

# Preserving Pennsylvania's Affordable Rental Housing

May 22, 2024

## Agenda

- I. Welcome and Event Background
- II. Preservation Opportunities & Challenges in Pennsylvania
- III. Practical Takeaways and Best Practices for Owners Preparing for Preservation
- IV. Non-Profit Building Owners Tips and Experiences with Preservation
- V. Breakout Discussion – Preservation in PA's Communities
- VI. Technical Assistance and Grants Announcement
- VII. What's Next & Calendar of Events

# 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 our presenters, Bryce Maretzki (PHFA), Kim Dolan, Esq. (RHLS), Rose Gray (APM), and Kendell Pelling (Rising Tide Partners)!

**Huge 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://Truist.com).



**Housing Alliance  
of Pennsylvania**

**LISC PHILADELPHIA**

**TRUIST** The Truist logo features the word "TRUIST" in a bold, dark blue sans-serif font. To the right is a stylized "H" inside a square, with a registered trademark symbol (®) in the top right corner of the square.

**NEIGHBORHOOD ALLIES**

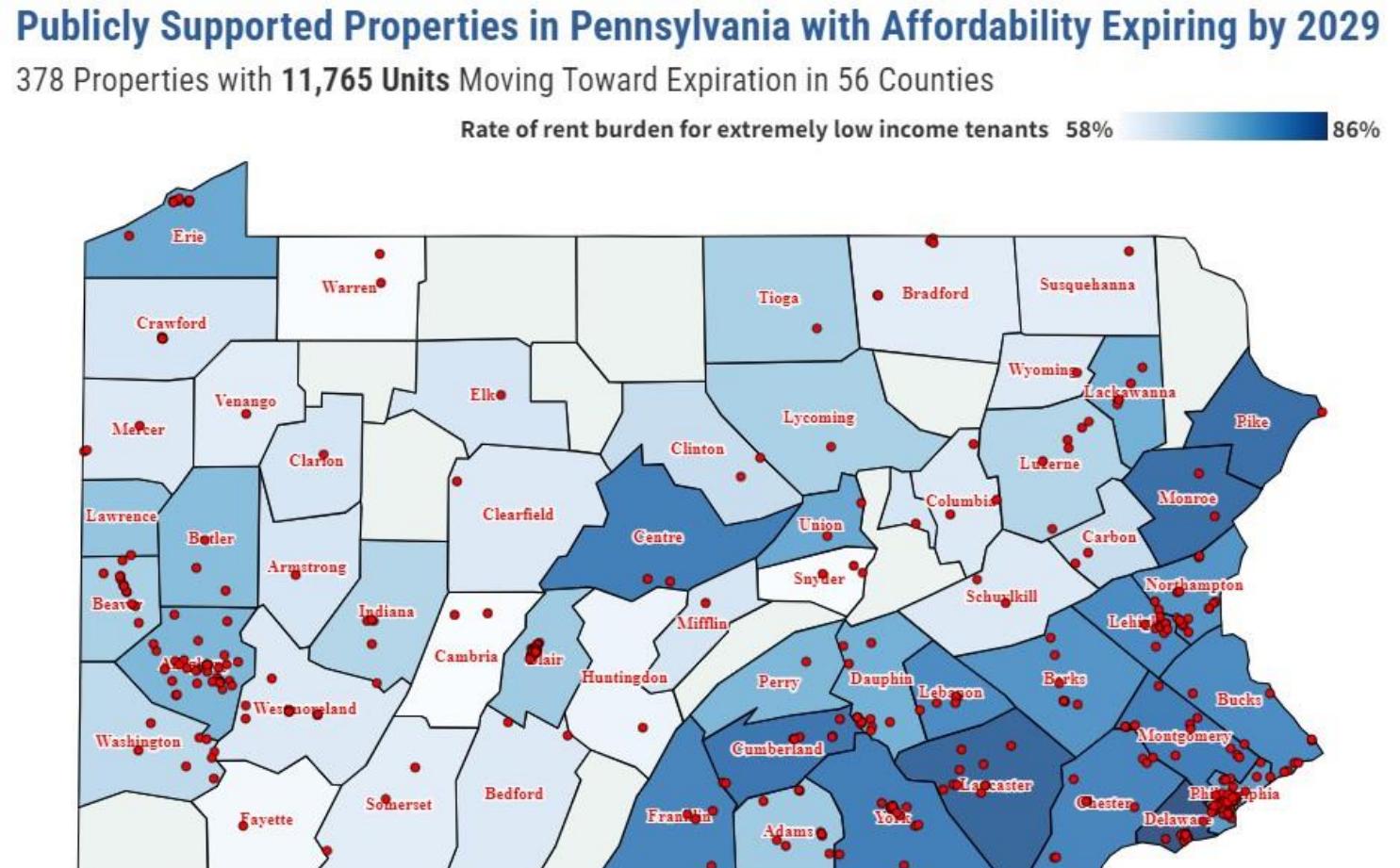
# Preservation Opportunities & Challenges In Pennsylvania

*Bryce Maretzki, Director of Policy & Planning –  
Pennsylvania Housing Finance Agency*

# 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)



# Panel 1: Practical Takeaways and Best Practices for Owners Preparing for Preservation

*Kim Dolan, Esq., Director of Development Legal  
Services -  
Regional Housing Legal Services*

# Overview: Preparing for Preservation

*Know Your Deal –  
And What's At Stake*



# Overview: Preparing for Preservation

## *Know Your Deal – And What's At Stake*

Stay on top of key documents from the start

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



# Overview: Preparing for Preservation

*Know Your Deal -  
And What's At Stake*

## 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



# Overview: Preparing for Preservation

## *Know Your Deal – And What's At Stake*

### 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



## Panel 2: Non-Profit Building Owners Tips and Experiences with Preservation

*Rose Gray, Senior Vice President of Community & Economic Development -*

*Asociación Puertorriqueños en Marcha (APM)*

*Kendall Pelling, Executive Director*

*Rising Tide Partners,*



### ***Key Take-Aways and Considerations for Preservation***

- You can't prevent a property from aging – Owners must **be forward thinking about preservation**.
- Developing a preservation plan is essential to determining a **recapitalization strategy** (LIHTC vs non-LIHTC)
- **Predevelopment resources are critical to preservation** and can be expensive: property appraisal, capital needs assessment/energy audit, environmental...
- **New Trends – Investors & Risk Factors:** insurance, property vacancy rates, neighborhood quality of life, supply chain, tax credit pricing interest rates.



*Jardines de Borinquen I: 2024 N 6th St*

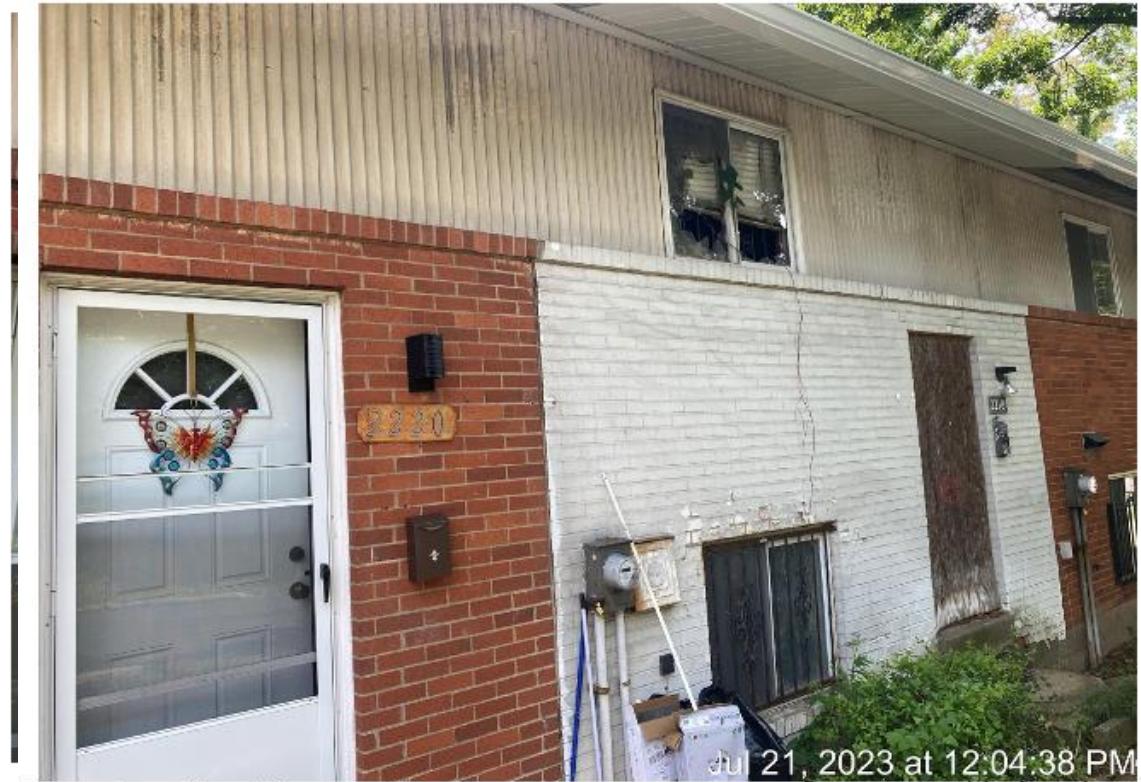


## *Key Take-Aways and Considerations for Preservation*

- We serve as the **active risk-takers** in communities being destabilized by blight and abandonment
  - Site control and assembly
  - Stabilization
  - Recapitalization
- Stabilizing rental property can be done with an **eye toward home ownership opportunities**
- **Authentic community engagement** is critical to success and part and parcel of our process

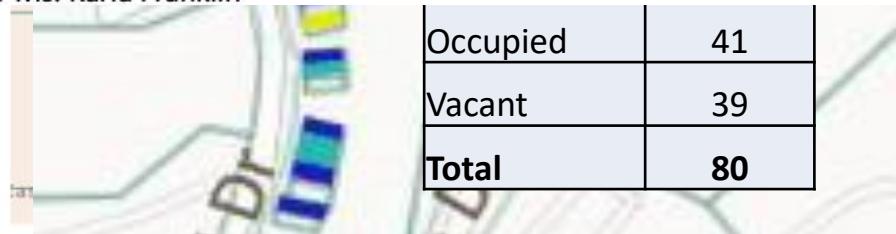
Great family, with homeownership opportunity

Stabilized for development



Jul 21, 2023 at 12:04:38 PM  
Conservatorship Appointed

RT purchased rental: preserving affordability  
for Ms. Karla Franklin



*Park Hill Drive, East Hills, Pittsburgh*

## Questions & Answers

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## Breakout Discussion Groups: Preservation in Your Community

## Breakout Discussion Group Questions

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What challenges related to preservation are you seeing in your community and how is your organization/community responding?

Are there particular capacity building needs for property owners that you are seeing a need for in your community?

How are residents engaged in preservation of properties? Are there any technical assistance needs to build resident engagement?

In the next five years, what would you like to see happen in your community to support preservation?

# Technical Assistance & Predevelopment and Feasibility Grants

*Dina Schlossberg, Esq. , Executive Director  
Regional Housing Legal Services*

*Carolyn Placke, Director of Housing - LISC Philadelphia*

# Legal Representation & Technical Assistance for Nonprofit Organizations in Pennsylvania

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## 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
- Connections and referrals to appropriate consultants
- To learn more about eligibility and apply for services, visit <https://www.rhls.org/request-services/>.



# Predevelopment & Feasibility Grants

## LISC Grants

- Support with Predevelopment & Financial Feasibility
- Grants Range: \$10,000 to \$40,000
- Non-Profit Owners of Publicly Assisted Affordable Rental Properties

## Types of Support:

- Consultant to Assist with Financial Feasibility Plan
- Predevelopment (Appraisal, Architect, Environmental, Market Study, etc.)
- Capital Needs/Energy Audits
- Housing Stability
- Residential Services & Property Management
- Other Resource Needs

## Priority Counties

- Adams
- Bedford
- Berks
- Bucks
- Carbon
- Center
- Chester
- Cumberland
- Dauphin
- Delaware
- Franklin
- Fulton
- Lackawana
- Lancaster
- Lebanon
- Lehigh
- Luzerne
- Lycoming
- Monroe
- Montgomery
- Northampton
- Northumberland
- Perry
- Schuylkill
- Snyder
- Wyoming
- York

Please take a few minutes to complete the  
**Introductory Affordable Rental Housing Preservation Survey**



<https://www.surveymonkey.com/r/7N6SFXZ>

# What's Next for Participants in Today's Web Event

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June 5, 2024: Housing Alliance Rural Housing Summit:

- Join Us for our Session: Preserving Subsidized Multifamily Housing in Rural Pennsylvania

Summer/Fall 2024: Technical Assistance & Grants Awarded:

- Please complete the Non-Profit Building Owner Questionnaire! We will be in touch to discuss your technical assistance and grant needs!

# Contact Information

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Contact for: Statewide Policy and Research

**Carolyn Placke**  
Director of Housing  
LISC Philadelphia  
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Contact for: Technical Assistance and Grants in the priority counties listed on today's web event  
(Philadelphia County eligible under other LISC support)

Thank you for participating in today's web event!

Please take a few minutes to complete the  
**Introductory Affordable Rental Housing Preservation Survey**



<https://www.surveymonkey.com/r/7N6SFXZ>