

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://www.truist.com).



Housing Alliance
of Pennsylvania

LISC PHILADELPHIA



NEIGHBORHOOD ALLIES

Preservation Opportunities & Challenges In Pennsylvania

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



Overview: Preservation Opportunities & Challenges in Pennsylvania

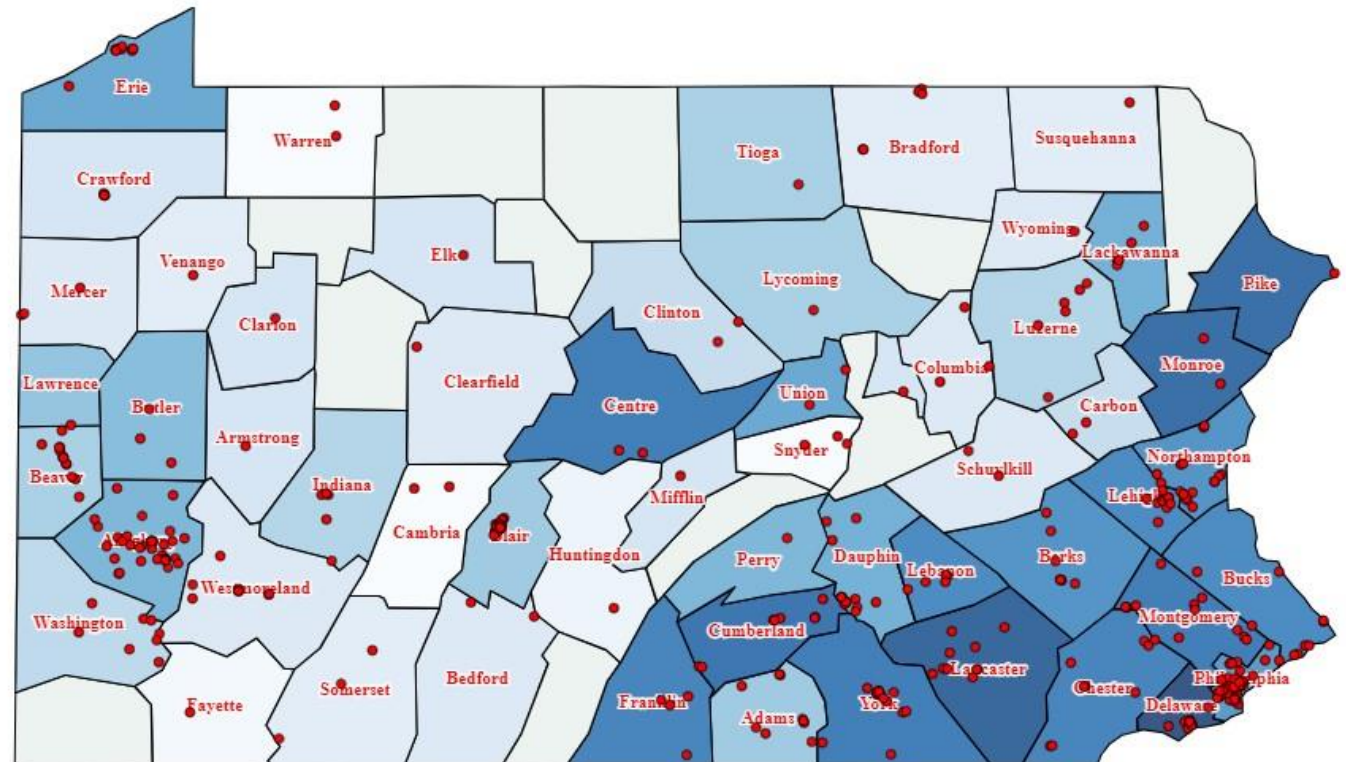
Nearly 12,000 units nearing the end of affordability covenants in PA over the next five years and may be in need of re-capitalization or re-syndication

- 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)

Publicly Supported Properties in Pennsylvania with Affordability Expiring by 2029

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

Rate of rent burden for extremely low income tenants 58%  86%



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



RT purchased rental: preserving affordability for Ms. Karla Franklin

Conservatorship Appointed

Occupied	41
Vacant	39
Total	80

Park Hill Drive, East Hills, Pittsburgh

Questions & Answers

LSC

Breakout Discussion Groups: Preservation in Your Community

Breakout Discussion Group Questions

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

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

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

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
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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!

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