



CIVIC

MULTIFAMILY

AFFORDABILITY/SECTION 8



SECTION I - SECTION 8 HOUSING PROGRAM

A. OVERVIEW:

- The Section 8 Housing Program is financed by the U.S. Department of Housing and Urban Development (HUD) to provide rent subsidies in the form of Housing Assistance Payments (HAP) to private landlords on behalf of extremely low, very low-income individuals/families, senior citizens, and persons with disabilities.

B. UTILITY ALLOWANCES:

1. Eligible families will be provided allowance for tenant-paid utilities
2. \$4/month or \$43/year allowance for costs associated to the SCEP
3. \$2/month or \$25/year allowance for RSO registration fees

C. VOUCHER PAYMENT STANDARDS (FOR THE CITY OF LOS ANGELES)

- The most the Housing Authority can pay to help a family with rent.

BEDROOM SIZE	PAYMENT STANDARD
SRO	\$954
0	\$1,273
1	\$1,522
2	\$1,970
3	\$2,641
4	\$2,905
5	\$3,340
6	\$3,776

D. SECTION 8 INCOME LIMIT:

1. Extremely Low Income = Income does not exceed the higher of the federal poverty level or 30% of area median income
2. Very Low Income = 50% of area median income
3. Low Income = 80% of area median income

LOS ANGELES SECTION 8 INCOME LIMITS (EFFECTIVE 4/23/2019):

NUMBER OF PERSONS	EXTREMELY LOW INCOME	VERY LOW INCOME 50% OF MEDIAN	LOW INCOME 80% OF MEDIAN
1	\$21,950	\$36,550	\$58,450
2	\$25,050	\$41,800	\$66,800
3	\$28,200	\$47,000	\$75,150
4	\$31,300	\$52,200	\$83,500
5	\$33,850	\$56,400	\$90,200
6	\$36,350	\$60,600	\$96,900
7	\$39,010	\$64,750	\$103,550
8	\$43,430	\$68,950	\$110,250

E. OCCUPANCY STANDARDS:

BEDROOM SIZE	PAYMENT STANDARD
1-2	1
3-4	2
5-6	3
7-8	4
9-10	5
11-12	6

D. HOUSING ASSISTANCE PAYMENT (HAP):

1. What it is: A form of social housing support for people who have a long-term housing need. Serves as an incentive to developers to build more affordable housing.
2. How it works:
 - a. HAP contract is awarded to a developer, generally in a 20 or 40 year length contract
 - b. Tenant pays their designated HAP rent contribution to a local authority
 - c. Local authority, such as HUD or a “Public Housing Agency”, then pays the difference between the HAP rent contribution and the HUD approved rent, also called the “Contract Rent”.
 - d. HAP contracts are a part of Section 8 subsidies, rules, and regulations

SECTION II - HHH (SUPPORTIVE HOUSING)

A. PIPELINE SUMMARY:

SUMMARY OF HHH PIPELINE - JULY 2019

TOTAL HHH FUNDS COMMITTED	TOTAL HHH PROJECTS	TOTAL UNITS (INCLUDES MANAGER UNITS)	TOTAL SH UNITS	TOTAL NON SH UNITS
\$810M	79	5388	4120	1181

The main purpose of Prop HHH is to create new supportive housing for individuals and families who are homeless in the City of Los Angeles. Supportive Housing (SH) combines affordable housing with services that support the residents, which may include mental and physical health services, education and job training, and drug and alcohol treatment. The Supportive Housing (SH) Loan Program funds “brick and mortar” construction projects, not building operations or resident services.

PROP HHH DEVELOPMENTS SUMMARY

Proposition HHH Supportive Housing (SH) Loan Program
SH Projects Summary (as of 6.7.2019)

Total Prop HHH Project in Predevelopment	59
Total Construction Loans Closed	3
Total Prop HHH Units in Construction	17
Total Prop HHH Units*	5,388
Total Prop HHH Supportive Housing Units	4,120
Total Prop HHH Funds Requested	\$809,713,423
Total HCIDLA Funds Requested	\$831,457,009
Total Development Cost	\$2,754,662,476
Amount Leveraged**	\$1,944,949,053

B. THRESHOLD REQUIREMENTS:

1. Demonstrated Site Control
2. Project must commit minimum 50% of units for SH for homeless. Alternatively, it must commit 20 units minimum if this threshold isn't met.
3. 50% of SH units must be designated for chronically homeless

C. DEVELOPER REQUIREMENTS:

- Must be approved by HCIDLA Land Development Program OR be a managing GP of at least two special needs projects with units restricted for the homeless, in operation for more than a year.

D. SH SERVICE REQUIREMENTS:

1. Project team must include a service provider with at least 2 years' experience in proposed target population in SH
2. Service Provider in good standing with LA County Department of Health Services

E. QUALIFICATIONS:

1. New construction or rehabilitation projects
2. Available to both non-profit and for profit sponsors
3. SH Loan Program may be used with or without LIHTC
4. 4% LIHTC projects shall use HCIDLA as the bond issuer
5. 9% LIHTC projects shall apply to the HCIDLA Affordable Housing Pipeline for an allocation of tax credits from the city

F. LOAN AMOUNT:

1. Min = \$240,000; Max = \$12,000,000
2. Up to \$140,000 per SH unit for 4% tax credit transaction; \$100,000 per SH unit for 9% and non-tax credit projects
3. If supplemental funds are required, they are available in the amount of \$80K per SH unit up to a max loan amount of \$16,000,000. Project must 1) be 80% SH units, or 2) located in a highest, high, or moderate resource area/census tract per Opportunity Map.
4. 4% LIHTC projects shall use HCIDLA as the bond issuer
5. Loan Fees are TBD

G. RATES & TERMS:

1. 3% interest rate, residual receipts, 55 year term/covenant
2. Max = \$12,000,000
3. 2 year conditional commitment
4. Projects may be subject to a Project Labor Agreement
5. Other debt is encouraged in order to achieve project feasibility
6. Minimum 1.15 DSCR (if amortizing debt)

H. OCCUPANCY REQUIREMENTS:

1. SH units for homeless, and either 1) “extremely low income” up to 30% of the Area Median income, or 2) “very low income” up to 50% of the AMI
2. Affordable Housing units for people who are: 1) “extremely low income”, 2) “very low income”, or 3) “low income” up to 80% of AMI.
3. Tenant selection done through LA County Coordinated Entry System

I. HCIDLA PRIORITIES:

1. Projects with more than 50% SH units; 1/2 of which designed for chronically homeless
2. Projects with 50+ units
3. Projects located near Transit Oriented Development areas
4. Prioritize projects requesting less than 75% of max funding allowed, then 85% and 95%
5. Geographic distribution throughout LA. 15% developer fee allowed in difficult to develop areas

SECTION III - ACCESSIBLE HOUSING

A. THE ACCESSIBLE HOUSING PROGRAM (AcHP):

1. Ensures people with disabilities have an equal opportunity to rent, use, and enjoy housing that has received financial or other assistance.
2. Covers 730+ existing affordable rental housing developments built before April 2016, all newly constructed or rehabilitated affordable housing since.

B. THE AcHP WILL:

1. Ensure at least 4,000 units in Covered Housing Developments contain the required number of:
 - a. Mobility Units for people with mobility disabilities, including people in wheelchairs
 - b. Hearing/Vision Units with features for people with those disabilities
2. Ensure housing financed by the City or CRA/LA meet requirements
3. Require Covered Housing Developments to have nondiscriminatory property mgmt policies

4. Provide training to property owners and managers
5. Provide a Grievance Procedure
6. Develop an Accessible Housing Registry website for people to find accessible housing units

C. MOBILITY UNITS:

1. At least 5% of all units in existing housing and 10% of all new/renovated units after April 2016 must be Mobility Units.
2. Features include wider doorways, sufficient turn-around space, and lower kitchen counters.

CI. HEARING/VISION UNITS:

1. At least 2% of all units in existing housing and 4% of all new/renovated units after April 2016 must be Hearing/Vision Units.
2. Features include emergency lights in addition to door buzzers or fire sirens, braille floor numbers in elevator, appliances/equipment with buttons and knobs instead of touchscreens.

CII. OTHER ACCESSIBLE HOUSING QUALITIES:

1. Accessible common areas and public spaces
2. Accessible routes into and through the building
3. Programs and services designed for people with disabilities
4. Communication tailored for those with disabilities

Sources:

HCIDLA.lacity.org . (2019). *Applying for public housing* [White paper]. Retrieved September 15, 2019 from Housing Authority of the City of Los Angeles:<http://www.hacla.org/applyforph>

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