

Housing Production & Preservation/ Rehab

The goal of this program is to maintain and increase the supply of quality affordable rental housing and homeownership opportunities for people who are not well served in the private housing market, by investing in the rehabilitation of residential properties that will be affordable for the long term.

Rehab Needs

Census data shows a continuing gap between the number of households requiring deeply affordable rental housing and the number of low-rent units. The gap is too large to be closed merely by relying on projected increased resources for the Section 8 or Short Term Rent Assistance Programs; although increases in those resources would be welcome, the historical record suggests that the increases would be modest, not at the scale required to meet even current need.

Most multi-family housing projects require additional capital investment periodically to rehab major systems. Without investment, the properties will deteriorate, and become obsolete. In some cases, they may fail to meet health and safety requirements. Currently, a significant number of these properties -- some market-rate, some subject to short term rent restrictions (i.e. tax credit projects) -- would benefit from investment in rehab.

Market rate properties: The City can increase its portfolio of affordable rental housing by acquiring and rehabbing these. Any new City investment will subject the housing to 60-year affordability.

Projects subject to short-term rent restrictions (e.g. tax credit properties): The City can extend the period of affordability of rent-restricted housing by investing in rehab of these properties.

Rehabs of market rate and rent restricted properties are generally quicker and less expensive than developing new housing from scratch.

Note that the rehab of privately-owned properties subject to an affordability and rent-subsidy contract with HUD under the Project-based Section 8 program are covered under the Preservation strategy.

Rehab Program Description

The program finances development of the acquisition and/or rehab of single- or multi-family housing, intended for rental or homeownership. Any of the financing tools described in the Financing Tools strategy may be used. Funding may be provided in the form of a grant or a soft loan.

Units may be reprogrammed as permanent supportive housing if there are rent subsidies and services funds available.

Improvements to the infrastructure adjoining the property may also be accomplished under this strategy, particularly if required to provide tenants with a safe path of travel to schools, jobs, transit, parks, full-service grocers and other consumer services.

Rehabs of facilities, such as homeless shelters or food banks, may also be accomplished under this strategy.

Rehab Program Tools

Financing tools.

Long-term affordability contracts.

Properties developed under this strategy are assets that will be managed for the long-term benefit of the community. See the Asset Management strategy.

Project Selection

Projects may be selected through a competitive RFP process. See Housing Development and Finance Tools strategy for description of RFP process. Projects that have already received an investment of City funds may also be referred through the Asset Management Program, or City Council directive.

Program Eligibility

Housing projects receiving assistance under this program must be able to document that they will meet the HUD national objective of serving low/moderate income clientele.

In evaluating whether it is financially prudent to invest in a rehab, PHB will undertake a subsidy layering review and a financial feasibility test. Please see the website for detail.

Public facilities or infrastructure improvements receiving assistance under this program must be able to document that they will meet at least one of these HUD national objectives: serving low/moderate income clientele, or location in a low- and moderate income area.

Potential Barriers

Demand for rehab funds exceeds available funding. Other potential barriers are discussed in the Housing Development & Finance Tools strategy.

Partner Agencies and Organizations

See the Housing Development & Finance Tools strategy.

Complementary Local, Regional, and National Efforts

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See the Housing Development & Finance Tools strategy.

Geographic Service Areas (including Areas of Low-Income Families and/or Racial/Minority Concentration)

Citywide

Monitoring

A description of PHB's monitoring program is in Section One.