



A New American Dream: Resilient Affordable Rental Housing

Day 1

May 7, 2024

1:15 p.m. to 2:15 p.m. CDT



2024 CDBG-DR Problem Solving Clinic
May 7-9, 2024 | St. Louis, MO

Presenters



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She/Her

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Learning Objectives

- Attendees will understand how the needs of renters after disasters are often overlooked.
- Attendees will determine ways that rental needs can be captured in the unmet needs analysis of the Community Development Block Grant Disaster Recovery (CDBG-DR) action plan.
- Attendees will identify common rental programs that CDBG-DR grantees can design and implement.
- Attendees will utilize best practices from successful rental program models from other CDBG-DR grantees.

Agenda

- Why Rental Programs are so Critical After Disasters
 - Unmet needs analysis for rental housing
 - Documenting renter needs in your action plan
- Rental Program Models
 - Tenant-Based Rental Assistance
 - Small rental/landlord incentives
 - Using CDBG-DR as gap financing
 - Middle market loans
 - Multifamily rental restoration and creation
 - Permanent Supportive Housing

Reducing Administrative Burden Takeaway

CDBG-DR Grantees Will Understand Eligible Program Types They Can Establish to Support the Renter Population Within Their Communities.



This presentation pairs eligible rental program types with examples from other CDBG-DR grantees and how these programs can help renters after a disaster. This presentation can be referred to as grantees assess and reassess rental unmet needs within their communities. Grantees can choose to combine elements of these rental programs together to meet their specific needs.



Making the Case for Rental Allocations

Criticality of Rental Programs After Disasters

- After a disaster:
 - Rental units occupied by low- and moderate-income (LMI) households are damaged.
 - LMI households are displaced.
 - Special needs populations, including the elderly and those requiring supportive services, are displaced.
 - People that were at risk of, or were experiencing, homelessness before the disaster face more challenges.

Action Plan: Unmet Needs Analysis

- DO NOT rely only on the Federal Emergency Management Agency Individual Assistance (FEMA IA) data to determine rental needs.
- Conduct a robust data assessment of renters' needs post-disaster.
- Coordinate with public housing agencies (PHAs) and other sources for rental data.
- Coordinate with Continuums of Care (CoC) and service providers to collect data on people experiencing homelessness after the disaster.



Programs to Meet Rental Demand After Disasters

Program Design Considerations and Steps

- Prioritize households with the highest need.
- Partner with community organizations that understand the needs of the impacted renter population.
- Consider longer affordability periods than required.
- Offer forgivable loans when possible/appropriate.
- Work with your PHA or equivalent to design or run some programs.



Many rental programs can utilize and adapt existing state and local programs and partner with existing program staff to reduce the time needed to create and implement programs.



Typical Eligible Applicants

- For-profit developers/borrowers
- PHAs
- Non-profit developers/borrowers
- Owners of Section 8 properties
- Small site rental landlords
- Local governments in partnership with developers



[The Commonwealth of the Northern Mariana Islands](#) (CNMI) allocated the same amount to Rental Housing Development as they did for their Homeowner Rehabilitation & Reconstruction Program.

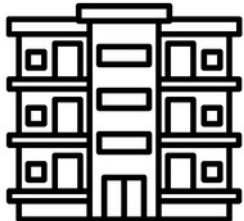
Differences Between Applicants by Program



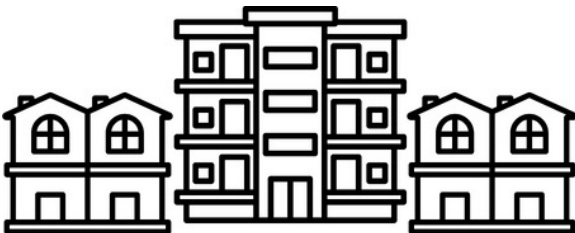
Tenant-Based Rental Assistance (TBRA)



Small Rental/Landlord Incentives

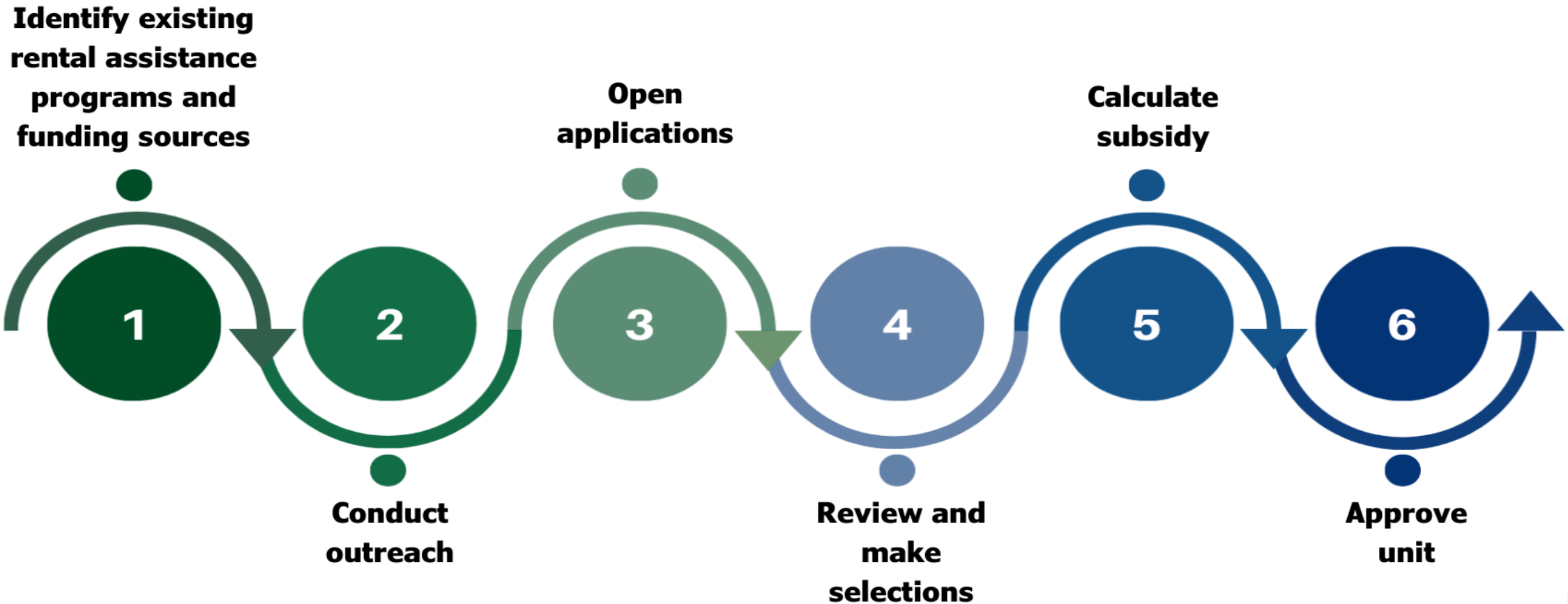


Middle Market Loans, Multifamily Rental Restoration



**Using CDBG-DR as Gap Financing,
Permanent Supportive Housing**

Tenant Based Rental Assistance (TBRA) Typical Program Steps



Tenant Based Rental Assistance (TBRA)



After Hurricane Sandy, [New Jersey](#) allocated \$27,317,346 for a TBRA program that used an electronic lottery to select 1,400 applicants. The program also prioritized households at or below 30% average median income (AMI).



Covers housing, utility, or security deposit payments for LMI tenants.

GOAL



- Assistance is paid directly to the landlord on behalf of the LMI tenant household.
- TBRA is not conditioned on location of project.
- Level of TBRA can vary based on income of household.

MECHANISM

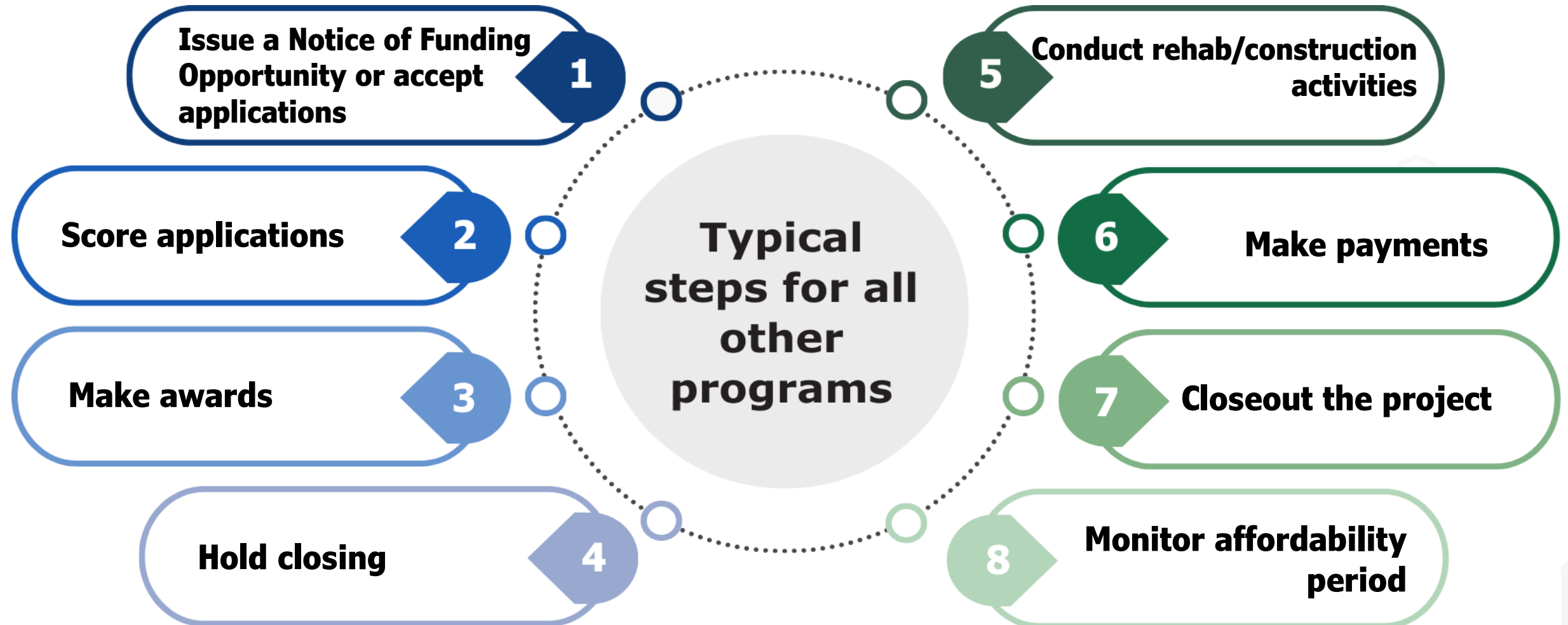


- Encourages mixed income neighborhoods.
- Supports mobility of LMI households.
- Can target special needs populations.

ADVANTAGES



Typical Steps for All Other Programs



Small Rental/Landlord Incentives



After Hurricane Sandy, [New Jersey](#) allocated \$40 million in CDBG-DR funds to an Incentives for Landlord Program that provided funding to landlords to make existing units available at affordable rates to LMI renters.



Incentivize landlords to make units available to LMI renters.

GOAL



Assist small landlords (typically 1–7 units) to repair and replace damaged units or develop new residential rental housing for impacted LMI tenants.

MECHANISM



- Enable small landlords who may not otherwise have capital to repair their units.
- Increase the stock of affordable housing.

ADVANTAGES



CDBG-DR as Gap Financing



Louisiana Housing Corporation's
Piggyback Resilience Initiative Mixed Income (PRIME) Programs utilize CDBG-DR funding, LHC tax-exempt bonds, and equity from sales of 4% and 9% Low-income Housing Tax Credit (LIHTC) program credits.



Leverage CDBG-DR with existing and established federally funded rental programs to efficiently create more affordable housing rental units.

GOAL



Combine CDBG-DR with LIHTC or United States Department of Agriculture Rural Rental Housing Loans (Section 515) as gap financing.

MECHANISM



- CDBG-DR extends affordability length for existing subsidized projects.
- Grantee can fund more projects.
- Take advantage of existing programs, processes, and staff.

ADVANTAGES



Multifamily Rental Restoration and Creation



Lee County in Florida allocated \$350M to affordable housing development and preservation - \$50M for multifamily rental rehab; \$150M for new development (acq/rehab or new construction) and \$150M remaining TBD (31% of their TOTAL CDBG-DR allocation) for multifamily rental restoration.



Develop new long-term affordable multifamily rental housing and extend affordability of expiring multifamily units.

GOAL



Rehab existing or create new affordable multifamily rental housing; acquire/rehab/convert market-rate multifamily rental housing to affordable multifamily rental housing; and acquire/rehab/convert previously non-residential structures to affordable multifamily rental housing.

MECHANISM



- Increased number of units maximizes impact.
- Can extend affordability of existing properties.

ADVANTAGES



Middle Market Loans



Louisiana Housing Corporation's [Middle Market Loan Program](#) requires that for each project 51% must be for 80% AMI and below, 2% must be set aside for Permanent Supportive Housing (PSH) and up to 20% may be 90% to 100% AMI.



Increase available rental units for LMI households in higher-income areas.

GOAL



Provide gap financing to support rehab and construction of multifamily building in higher-income areas.

MECHANISM



- Create mixed-income communities.
- Target specific neighborhoods in impacted area where affordable housing stock is lacking.

ADVANTAGES



Permanent Supportive Housing



New Jersey's \$57,341,855 [Sandy Special Needs Housing Fund](#) created permanent supportive housing and required that 75% benefitted people at or below 30% AMI and the remaining 25% between 30 and 80% AMI.



Create housing for people who require supportive services.

GOAL



Allocate funding to acquire, rehab or convert existing or new multifamily housing.

MECHANISM



- Serve households with members who need supportive services (e.g., health services, substance abuse treatment services, case management, childcare, etc.).
- Alleviate chronic homelessness in impacted area.
- Lower public costs associated with the use of crisis services.

ADVANTAGES



Integrating Green and Resilient Building Standards

Acceptable industry-recognized standards and alternative options




Example of acceptable alternative option with HUD approval





The Green and Resilient Retrofit Program (GRRP)

- Provides owners of HUD-assisted multifamily housing with capital resources to reduce carbon emissions, make utility efficiency improvements, incorporate renewable energy sources, and make properties more resilient against the effects of climate hazards.
- *Elements* provides gap financing for green or climate resilient items in existing recapitalization transactions.
- *Leading Edge* provides construction and transaction costs associated with achieving the qualifying green certification.
- *Comprehensive* provides funding for deep utility efficiency, renewable energy generation, carbon emissions reductions, and climate resilience retrofits.
- View additional information here: [Green and Resilient Retrofit Program \(GRRP\) | HUD.gov / U.S. Department of Housing and Urban Development \(HUD\)](#)

Reducing the Administrative Burden for Tenants—Outreach



All of [CNMI's](#) housing programs prioritized elderly and disabled residents with incomes between 0–30% average median income.



Language Access

Translation and interpretation services



Culture

Culturally responsive practices to areas with impacted renter populations



Accessibility

Application via smart phone



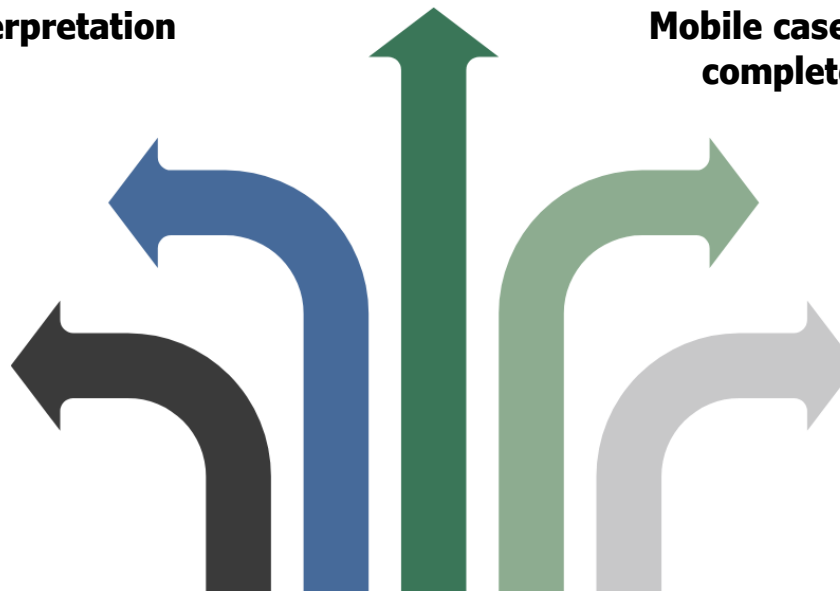
Mobility

Mobile case management to complete applications



Existing Information Networks

Utilize landlords to disseminate info to residents and identify residents that were not on lease



Reducing the Administrative Burden for Tenants – Removing Barriers to Accessing Housing



**Ensuring fair
housing
requirements are
followed when
marketing units**




**Provide
financial/credit
counseling and case
management**



**Accept
alternative
documentation**


Follow-Up Questions and Answers in the Resource Room (IN PERSON ONLY)



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Building Resilient Affordable Housing Using CDBG-DR Funding



Collaborating with Public Housing Authorities, owners of HUD assisted housing, Continuums of Care, and nonprofits familiar with the needs of renters during the unmet needs analysis phase has added benefits. By engaging with these organizations early on, they will be better positioned to assist and serve as partners, developers and subrecipients supporting the implementation of rental programs.

Data Sources for Identifying Renter Needs in the Action Plan Unmet Needs Analysis

FEMA Individual Assistance (IA) data is one source of data to determine renter needs but is not sufficient on its own to determine rental needs because:

- The damage assessment methodology prioritizes real property damages and therefore homeowners;
- Only accounts for the cost to restore homes to habitable conditions; and
- Renters and those at risk of or experiencing homelessness may be unrepresented in the data because they did not apply for assistance.

CDBG-DR grantees should also collect data from:

1. National Flood Insurance Program (NFIP)
2. Small Business Administration disaster loan program data
3. Insurance claim information
4. Public Housing Authority(ies) regarding damaged units and needs of renter population
5. Owners of HUD assisted housing regarding damaged units
6. Continuums of Care including information including annual Point-in-Time (PIT) Count and data on the type of affordable rental needs specific to the impacted area (e.g., where it is needed, unit size needed, etc.).

HUD CDBG-DR requires grantees to meet resiliency standards. Unmet needs assessments can account for the additional funding needed to support rebuilding to those higher standards.

Come meet the presenters in the resource room directly following this session for an opportunity to talk to them and get additional clarity on the content delivered in this session!

The presenters will also have copies of their **Resilient Affordable Housing Flyer** to share with participants. An electronic version is also available on the Clinic site.

A photograph of the St. Louis Gateway Arch and the city skyline is framed within a white, irregular hexagonal shape on the left side of the slide. The arch is a large, white, catenary-shaped structure that dominates the left side of the image. In the background, the city skyline of St. Louis is visible, including the Old Courthouse and other buildings. The American flag is also visible in the foreground.

Thank You!

If you have any questions, please feel free to send an email to the Office of Disaster Recovery's (ODR's) Policy Division at ODRPolicyDivision@hud.gov.

This material is based upon work supported, in whole or in part, by Federal award number D-22-TA-MD-006 awarded to The Cloudburst Consulting Group by the U.S. Department of Housing and Urban Development. The substance and findings of the work are dedicated to the public. Neither the United States Government, nor any of its employees, makes any warranty, express or implied, or assumes any legal liability or responsibility for the accuracy, completeness, or usefulness of any information, apparatus, product, or process disclosed, or represents that its use would not infringe privately-owned rights. Reference herein to any individuals, agencies, companies, products, process, services, service by trade name, trademark, manufacturer, or otherwise does not constitute or imply an endorsement, recommendation, or favoring by the author(s), contributor(s), the U.S. Government or any agency thereof. Opinions contained herein are those of the author(s) and do not necessarily reflect the official position of, or a position that is endorsed by, HUD or any Federal agency.

A photograph of the St. Louis Gateway Arch and the city skyline, framed within a white hexagonal border with a drop shadow.

Next Session

The next session will begin at 2:30 p.m. CDT

Maximizing Your CDBG-DR Funds: Navigating Eligible Activities and National Objectives: Grand Ballroom DEF

Environmental Review Mini Sessions: Enhancing Process Efficiencies and Incorporating New Environmental Criteria: Grand Ballroom ABC