



**Our Developing Efforts to
Meet Housing Needs of
Pennsylvanians with
Disabilities or Those Who are
Elderly**

Introduction

- Connecting Housing and Services
- Connecting “Housers” and “Servicers”



COMMONWEALTH OF PENNSYLVANIA
DEPARTMENT OF PUBLIC WELFARE
DEPARTMENT OF AGING
OFFICE OF LONG TERM LIVING



Multifamily (Rental) Housing

- PHFA provides \$\$ for developers to build affordable apartments by using several different sources of federal funds and tax credits and the proceeds from bond sales.
- We blend these funds' requirements, and requests of people with disabilities and who are elderly, as well as input from agencies and organizations who work with these individuals to create programs and “make the rules” for our competitive loan processes.

For Example - Tax Credits

- PHFA sells Low Income Housing Tax Credits (LIHTC) through “syndicators” to wealthy individuals to raise money for affordable apartments.
- Developers compete for these Tax Credit proceeds by following the Qualified Allocation Plan (QAP) Ranking System

Tax Credits, continued

- QAP Points awarded for:
 - Visitability (75% of units, 25% rehabs- 5 pts)
 - Double the required accessible units (10 pts)
 - Accessible units charging rents at levels affordable to persons at or below 20% AMI (20 pts).

2008 Supportive Housing Set-Aside Proposal

- PHFA's proposed 2008 Qualified Allocation Plan includes a set-aside for Supportive Housing development.
- 5% of the allocation = **\$1,215,000**
- For General or Senior populations

Supportive Housing

- At least 25% of the total units to eligible populations that are:
 - homeless; mental, physical, sensory, or developmental disabilities; persons with substance abuse disorders; persons diagnosed with AIDs and related diseases, and other special populations approved by the Agency.

Supportive Housing, cont'd

- Provide appropriate services for the target population that are not a condition of residency.
- Be located within 2 blocks of a public transit stop or include transportation in the site plan of services.
- Provide a rental subsidy so that rents in Supportive Housing units do not exceed 30% of household income.

Pennsylvania Affordable Apartment Locator (PAL)

- Free web-based inventory of affordable housing in Pennsylvania.
- Includes properties funded by PHFA, HUD, USDA, and Tax Credits.
- For property managers to use as a marketing tool.
- For consumers to locate affordable and accessible housing.
- www.phfa.org/pal

Tenant Based Rental Assistance (TBRA)

- PHFA will be administering a Tenant Based Rental Assistance program with funding from 3 different sources.
 - Each funding stream will be for a different population.
 - Each will be considered a “Bridge” subsidy.

TBRA Programs

- HOME funds - \$750,000
 - For persons with disabilities
 - Non-PJ areas
 - Pull from Housing Authority waiting lists
- Office of Long Term Living - \$750,000
 - For persons transitioning from nursing homes
 - Statewide

TBRA Programs, continued

- Office of Mental Health and Substance Abuse Services
 - Counties using Reinvestment dollars
 - Presently 9 counties
 - For people in the OMHSAS treatment system
 - OMHSAS to provide candidates

PHFA Housing Services Delivery

- 1988 Robert Wood Johnson (RWJ) Supportive Services in Senior Housing
 - Services to ~ 9,000 households annually.
- 1995 Family Supportive Services Program
 - Paid for through escrow account set up by PHFA & developer.
 - Provides funding for a minimum of 10 years of services in apartment buildings.

PHFA Housing Services Delivery, continued

- 1999 Family Resource Center Initiative – Philly
 - Initially 17 properties and >600 families served annually
 - Positive results in asset management and individual quality of life
- 2004 Family Resource Center expanded
 - 3 year TANF funding -Temporary Assistance to Needy Families
 - Extended for additional year through PHFA resources.

Regional Housing Coordinator (RHC) Initiative

- Partnership with Office of Long Term Living to improve housing outcomes for people served by Home & Community Based (HCBS) Waiver system.
- Provides regional experts in housing and services resources to support HCBS Service management system.
- 2002 – 2007: 5 regional experts (RHCs).
- Will double to 10 RHCs July 1, 2007.

***PREP* – Prepared Renter Program**



- Collaborative effort of PHFA and SDHP to create more informed, better prepared renters in Pennsylvania.

PREP

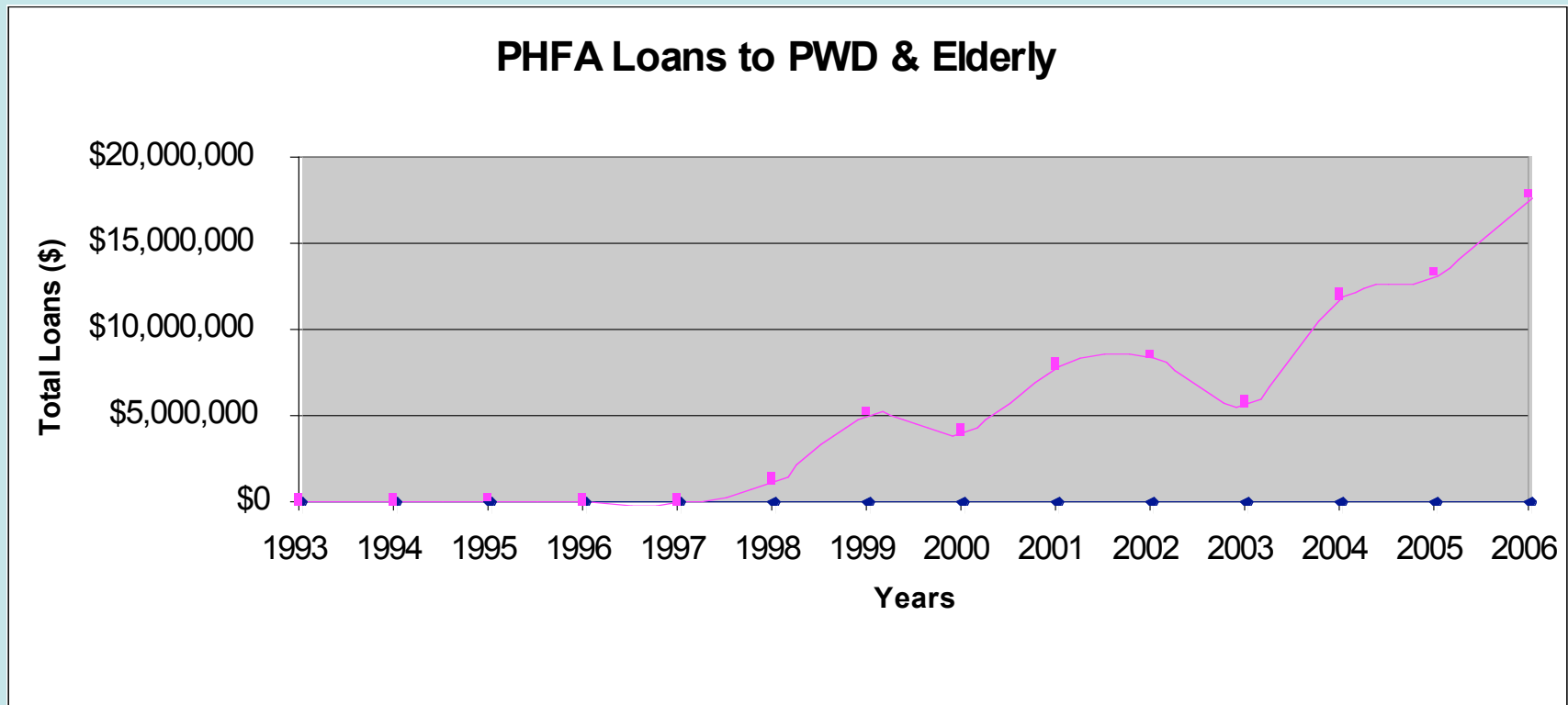
Provides training and tools to staff of service organizations to improve their ability to coach consumers in their quest to acquire rental housing. *PREP* addresses:

- Renting fundamentals
- What can you afford?
- Personal history: housing, credit, criminal
- Putting it all together: PREP folder
- Locating housing

Homeownership Division

- Program partners – Primarily lenders, expanding links with centers for independent living, non-profit housing organizations, local governments, state departments of public welfare and aging
- Production is up over last 13 years! in Keystone, Keystone Plus and PHFA/FNMA Homechoice Loans.

PHFA Loan Production to PWD & Elderly



Access Home Modification Program

- This is a loan to provide homebuyers with between \$1,000 and \$10,000 to make home modifications. These typically include: ramps, new walkways, wider doors and hallways, bathroom or kitchen changes.
- Made more affordable by being a “Soft Second,” i.e., a subordinate loan that is non-interest bearing with repayment due only upon sale, transfer or non-owner occupancy .
- Can be combined with downpayment and closing cost assistance
- Modifications to be completed within 90 days of closing

Access Downpayment & Closing Cost Assistance Program

- Used with PHFA first mortgages AND a PHFA Access Modification Loan.
- Household income can't exceed \$45,000 which is about 75% of the state median for a family of 4 and borrowers can't have lots of money in bank: 3-5% down; \$5k assets after closing
- \$1,000 to \$15,000 available
- Made more affordable by being a “Soft Second,” i.e., a subordinate loan that is non-interest bearing with repayment due only upon sale, transfer or non-owner occupancy .

FNMA Community HomeChoice™ loan with PHFA Access Modification Assistance

- First mortgage for disabled buyers (or family members) who don't qualify for a PHFA mortgage (typically due to higher income or Mortgage Revenue Bond restrictions requiring 1st time homebuyer status).
- Used with PHFA's Access Home Mod Loan and, if needed, an Access Downpayment and Closing Cost Assistance Loan
- First or second time home buyers
- Income limits, but no purchase price limits

Renovate and Repair (R&R)

- Affordable loan to help eligible homeowners spiff up and fix up their home
- Between \$2,500 and \$35,000 available per home
- Below- market, fixed rate and loan terms of 10,15 or 20 years
- Income limits are much higher than many PA programs: \$90,000 to \$108,150, depending on county AMI

R&R Eligibility Requirements

- Homeowners must reside in the home as their principal residence
- FICO score must be at least 620
- Must be current on all mortgage payments and property taxes. History of on time payments of other bills
- R&R loan, in combination with all other loans against the property, can't exceed 120 percent of the home's value. Debt to income ratio 45%

Internalizing Servicing

- Started 1989 (small lender workloads); Grew in mid-1990s (Savings & Loan crisis); completed 1992-3 (major servicer default AND realization “the power” of Servicing)
- Techniques used:
 - call borrowers as soon as payment late rather than 30-60 days later; stay on phone as needed.
 - reduce interest rates down to as low as 1% for borrowers who are experiencing repayment difficulties;
 - extend loan terms;
 - offer soft seconds for home mods and improvements;
 - one philosophy for all borrowers; if multiple servicers then multiple philosophies and styles.

PHFA Marketing Plan

- How our marketing plan supports People with Disabilities (PWD) and older Pennsylvanians
 - Pamphlet combining all programs for PWD (see next slide)
 - Extra effort to train lenders to provide these loans (still a challenge)

Brochure Cover



Homeownership
Opportunities for
Persons with
Disabilities

Edward G. Rendell, *Governor*
Brian A. Hudson, Sr.,
Executive Director

Participation in State Initiatives

- Home Mods Task Force
- Commonwealth Partnerships on Home Mods (very new)
- R&R income exception for families housing elderly or disabled members

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