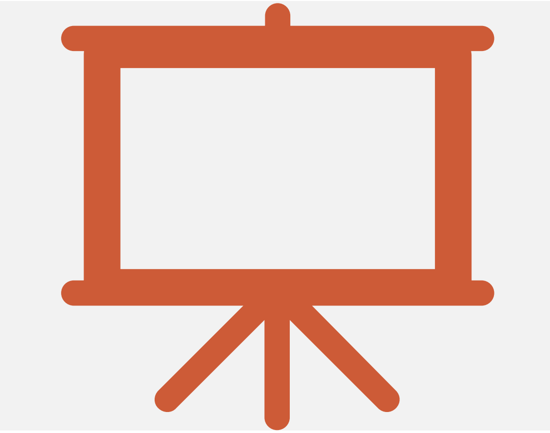
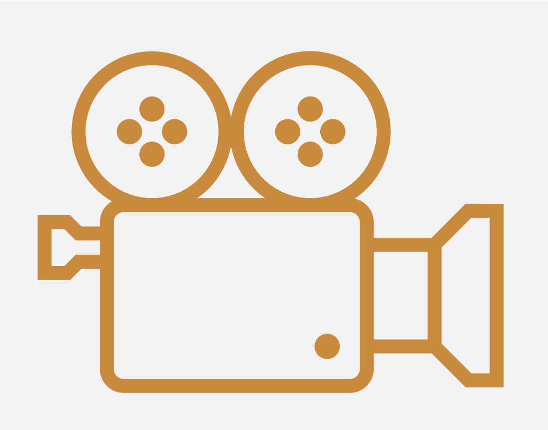
Enterprise

Southeast Rural Housing Preservation Academy

Housekeeping



All registered attendees will receive the slides via email



This session is being recorded. You will receive a copy and it will be posted on the Enterprise website

We will answer questions throughout the presentation. Please submit them using the Q&A or chat or raise hand function

Please tell us how we did in the survey at the end of the session

LAND ACKNOWLEDGMENT

WHO WE ARE AND WHAT WE DO

- **We develop and deploy** programs and support community organizations on the ground
- **We advocate** for policy on a nonpartisan basis at every level of government
- **We invest capital** to build and preserve rental homes people can afford
- **We own and operate** 13,000 affordable homes and provide resident services for 23,000 people

OUR VISION

A country where home and community are steppingstones to more.

OUR MISSION

To make home and community places of pride, power and belonging, and platforms for resilience and upward mobility for all.

Our Partners

TRUIST

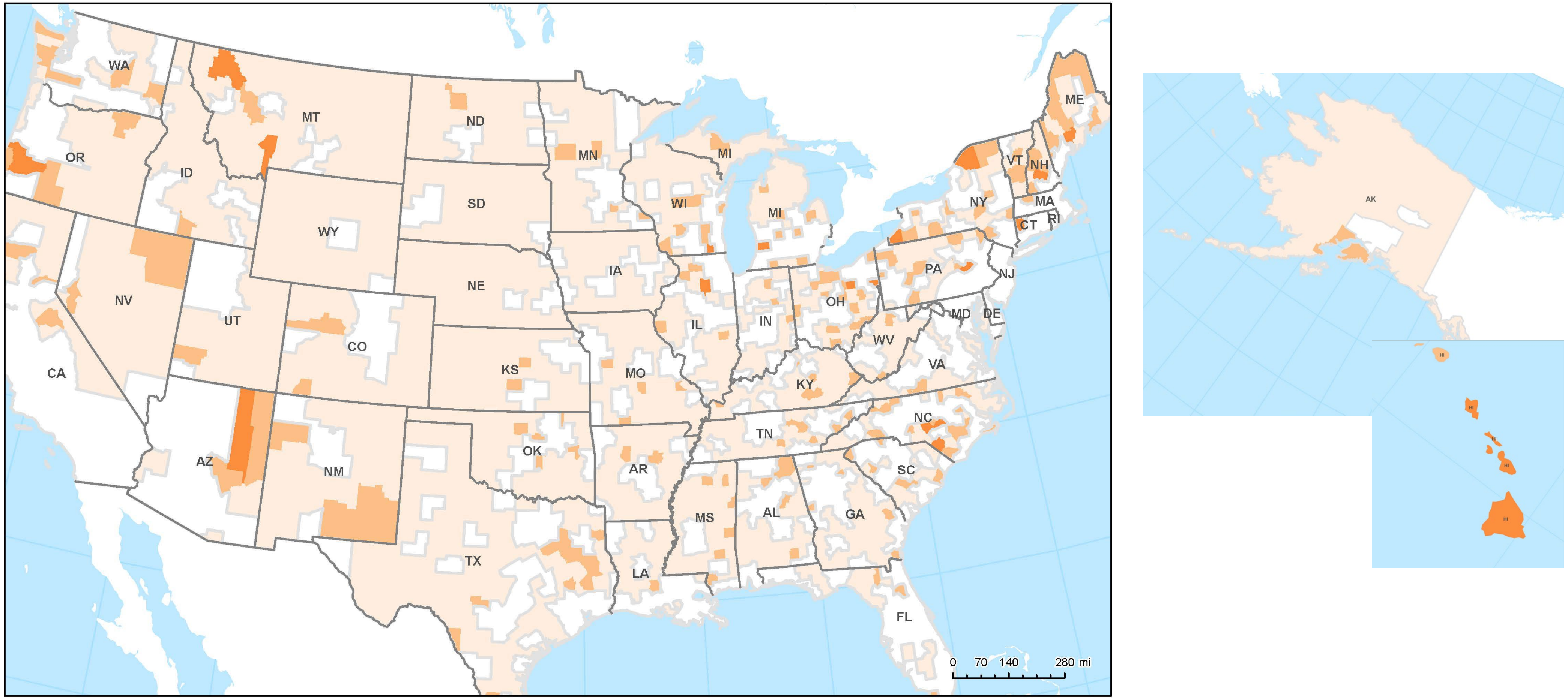
Georgia Power

Fannie Mae®

Why Preservation?

- Costs less than new construction
- Prevents displacement
- Keeps low -income individuals and vulnerable populations such as Seniors & People With Disabilities Housed
- Keeps Valuable Subsidies in State
- Avoids NIMBYism
- Already developed, sited

What/ Where is Rural?



Note: map shows nonmetro counties

Population size 7/1/2019

- 86 - 50,000
- 50,001 - 100,000
- 100,001 - 1,000,000
- 1,000,001 - 2,500,000
- 2,500,001 - 10,039,107
- No data

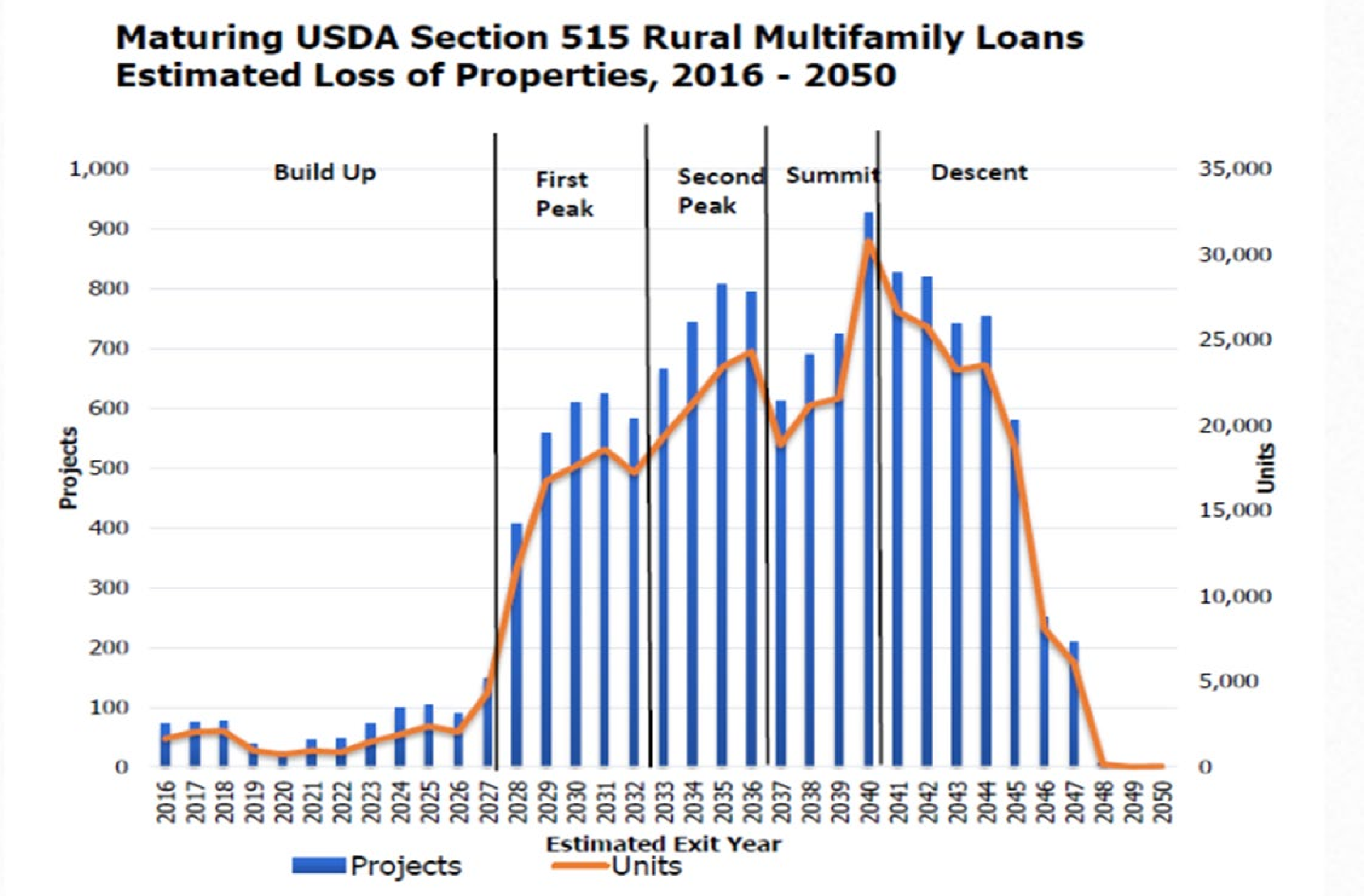
Units: Number Date: 10/21/2020

Source: USDA Economic Research Service, ESRI.
For more information:
http://ers.usda.gov/data-products/atlas-of-rural-and-small-town-america.aspx

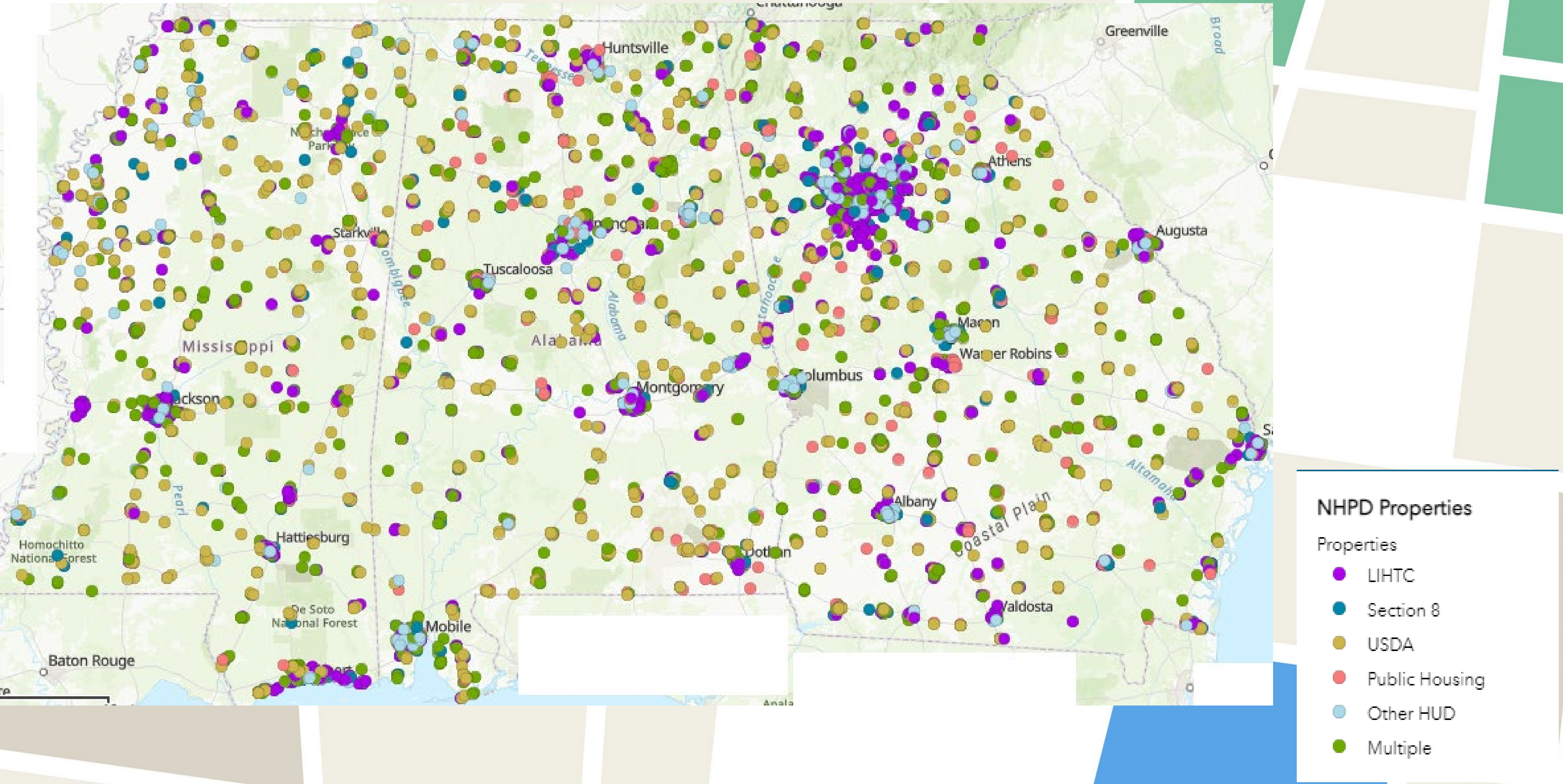
Why Rural?

- Poverty remains a challenge in many rural communities. 70 percent of the 473 "persistent poverty" counties in the United States are rural.[2]
- USDA Section 515, the largest federal affordable rental housing program for rural communities is largely at risk of losing restriction and rental assistance.
- LIHTC New Construction Not Reaching Many Rural Communities (size, scale, incentives)
- Incomes
- Cost of Construction
- Market

Affordable Rural Stock Is At High Risk of Being Lost



Source: Housing Assistance Council. (2018). *Rental Housing for a 21st Century Rural America: A Platform for Preservation.*


Huntsville
Greenville
Athens
Starkville
Tuscaloosa
Augusta
Macon
Warner Robins
Mississippi
Alabama
Columbus
Montgomery
Jackson
Albany
Coastal Plain
Hattiesburg
Dothan
Homochitto National Forest
Valdosta
De Soto National Forest
Mobile
Baton Rouge
NHPD Properties
Properties
LIHTC
Section 8
USDA
Public Housing
Other HUD
Multiple

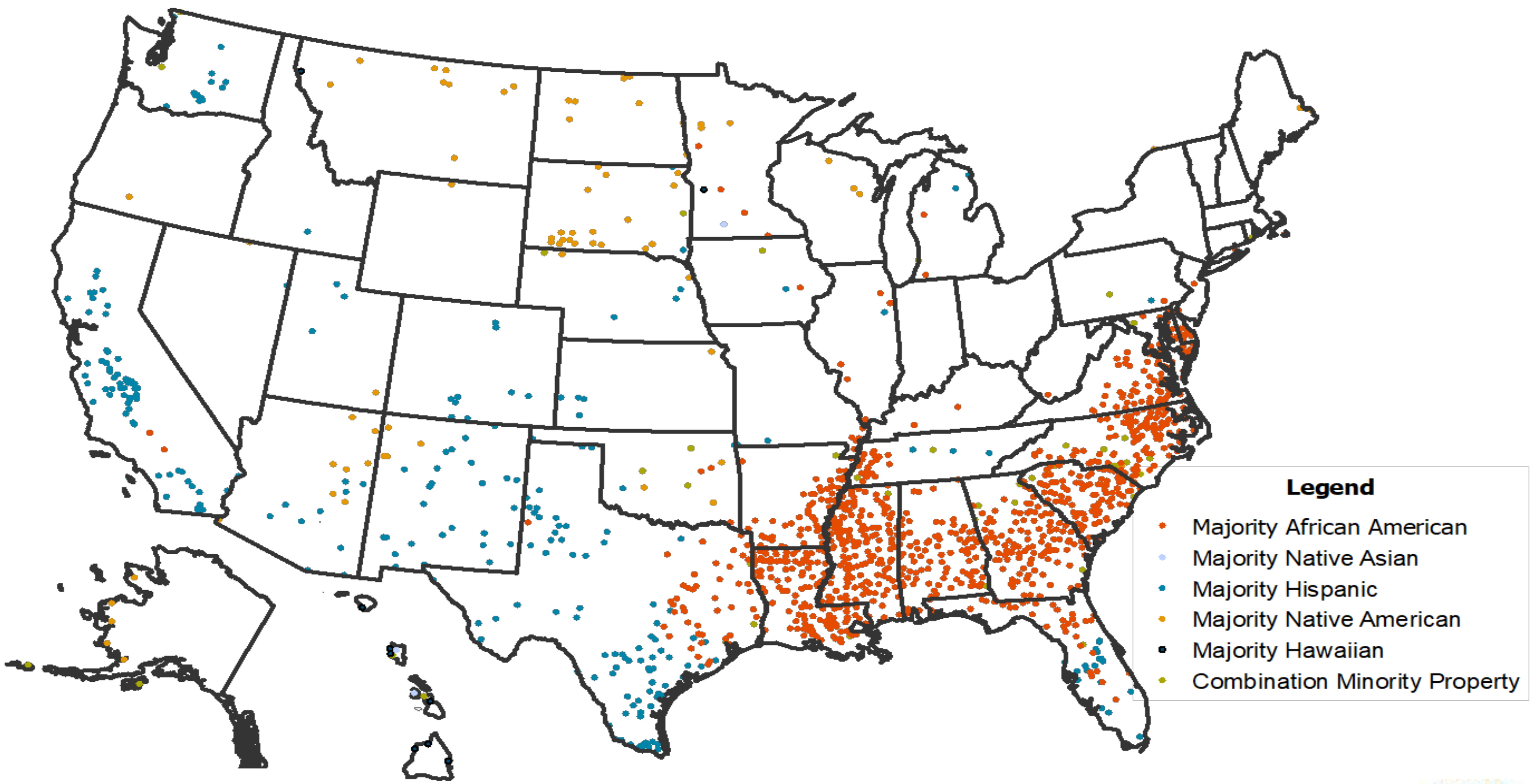
RACE AND POLICY

- Data shows that many of the country’s pockets of persistent poverty are both rural and, in the rural south, disproportionately Black
- Most rural counties where severe poverty persists are predominantly counties where people of color are the majority

USDA RURAL DEVELOPMENT 515 PORTFOLIO

USDA Section 515 Minority Majority Properties

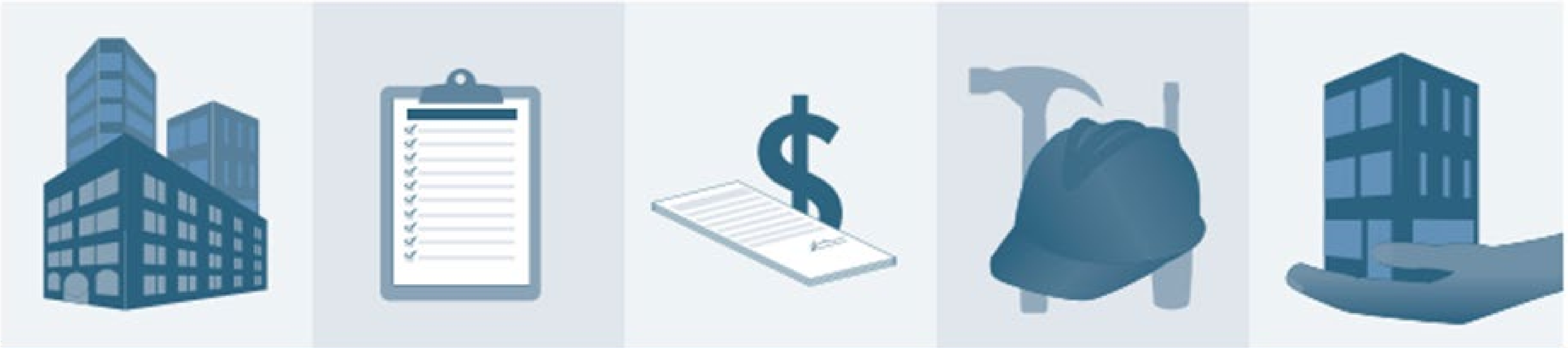
Properties as of June 30, 2017



Source: Housing Assistance Council (HAC) Tabulations of USDA Data

Enterprise

Rural Housing Preservation Academy Framework



IDENTIFY HOMES

- Identify high-priority buildings
- Begin feasibility analysis

PREDEVELOPMENT

- Asses building conditions & resident needs
- Identify funding sources
- Negotiate with owner

ACQUISITION

- Finalize purchase agreement
- Close acquisition financing
- Complete inspections & construction plan

REHABILITATION

- Secure permits
- Manage construction in coordination with residents & contractors

STEWARDSHIP

- Engage service providers
- Perform property & asset management
- Sustain resident engagement

SOUTHEAST RURAL PRESERVATION ACADEMY

Overview and Introduction to Rural Rental Housing Preservation

- Rural Rental Housing Preservation in the Southeast
- Overview of USDA Rural Development Housing and the 515 Transfer Process
- Strategies for Preservation: Case Studies
- Federal & State Housing Finance –Beyond RD

Basic Deal Structuring

- Pro-forma development
- Funding the gaps: private debt, Section 538 and alternative sources
- Capital Needs Assessment, Architects and Scope of Work
- Cohort breakout: offers a deeper dive into 515

Property Management/Community Engagement–2 sessions, including

- Property Management, Disaster Preparedness & Mitigation
- Community and Resident Engagement

State and Local Policy Solutions

STEPHANIE VERGIN
USDA

Multi-Family Housing Preservation

Southeast Preservation Academy

April 20, 2022

USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

USDA Rural Development Multi-Family Housing Programs

Over the past 40+ years USDA Rural Development through its direct funding program has financed thousands of affordable housing properties across Rural America.

Section 515 - Family and Elderly/Disabled Housing

- Direct loans, with varying terms, from 30-50 years in length, properties have income restrictions. Additionally, the properties are eligible for interest credit subsidy which effectively reduces the interest rate to 1%.
- Elderly/Disabled properties are restricted to those households 62 and older or disabled.

Section 514/516 - Domestic Farm Labor Housing

- Direct loans and grants, 33-year term with a 1% interest rate, properties have income restrictions, one household member must meet the Domestic Farm Labor definition as defined by the Agency.

USDA Rural Development Multi-Family Housing Programs

Section 521 - Rental Assistance

- In addition to funding the development of housing the Agency also provides Section 521 Rental Assistance. The Section 521 RA program is project based and ensures the tenant pays only 30% of their adjusted income. For a property to be eligible for the Section 521 program they must have an active Section 514 or 515 direct loan with the Agency. Many properties have partial RA (not all units are assisted).

Section 538 – Guaranteed Loans

The Agency provides loan guarantees to approved private-sector lenders to provide financing to qualified borrowers to increase the supply of affordable rental housing in eligible rural areas. Tenant incomes cannot exceed 115% of AMI. Can be used for new construction or rehabilitation.

Multifamily Housing

Multifamily Housing Deputy Administrator's Office

- Nancie-Ann Bodell, *Deputy Administrator*
- Karissa Stiers, *Assistant Deputy Administrator*
- Vacant, *Senior Policy Advisor*
- Monika Kehoe, *Management & Program Analyst*

State Offices
Marketing & Outreach

Field Operations Division
Ernie Wetherbee, *Director*

- Northeast Region
  - Northeast Routine Servicing Teams 1-4
  - Northeast Troubled Asset Servicing Team
- South Region
  - South Routine Servicing Teams 1-9
  - South Troubled Asset Servicing Team
- Midwest Region
  - Midwest Routine Servicing Teams 1-8
  - Midwest Troubled Asset Servicing Team
- West Region
  - West Routine Servicing Teams 1-4
  - West Troubled Asset Servicing Team

Production & Preservation Division
Daniel Rogers *Director*

- Processing & Report Review Branch 1 (Northeast & Midwest)
- Processing & Report Review Branch 2 (South & West)
- Underwriting Branch 1 (Northeast & Midwest)
- Underwriting Branch 2 (South & West)
- Closing Branch
- Program Support Branch

Asset Management Division
Jen Larson, *Director*

- Portfolio Management Branch
- Servicing Support Branch
- Risk & Counterparty Oversight Branch
- Policy & Budget Branch

Detailed View of Divisions

- Production & Preservation – See Slide 3
- Asset Management Division – See Slide 4
- Field Operations – See Slide 5
- Northeast Region – See Slide 6
- South Region – See Slide 7
- Midwest Region – See Slide 8
- West Region – See Slide 9

Production & Preservation Leadership Team

Dan Rogers, *Director*
Carlton Jarratt, *Senior Policy Advisor*
Stephanie Vergin, *Credit Sourcing Officer*
Alex Renton, *Management Analyst*
Vacant, *Chief Credit Officer*

Processing & Report Review
Jonathan Bell
Division Director

- Michelle O'Meara, *Branch Chief*, *PRR1 (NE & MW)*
- Katrina Moseley, *Branch Chief*, *PRR2 (South & West)*

Underwriting
Jason Church
Division Director

- Scott Pousson, *Branch Chief*, *UWB1 (NE & MW)*
- Yvette Spriggs, *Branch Chief*, *UWB2 (South & West)*

Closing
Adam Hauptman
Branch Chief

Program Support
Abby Boggs
Branch Chief

RD MFH Contacts

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Southern Region
Byron Waters, Regional Director
MFHFODSouth@usda.gov
AL, AR, FL, GA, KY, LA, MS, NC, OK, PR, SC, TN, TX, VI

Production and Preservation Division
Processing and Report Review Branch 2 (South and West)
MFHprocessing2@usda.gov
AK, AL, AR, AZ, CA, CO, FL, GA, HI, ID, KY, LA, MS, MT, NC, NM, NV, OK, OR, PR, SC, TN, TX, UT, VI, WA, WY

Multifamily Housing General Inquiries: 800-292-8293

Find the servicing specialist assigned to a project:
https://www.sc.egov.usda.gov/data/MFH.html

Importance of RD MFH Preservation

- RD properties are a significant source of affordable housing in Georgia, Mississippi, and Alabama—almost 44,000 units in the three states.
- Many RD properties are in communities where it's not feasible to build new affordable housing, making it even more important to preserve what we have.
- Average age of properties in the RD portfolio nationwide is 33 years old. Properties of this age often require rehabilitation to remain viable.
- Preserving federally-subsidized units provides affordable housing that can serve the lowest-income households. Average annual household income of tenants receiving RA in the three states is about $11,500.

AL, GA and MS RD MFH Portfolio Information

	Number of Properties	Number of Households	Average Adjusted Income		Households with Rental Assistance	Precent of Households with Rental Assistance	Average Adjusted Income with Rental Assistance
Section 515 and 514/516 Properties							
Alabama	433	12,877	$ 14,326		9,218	72%	$ 11,292
Georgia	413	13,920	$ 14,292		11,307	81%	$ 12,484
Mississippi	476	12,614	$ 11,382		10,269	81%	$ 10,551
AL, GA &MS Total	1,322	39,411	$ 13,333		30,794	78%	$ 11,442
National Total	13,215	382,436	$ 14,665		290,991	76%	$ 12,501

AL, GA and MS MFH Portfolio Information

	Total Number Units	Occupancy Percentage	Number of 1 Bedroom Units	Number of 2 Bedroom Units	Number of 3 Bedroom Units	Average Rent
Section 515 Properties						
Alabama	14,233	92.4%	5,823	7,956	448	$ 444
Georgia	14,820	94.6%	6,347	7,616	869	$ 474
Mississippi	14,703	86.8%	4,683	8,981	1,005	$ 495
AL, GA & MS Total	**43,756**	**91.3%**	**16,853**	**24,553**	**2,322**	**$ 471**
National Total	**412,176**	**93.8%**	**207,182**	**172,007**	**29,669**	**$ 556**

Preservation Challenges

- Mission risk/loss of properties due to program exit
  - Maturing mortgages
  - Prepayments
- Property and portfolio risks
  - Poor physical condition
  - Failing ownership and/or management
  - Financial weakness
  - Poor community/market viability
- Properties can be subject to multiple types of risks

Mission Risk: Loss of Properties Due to Program Exit

- The mission of RD MFH is to provide quality affordable housing to low-income households in rural areas. Loss of viable properties caused by owners exiting RD MFH programs creates a mission risk. There are two primary ways that owners can voluntarily exit RD MFH programs:

  - Mortgage maturity: When the project loan reaches its natural maturity date, the owner makes a final payment and exits the MFH program. Tenants no longer receive rental assistance. RD offers owners the option to extend the loan term to remain in the program but it is voluntary.
  - Prepayment: Certain properties are eligible for prepayment. RD assesses the potential impacts of a prepayment based on the need for the housing and civil rights analysis. Depending on the outcome of this analysis, the owner may be allowed to exit the program without restrictions, with restrictions, or may be required to offer the property for sale to a nonprofit.

Mission Risk: Maturing Mortgages

Overview:

- RD MFH properties began reaching mortgage maturity in 2015, but the number of properties to date nationwide has been small.
- Mortgage maturities begin to increase starting in 2025 and increase significantly beginning in 2030.

Estimated Property Exit Date (Mortgage Maturity)	Total Properties (as of 3/31/22)	Loan Maturity through 2024	% of Current Portfolio	Loan Maturity 2025-2029	% of Current Portfolio	Loan Maturity 2030-2034	% of Current Portfolio	Loan Maturity 2035+	% of Current Portfolio
Alabama	432	1	0%	50	12%	95	22%	286	66%
Georgia	412	2	0%	11	3%	92	22%	307	75%
Mississippi	471	4	1%	60	13%	104	22%	304	65%
AL, GA & MS Total	**1315**	**7**		**121**		**291**		**897**	

Mission Risk: Maturing Mortgages

Preservation considerations:

- Owner motivation is a critical factor in willingness to preserve
  - Does the owner (either non-profit or for-profit) have a mission/community motivation to keep the property as affordable housing? If so, they are typically more willing to stay in the program or go through the effort to find a preservation buyer.
- Market conditions play an important role
  - Owners in strong markets are more likely to exit the RD program in order to convert to market-rate housing and/or sell the property. However, these properties may also attract third-party funding and preservation buyers. Owners in weaker markets may seek to stay in the MFH program because they don’t have better options in the market and/or they need RA to maintain occupancy.
- Not all properties can or should be preserved
  - In some cases, the combination of mission and project risk factors makes a property not feasible for preservation. In these cases, it’s important to ensure that tenants understand their options, including taking their RA to another RD property or applying for other types of housing assistance.

Mission Risk: Prepayment-Eligible Properties

Overview:

- Projects built in 1989 or earlier may be eligible for loan prepayment. Certain properties that would be eligible for prepayment based on a pre-1990 financing date are ineligible to prepay because they participated in a settlement with the government that requires them to remain in the program until mortgage maturity.
- Properties built in 1990 or later have RD loans that cannot be prepaid.
- Restrictions placed on a property by third-party funders may limit the ability to prepay.
- Upon application by an owner to prepay, RD reviews eligibility for prepayment and impact on tenants and the community if the prepayment is approved. Depending on the outcome of this analysis, properties may be subject to certain restrictions or the owner may be required to offer the property for sale to a nonprofit for 180 days.
- Upon approval of prepayment the property exits the RD program. Tenants are eligible for RD vouchers.

Mission Risk: Prepayment-Eligible Properties

Preservation considerations:

- It is difficult to assess the amount of mission risk posed by prepayments. Owners decide if they want to apply for prepayment and the agency responds. The amount of prepayment activity varies widely from state to state. Preservation buyers need to be ready to respond.
- Prepayment risk will decrease over time as more pre-1990 properties exit the MFH program and the remaining properties are not prepayment eligible. In addition, properties that have been recapitalized and/or transferred are subject to new restrictive-use agreements that require them to stay in the program.
- Properties that are at risk of loss due to prepayment are often a high priority for third-party funders, especially HFAs, that are seeking to preserve federally-subsidized housing.
- If you are a potential preservation buyer, it’s important to know if a property is eligible to prepay because it has a significant impact on valuation. Properties that are ineligible to prepay will be appraised subject to the existing restrictions. Properties that are eligible to prepay (meaning they don’t have agency or other restrictions) are generally appraised at market unrestricted value.

Project/Portfolio Risk: RD MFH Risk Assessment Tool

- RD has created an internal risk assessment tool to better assess and monitor portfolio status and challenges.
- The tools creates a score for each property in the following categories:
  - Financial Health
  - Physical Condition
  - Owner/Agent Capacity
  - Community Health
- Properties are classified and assigned for servicing based on a combined risk score
  - Critical
  - Troubled
  - Watch
  - Performing

Project/Portfolio Risk: RD MFH Risk Assessment Tool

- The risk assessment tool is an internal monitoring system to assess portfolio performance. It is also used to compile portfolio summary information to share with stakeholders.
- RD is assessing how to use the results of the tool to inform its preservation policies. RD does not provide property scores/ratings to owners or prospective buyers.
- Properties that are not performing well will be carefully assessed when determining feasibility for transfer. However, there could be many cases where sale to a preservation buyer would address the risk factor causing the property to be classified below performing (e.g. failing ownership resolved by sale to a competent owner).

Project/Portfolio Risk: Poor Physical Condition

Overview:

- Physical condition risk is a relatively common concern given the age of the portfolio.
- The condition of MFH properties varies widely. The Agency is using its risk assessment tool to develop a more standardized assessment of property condition.
- Many properties that are 30+ years old are well-maintained but haven't received any significant rehabilitation.
- Some properties have low reserve account balances that haven't kept pace with property needs.
- Due to limited MPR funding, most MFH rehab has been funded by third parties, including through the low-income housing tax credit program.

Preservation considerations:

- Determine if the physical condition is at a level where preservation makes sense. Is there functional obsolescence?
- Get a capital needs assessment (CNA) to determine the upfront and ongoing rehab and replacement needs. What is the financing/funding/operating strategy for addressing these needs?

Project/Portfolio Risk: Failing Ownership and/or Management

Overview:

- There are many different types of RD owners from sole proprietors to large companies. It is similar with management agents, varying from single-property owner/managers to large national management companies.
- Common issues and challenges:
  - Owner/manager non-compliance with Agency requirements
  - For-profit owners/partners seeking to retire and exit program
  - Non-profit boards with difficulty retaining members and lack of organizational capacity
  - Deceased borrower with heirs that are not interested in acquiring ownership

Preservation considerations:

- Typically this is the easiest issue for a preservation buyer to address, since the failing owner and/or manager is replaced at the time of transfer.
- Caution: Working with owners engaged in partner disputes (legal, etc) can be challenging for preservation buyers.

Project/Portfolio Risk: Financial Weakness

Overview:

- The owner and manager are responsible for the operations and financial health of the property. The Agency approves the proposed property budget and reviews the annual financial statements.
- Less than 2% of agency loans are currently delinquent.
- Common causes of financial weakness:
  - Ongoing high vacancy rates, often due to market weakness
  - Inadequate rents to cover operating costs and inability to raise rents due to market conditions (especially when the property does not have full RA)
  - Management problems that affect operations, occupancy, etc

Preservation considerations:

- Be cautious: Assess what is causing the financial problems and if they can be fixed. If the problem is primarily caused by market conditions, it will be difficult to address.
- If rents need to be raised, can they be supported in the market?

Project/Portfolio Risk: Poor Community/Market Viability

Overview:

- Poor market conditions and lack of community viability create a big preservation challenge.
- Unused RA is a red flag: consider carefully why units are not rented despite being subsidized.
- Common problems:
  - Declining population and lack of employment opportunities
  - Overbuilt/oversupply of income-restricted housing
  - Community lacks amenities/not desirable to tenants

Preservation considerations:

- A common myth is that rehabbing a property in a weak market will improve occupancy. Although it might improve it marginally, it is generally not enough to address the underlying market problems.
- Properties in weak markets often have financial weakness and physical condition issues. Some have been "limping along" for years.
- Many of the properties that are not considered "preservation-worthy" will be due to this issue.

Strategies to Improve Preservation Outcomes

- More training and education for preservation buyers (why you are here today!)
- Better and timely matching of potential buyers and sellers, especially for prepayment and maturing mortgage properties
- Improvements/adjustments to the RD transfer process
- Continue to work with partners to identify rehab funding sources and help owners and preservation buyers to access them
- Recognize that we can't preserve everything, especially if condition is very poor and/or market is weak. Focus time and resources on properties that make sense to preserve.
- Where preservation isn't feasible, ensure that tenants are aware of all options to maintain access to affordable housing.

Questions?

Contact:

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KIMBERLY STAMPS
MISSISSIPPI HOME CORP.

RURAL PRESERVATION IN THE SOUTHEAST
APRIL 20, 2022

STATE'S IMPACT ON PRESERVATION AND AFFORDABLE HOUSING

MISSISSIPPI HOME CORPORATION

HOME PROGRAM BACKGROUND

The HOME Investment Partnerships Program (HOME) provides an annual allocation from HUD to MHC – we partner with local nonprofit and for-profit organizations, developers, and local units of government to fund multi-family and single-family activities such for construction and rehabilitation of affordable housing. HOME funds assist households at or below 80% of area median income(AMI).

HOMEOWNER REHABILITATION

The Homeowner Rehabilitation Program is a program which provide safe, decent, and affordable housing to low and very-low income eligible homeowners that meet eligibility requirements.

Funds are distributed Statewide in accordance with the State's Consolidated Plan and the One-Year Action Plan.

Competitive Process with applications being submitted through the Local Units of Government (Cities, Towns, and Counties)

Maximum Award – $600,000

HOME RENTAL SET-ASIDE

HOME funding for rental activities are available through the Rental Set-Aside benefitting low and very low-income tenants.

Funding is available for non-profits organizations and for-profits developers with capacity and experience in producing and developing affordable housing.

HOME funds serves as “gap” financing when structuring development deals and must have other funding sources available.

COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDO)

The State's HOME Program uses least 15% of its total HOME allocation as a set-aside for Community Housing Development Organizations (CHDOs). This funding provides eligible non-profit organizations that act in the capacity of Owner and/or Developer to undertake HOME activities in the development of low-income housing or substantial rehabilitation of multi-family rental units.

Organizations eligible to receive CHDO Set-aside funding through the Home Investment Partnerships Program (HOME) are non-profits with demonstrated development and capacity experience with creating, rehabilitating, or preserving affordable housing. The eligible activities are construction, acquisition and or rehabilitation of rental housing development and single-family homeownership housing. Eligible project types are multi-family and single-family rental housing.

In order to be eligible for the CHDO Set-Aside funding, non-profit organizations must be Certified though the State.

HOUSING TRUST FUND

The Housing Trust Fund Program (HTF) allocates funds to increase and preserve the supply of affordable housing. Primary target is given to rental housing for the extremely low-income population. HTF funds assist households below 30% of area median income (AMI).

Target at least 10% of the units to address prevention, reduction, and expansion of permanent housing for the homeless and persons with disability populations

HTF funds should be combined with other federal or non-federal sources for the production and preservation of affordable housing units

JACK POPPER
GEORGIA DCA

Georgia Department of Community Affairs: Rural Rental Housing Development

Jack Popper

Affordable Housing Policy Manager

April 20, 2022

DCA Departments

- Local Government Assistance
- Community and Economic Development
- Housing Divisions
  - Rental Housing Assistance Division
  - Homelessness and Special Needs Housing Division
  - Homeownership Division
  - Housing Finance and Development Division

Housing Development Division Funding Sources

Program	Structure	DCA Financing Structure Discretion?
9% Housing Tax Credits (IRS)	Investor equity	No
4% Housing Tax Credits (IRS)	Investor equity + low-interest debt	No
State Housing Tax Credit (Georgia program)	1-1 match for federal tax credit	No
HOME	Low-interest debt	Yes
National Housing Trust Fund (NHTF)	Grant	Yes

Rental Housing Development Programs: Rural Activity

9% Housing Tax Credits

- DCA awards 9% credits to “Atlanta Metro,” “Other Metro,” and “Rural”
- “Rural” follows the USDA definition (outside of Atlanta)
- 35% of 9% credits go towards “Rural” areas
- State tax credit bolsters 9% credits’ ability to serve wider range of rural communities

Bonds + 4% Housing Tax Credits

- Since properties are large and need to support debt, most development activity has been outside of rural areas
- Nevertheless, state credit allows for more 4% development activity outside largest urban areas
- In 2017, a 4%/bonds portfolio initiative preserved 42 properties with USDA 515 loans

Bonds + 4% Housing Tax Credits: Now a Competitive Process

- In 2020, bond program demand exceeded supply
- DCA stopped taking applications, has been working through pipeline of applications since 2020
- Anticipated re-opening late 2022 or spring of 2023

HOME loans

- DCA structures as low-interest debt
- Through 2019, HOME provided gap financing for 9% developments
- Starting in 2020, re-allocated HOME as gap financing for 4% developments
- Anticipate continuing to deploy HOME for 4% program at least partially
    - Enables development outside of largest urban areas

National Housing Trust Funds (NHTF)

- Serves extremely low-income households (approximately 30% area median income)
- DCA structures, functionally, as a grant
- Deployment similar to HOME: previously gap financing for 9%, in 2020 shifted more towards 4% developments (once re-opens)

Rural Development Constraints: Implications for DCA Financing

Rural Constraint: Lower Household Incomes

- Less property cash flow to fund repairs
- Less property cash flow to service debt
- Implications for DCA funding:
    - Rural areas historically received more HOME as gap financing
    - HOME repayment more commonly allowed as "cash flow loan"

Rural Constraint: Lower Population

- Housing Tax Credit implications:
    - Typical Housing Tax Credit properties too large for some rural markets
    - More limited development in these areas reinforces preservation need
- HOME and NHTF implications:
    - DCA more cautious given 30% income threshold (where there is a lower population to begin with)
    - Where gap financing is needed, DCA considers HOME for rural areas to allow broader income targeting. NHTF primarily for larger urban markets.

Rural Constraint: Local Capacity

- Construction: fewer contractors based in rural areas
  - For developments with smaller payoffs, harder to find contractors (e.g., CHIP)
- Supportive housing:
  - Fewer local providers
  - Less staff capacity for existing providers
  - Need exists, but in smaller concentrations
- Across all programs, makes it more difficult to meet baseline requirements and certain scoring incentives
  - For this reason, we adjust scoring by “geographic pool” (Atlanta, Other Metro,

PLEASE TAKE OUR SURVEY