

The Statewide Affordable Housing Preservation Project

Homes Within Reach Conference

Wednesday, December 4, 2024

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How Did This Event Come Together?

Collaborative Efforts of Individuals and Organizations committed to preserving affordable rental housing, including Housing Alliance of Pennsylvania, Regional Housing Legal Services, Neighborhood Allies, Local Initiatives Support Corporation (LISC Philadelphia)

Very Special Thank You to Truist for generously supporting today's event and our partner collaboration!

About Truist

Truist Financial Corporation is a purpose-driven financial services company committed to inspiring and building better lives and communities. As a leading U.S. commercial bank, Truist has leading market share in many of the high-growth markets across the country. Truist offers a wide range of products and services through our wholesale and consumer businesses, including consumer and small business banking, commercial banking, corporate and investment banking, wealth management, payments, and specialized lending businesses. Headquartered in Charlotte, North Carolina, Truist is a top-10 commercial bank with total assets of \$535 billion as of March 31, 2024. Truist Bank, Member FDIC. Learn more at [Truist.com](https://www.truist.com).



Housing Alliance of Pennsylvania



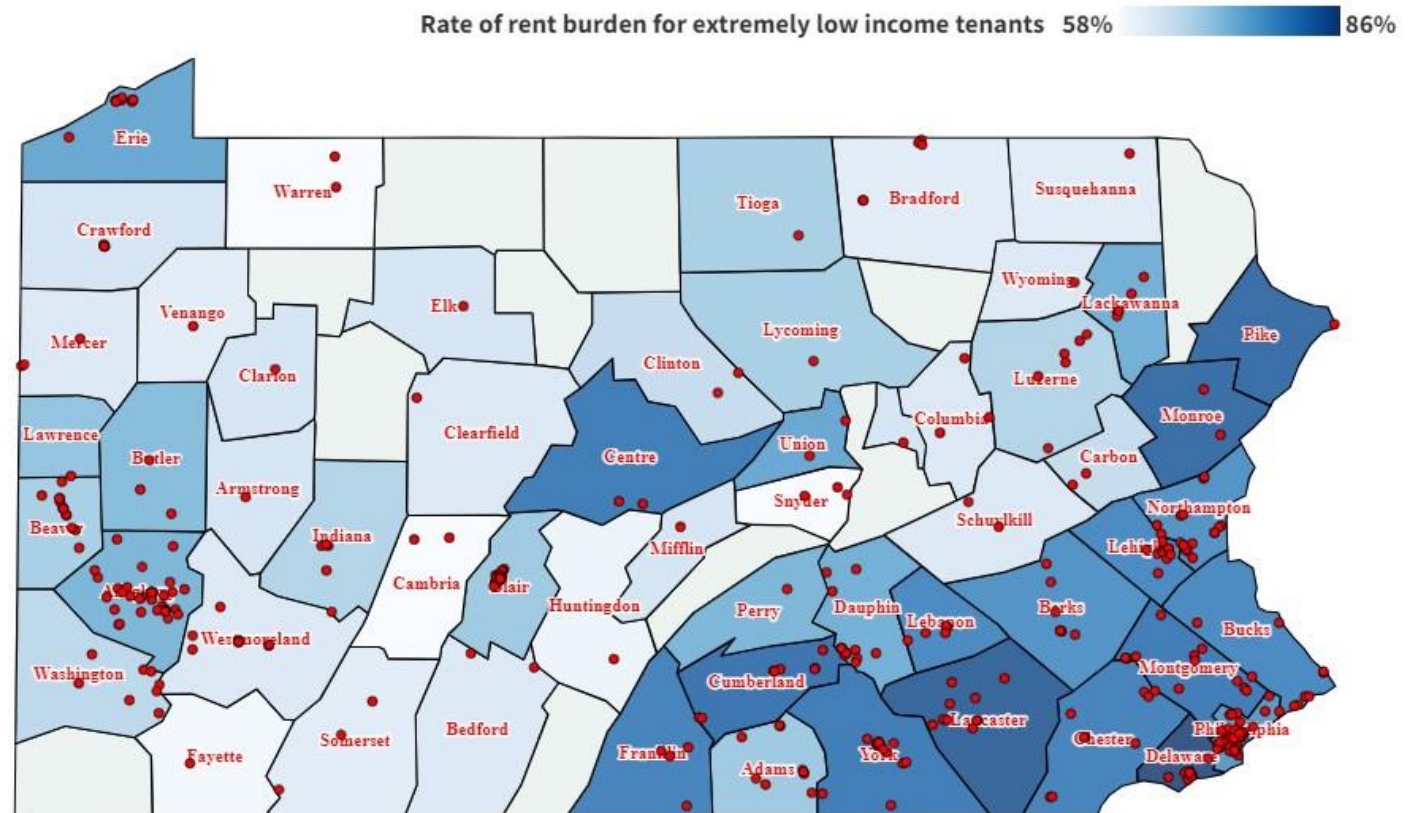
Overview: Preservation Opportunities & Challenges in Pennsylvania

Nearly 12,000 units nearing the end of affordability covenants in PA over the next five years and *may* be in need of re-capitalization or re-syndication

- Total of 56 counties are anticipated to have nearly 380 properties reaching the end of compliance by 2029
- In 66 counties, rent burden rates for extremely low income households are equal to or greater than 50%
- In 2023, 17 counties received HOP MF preservation funds (3074 units)

Publicly Supported Properties in Pennsylvania with Affordability Expiring by 2029

378 Properties with 11,765 Units Moving Toward Expiration in 56 Counties



Source: U.S. Census American Community Survey, National Housing Preservation Database, Truist, Pennsylvania Housing Finance Agency

Preservation Work across Pennsylvania

Convening and Connecting



Recent Examples of Preservation Work



Project HOME's Kate's Place

Philadelphia, PA

Originally developed in 2005, it includes 144 units of affordable housing, including 37 permanent supportive and 107 affordable via LIHTC. The property is on the National Historic Registry.



Asociación de Puertorriqueños en Marcha's (APM)

Jardines de Borinquen

Philadelphia, PA

Originally developed in 1995, it includes 45 townhomes for residents at various income levels (60% AMI, 20% AMI) and includes Project Based Vouchers via Philadelphia Housing Authority.

Legal Representation & Technical Assistance for Nonprofit Organizations in Pennsylvania

Regional Housing Legal Services

- Low-Income Housing Tax Credit (LIHTC) Year 15 Unwind
- Loan portfolio review and recommendations
- Connections with potential sources of funding for refinancing
- Legal/Technical assistance for weatherization and energy-efficiency
- Connections and referrals to appropriate consultants
- To learn more about eligibility, other services, and how to apply visit <https://www.rhls.org/request-services/>.



Tips for Preparing for Preservation

Know Your Deal and What's at Stake

Track key documents from the start:

- Transaction Binder
- Loan Agreements
- Indentures
- Mortgages and Promissory Notes

Note Important Deadlines:

- When does indenture/affordability expire?
- When do loans mature?
- Whose consent do you need?
 - PHFA/Redevelopment Authority/FHLB AHP/HUD
- LIHTC –Year 15

Know specifics for Low-Income Housing Tax Credit Deals:

- Amended and Restated Agreement of Limited Partnership or Operating Agreement
- Understand Year 15 as a milestone for the project in terms of asset management and legality
- Have a project plan that includes when and how to buy out the investor

Purpose of Engagement

Why We Engaged Stakeholders?

- To understand opportunities and challenges in preserving subsidized multifamily housing in Pennsylvania, particularly in areas outside Philadelphia and Pittsburgh.
- To identify key challenges and opportunities for the long-term preservation of affordable rental housing.

Goals

- Pinpoint challenges faced by housing owners and developers.
- Assess the effectiveness of existing preservation resources.
- Explore refinements or additions to programs and policies for improved preservation.

Stakeholder Selection

Who We Engaged

31 stakeholders, including:

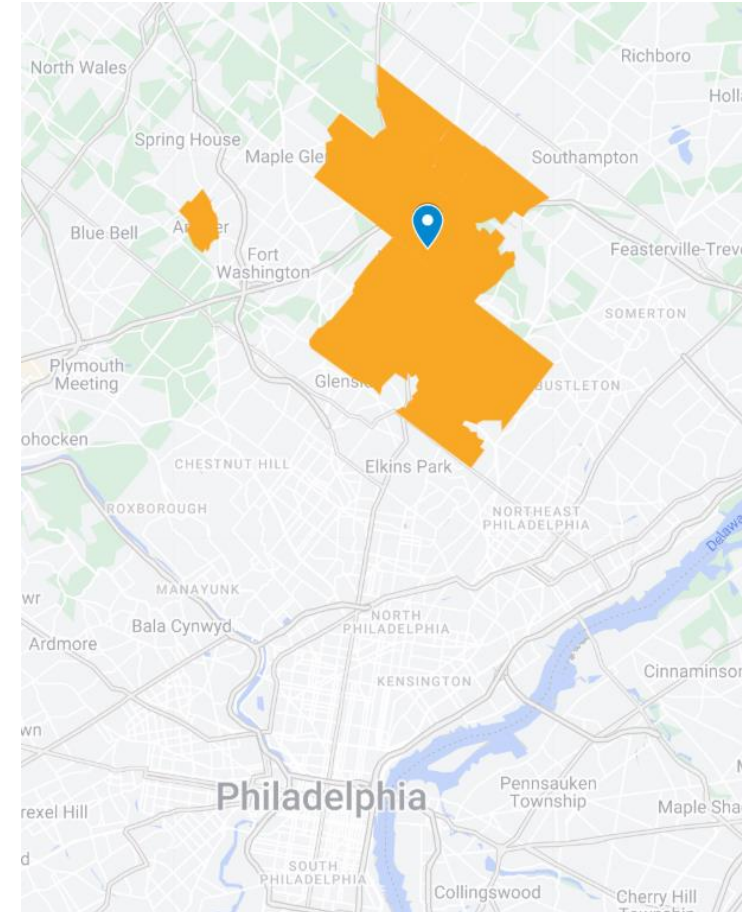
- Affordable housing owners.
 - Lenders.
 - Advocates operating in Pennsylvania and nationally.
 - Statewide and county government agencies.
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- **Why These Groups?**
 - They represent diverse perspectives on housing preservation challenges and opportunities.

Key Findings: Five Challenge Categories

- **Developer Capacity:** Current capacity and expertise within the field face challenges in meeting Pennsylvania's preservation needs.
- **Housing Stock:** Tools and policies are not tailored for small and rural properties.
- **Funding:** There is inconsistent and inadequate funding for preservation projects.
- **LIHTC Program:** Complexities and difficulties navigating the program for preservation efforts.
- **PHFA Relationship:** Opportunities exist to strengthen trust and improve communication between developers and PHFA.

Willow Grove Community Development Corporation

- Founded in 1990 to address a need for affordable housing in eastern Montgomery Co.
- Owns 62 rental units in 50 properties across Abington Township, Ambler Borough, Hatboro, Horsham Township, and Upper Moreland Township
- Provides additional services including homeownership training, financial counseling, and food and nutrition support



Scattered Site Preservation

- With support from LISC Philadelphia, developing a comprehensive preservation plan for 33 units
- Strategy combines recapitalization with resident supports
- \$26,874 grant being used for rent and utility assistance and Capital Needs Assessments for the properties



Questions?

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