



# Fannie Mae's Healthy Housing Rewards program

Restoring Neighborhoods Webinar

Bob Simpson, Vice President, Affordable and Green Financing

# Two Paths to Healthy Housing Rewards

Does the property have health-promoting design features?

## Healthy Housing Rewards™ Healthy Design

### Benefits:

Preferential Pricing  
Certification cost reimbursed

### To Qualify:

60% of units restricted to tenants at 60% AMI  
Obtain Fitwel Certification

Are resident services provided for tenants at the property?

## Healthy Housing Rewards™ Enhanced Resident Services™

### Benefits:

Preferential pricing  
Initial certification costs reimbursed

### To Qualify:

60% of units restricted to tenants at 60% AMI  
Obtain CORES and ERS Certifications  
Underwrite resident services expenses



# Fannie Mae Healthy Housing Rewards™ Healthy Design



## Program Beginnings

- Fitwel Certification created as a joint initiative between the Centers for Disease Control and Prevention (CDC) and the General Services Administration for office buildings.
- Center for Active Design expanded Fitwel to multifamily residential with the help of CDC and partnered with Fannie Mae to launch the Healthy Housing Rewards program.

## Key Principles of Healthy Design

- Incentivize borrowers to incorporate design features and practices that improve air quality, encourage physical activity, and incorporate common space, community gardens, and playgrounds into newly constructed or rehabilitated affordable rental properties.
- Rely on Fitwel Certification process to evaluate properties for qualification in the Healthy Design program.



# Healthy Design Deal Spotlight Jonathan Rose Companies

Amani Place in Atlanta, GA



- \$23.1M loan, 16 year term, fixed rate
- M.TEB, Green Rewards, and Healthy Housing Rewards Healthy Design execution
- Preservation of 204 affordable units & creation of 18 new affordable units

## Jonathan Rose Companies' Approach

- Significantly rehabbed existing property – over \$18M in renovations
- Industry best practices to improve energy efficiency and indoor air quality
- Infrastructure for residents to socialize and be active - including fitness center, community garden, playground, walking paths, and a state of the art community center.

## Healthy Housing Rewards Benefits

- Pricing discount of 15 bps
- Cost of Fitwel Certification covered by Fannie Mae





# Future Growth Opportunities

- Resources for borrowers and outreach on how Healthy Design qualifying features can be integrated into the rehab of affordable properties
- Evaluating broader group of certifications and minimum certification requirements



# Fannie Mae Healthy Housing Rewards™ Enhanced Resident Services™ (ERS)



## Program Beginnings

- With MacArthur Foundation support, Stewards of Affordable Housing for the Future (SAHF) developed the [Framework for Resident Services Coordination](#).
- Fannie Mae was seeing affordable housing deals with resident services – how can we better support organizations providing high quality services?
- Building on the Framework, Fannie Mae partners with SAHF to develop and launch Healthy Housing Rewards.

## Key Principles of Enhanced Resident Services

- Support resident services for the life of the loan.
- Rely on Certified Organization for Resident Engagement & Services (CORES) Certification to identify high quality resident services providers and ERS Certification to evaluate and approve property specific services plan.



# Healthy Housing Rewards Deal Spotlight

## CommonBond Communities

Community Plaza and Galway Place in St. Paul and Coon Rapids, MN

### Deal Overview

- \$7.97M loan
- 16 year term, fixed rate
- M.TEB and Healthy Housing Rewards ERS execution
- 76 units at two properties
- Underwritten property expense includes coordinator salary

### CommonBond's Resident Services Approach

- 8 units are set aside for formerly homeless families; 100% of units affordable to tenants at 60% AMI
- Onsite service coordinator to provide intensive supportive services for formerly homeless families
- All residents are provided support to maintain stable resident tenancy

### Healthy Housing Rewards Benefits

- Pricing discount of 30 bps provides funds towards service provision
- Interest rate savings equivalent to about \$380,000 over life of loan
- Initial CORES and ERS Certification costs covered by Fannie Mae





# Future Growth Opportunities

- Growing body of CORES Certified organizations that are eligible for Fannie Mae's Healthy Housing Rewards financing
- Opportunity for borrowers with limited resident services experience to partner with third-party CORES Certified organizations to qualify for Healthy Housing Rewards
- Outreach with State Housing Finance Agencies
- Inclusion of CORES Certification into state Qualified Allocation Plans (QAPs)
  - Maryland and Virginia award preference points for organizations with CORES certification



# Learn More

Fannie Mae Healthy Housing Rewards



Fannie Mae®

Fannie Mae Healthy Housing  
Rewards

[https://fanniemae.com/multifamily/  
healthy-housing-rewards](https://fanniemae.com/multifamily/healthy-housing-rewards)



FITWEL & Design is a registered trademark of the U.S. Department of Health & Human Services (HHS). Participation by the Center for Active Design and/or any other organization does not imply endorsement by HHS.

Fitwel Certification  
<https://www.fitwel.org/>



**CORES**

CORES Certification  
<https://coresonline.org/>



# Questions?

## **Bob Simpson**

Vice President

Affordable and Green Financing

[bob\\_f\\_simpson@fanniemae.com](mailto:bob_f_simpson@fanniemae.com)

## **Rachel Cluett**

Manager

Healthy Housing Rewards

[rachel\\_cluett@fanniemae.com](mailto:rachel_cluett@fanniemae.com)

*Follow me on twitter @**bobsimpson42***

