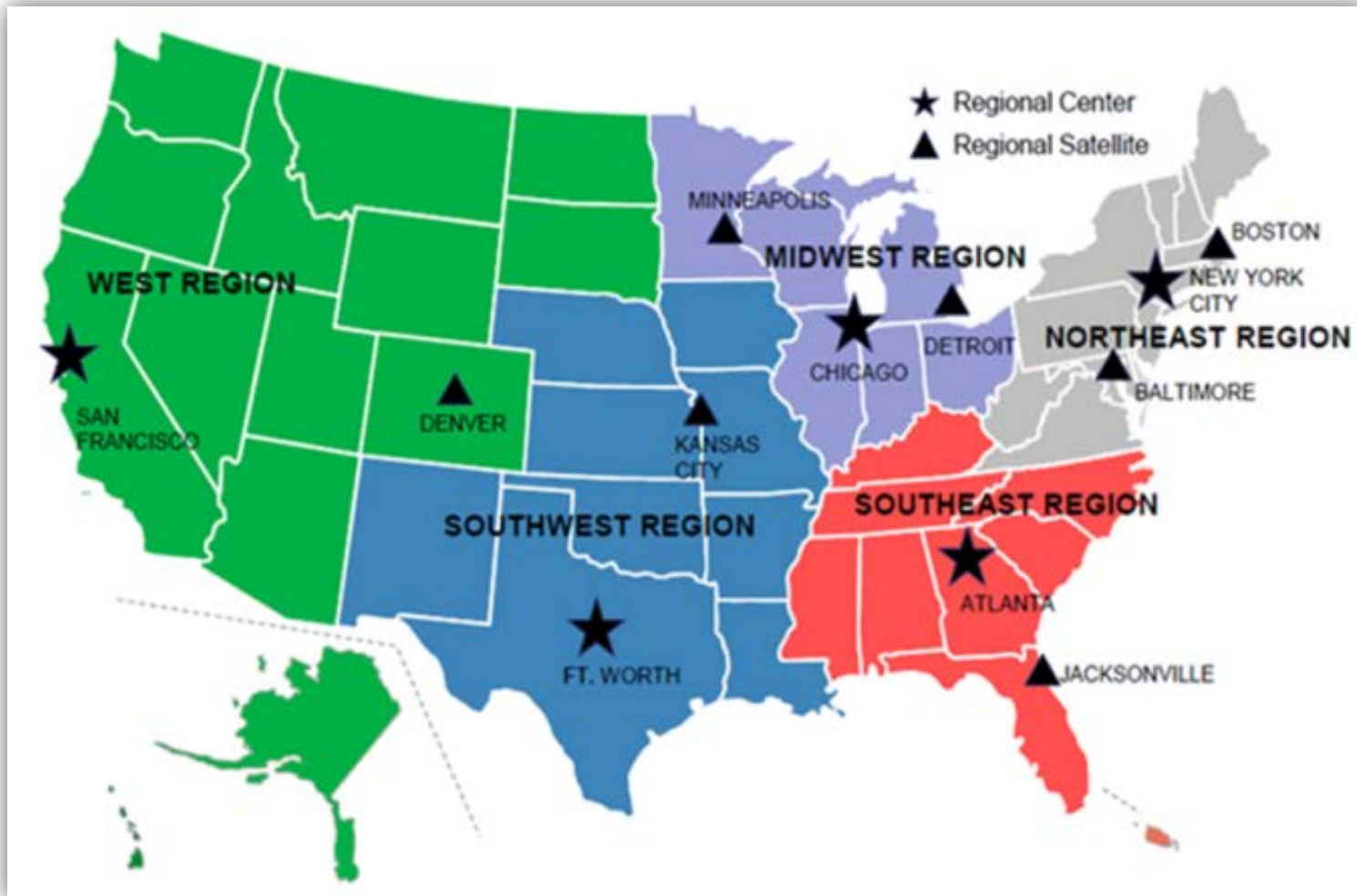
November 29, 2017



# Multifamily Housing Mission

- **FHA Multifamily Production** provides vital liquidity to the multifamily credit market
- **Office of Asset Management & Portfolio Oversight and the Office of Recapitalization** create or preserve critically needed sustainable & affordable rental housing opportunities for low-income:
  - families
  - elderly persons
  - people with disabilities

# OFFICE OF MULTIFAMILY HOUSING ORGANIZATIONAL STRUCTURE



- 1,000+ employees
- 7 Satellite offices
- 5 Regional Centers

# Program Offices

- 1. FHA Multifamily Production (Production)**
- 2. Office of Asset Management & Portfolio Oversight (OAMPO)**
- 3. Office of Recapitalization (Recap)**
- 4. Office of Policy and Systems**
- 5. Office of Field Support & Operations (OFSO)**

# Office of Production

- Insuring mortgages for construction, purchase, refinance, and rehabilitation of multifamily properties
- Financing affordable housing in conjunction with the low-income housing tax credit program
- Three primary programs plus Risk Share
  1. **223(a)(7)**: Refinance Existing FHA Loan
  2. **223(f)**: Refinance or Acquisition
  3. **221(d)(4)**: Sub-Rehabilitation or New Construction

# Office of Asset Management & Portfolio Oversight

## 1. Rental Assistance

- Administration of subsidized housing programs providing rental assistance to low income families, seniors, and persons with disabilities.

## 2. Servicing of HUD Properties

- Responsible for oversight and servicing of insured and subsidized multifamily projects.

# Section 202

- The Section 202 Elderly and Disabled Housing Direct Loan program provides below-market interest rates on up to 40-year mortgages to developers of rental housing for low-income elderly and persons with disabilities.
- The Section 202 program is over 50 years old; the earliest 202s were funded with low-interest Direct Loans starting in 1959.
- Many Section 202s are also assisted (some or all of the units) by a Section 8 rental assistance contract.



# Section 811

- Section 811 Supportive Housing for Persons with Disabilities provides funding to develop and subsidize rental housing with the availability of supportive services for very low- and extremely low-income adults with disabilities.
- Allows persons with disabilities to live as independently as possible in the community by subsidizing rental housing opportunities which provide access to appropriate supportive services.
- Authorized to operate in two ways:
  - Traditional way, interest-free capital advances and operating subsidies to nonprofit developers of affordable housing for persons with disabilities.
  - Providing project rental assistance to state housing agencies. Assistance to the state housing agencies can be applied to new or existing multifamily housing complexes funded through different sources, such as Federal Low-Income Housing Tax Credits, Federal HOME funds, and other state, Federal, and local programs.



# Sections 202 and 811

- 3,900 projects originally financed under Section 202 have Section 8 rental assistance
- This covers 216,000 elderly households and provides \$1.8 billion in annual rental assistance

<u>202 PRAC</u>	<u>811 PRAC and 202 PAC</u>
2,845 properties	2,781 properties
128,689 households	34,360 households
Average income \$13,346	Average income \$11,229
94% are elderly (62 or older)	81% are disabled
The average age is 75	18% have wage income
Average tenant payment = \$280/month	Average tenant payment = \$220/month

# A Look At Our Residents

*Residents of HUD-assisted rental housing, especially older adults, tend to be extremely low-income, with higher-than-average healthcare utilization patterns.*



Over 12,000 properties nationwide are restricted to elderly households.

- 39% - between 62-74 years of age
- 27% - between the ages of 75-84
- 13% - between the ages of 85-99
- 1% are 100 years of age or older
- 67% of our residents are female
- SSI is the primary source of income for over 72%

# Service Coordinator in Elderly Multifamily Housing Program

## Expectations

Recognize the importance of housing as a platform for...

- financial security
- physical security
- social connections, and
- delivery of long-term support and services, especially for vulnerable populations such as the elderly

# Critical Need

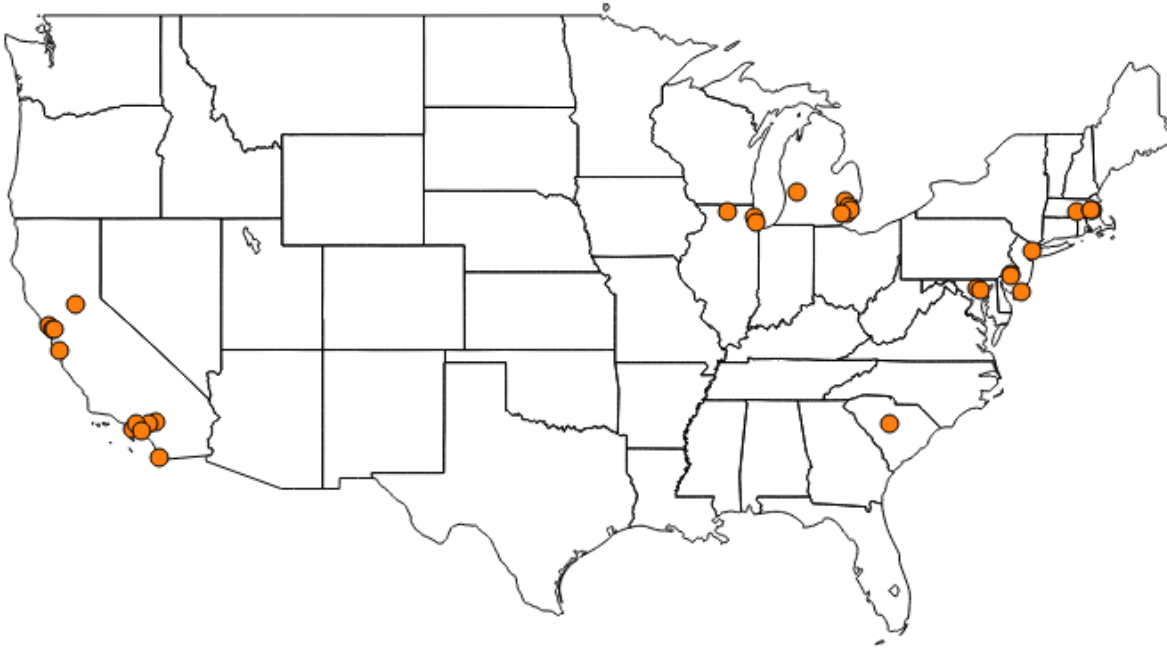
The [Service Coordinator Program](#) provides annual extension funding for the employment of Service Coordinators in insured and assisted Multifamily Housing developments that are designed for the elderly and persons with disabilities.

Grant extension funds are to be used only to meet a critical need and in cases where no other funding source is available.  
Meeting a "critical need" means addressing a need that cannot be met through use of other resources.

# Supportive Services Demonstration

- **Integrated Wellness in Supportive Housing (IWISH)**
- **Purpose:** To test and evaluate an enhanced supportive services model in Multifamily senior housing that facilitates healthy aging
- **Goals:**
  - Delay or avoid institutional care
  - Expand and support residents' self-care management capacity
  - Enhance access and use of health and social services
  - Improve housing stability
  - Improve resident wellbeing and quality of life

# Demonstration Grantees



- **700+ Applications**
- **40 Treatment**
  - Demo Model
- **40 Control**
  - Business-as-usual

# Office of Recapitalization

Promotes and ensures preservation of HUD-funded affordable rental housing wherein the affordability, fiscal viability and physical stability are extended beyond existing maturities.

- Safeguard long-term rental assistance for current and future generations
- Improve and modernize properties through capital repairs
- Stabilize properties by placing them on solid financial footing

# Rental Assistance Demonstration

- Allows public housing and certain at-risk multifamily legacy programs to convert to long-term Section 8 rental assistance contracts
- 2 components
  - 1<sup>st</sup> Component: Public Housing, 225,000 cap
  - 2<sup>nd</sup> Component: Mod Rehab, Rent Supplement (Rent Supp) & Rental Assistance Payment (RAP), uncapped



# **RAD for Project Rental Assistance Contracts Section 202 PRACs**

- Budget proposal plus House and Senate THUD include expansion of RAD 2 to the 202 PRAC portfolio
- Waiting on next appropriations bill