

AFFORDABLE HOUSING

Where Is The Future?



cohen&grigsby

HOUSING AUTHORITIES



- Created by state
- Charged with providing decent, safe and sanitary housing to persons of low income

© Cohen & Grigsby, P.C., 2005

progressive law.®

cohen&grigsby

PAST

- Housing authorities are not federal agencies
- Housing authorities became dependent upon federal money
- Communities became large, concentrated islands of very low income residents

© Cohen & Grigsby, P.C., 2005

progressive law.®

cohen&grigsby

NEED

- Older housing stock
- Continued immigration
- Soft economy - no shortage of low-income families
- Increasing elderly - life expectancy is rising
- Non-elderly disabled



© Cohen & Grigsby, P.C., 2005

progressive law.®

cohen&grigsby

FUNDING CHALLENGES

- Operating subsidy
 - Shrinking amount
 - Not keeping up with needs
 - Discussion of abandoning program

© Cohen & Grigsby, P.C., 2005

progressive law.®

cohen&grigsby

FUNDING CHALLENGES

- Section 8
 - Recapture of reserves
 - Cutting program by resetting level
 - Reducing funds



© Cohen & Grigsby, P.C., 2005

progressive law.®

FUNDING CHALLENGES

- Capital fund
 - No growth over last 20 years
- HOPE VI
 - HUD’s only production vehicle
 - Cut from \$600 million to \$145 million
 - President has proposed elimination
 - Senate Bill suggests an increase back to \$600 million but with new strings attached

WHERE IS THE MONEY?

- Iraq
- Afghanistan
- Tax relief
- HUD - Has insufficient funds
- States - Cash poor
- Reserves



OPTIONS

1. Mixed finance
 - Diaz decision
 - QHWRA
2. Low-income housing tax credits
3. Capital Bond
4. State Programs

cohen&grigsby

®

HIDDEN VALUE

1. Existing property
 - Sell real estate
 - Revitalize
 - Transform



© Cohen & Grigsby, P.C., 2005

progressive law.®

cohen&grigsby

®

HIDDEN VALUE

1. Low income management
2. Tax credit management



© Cohen & Grigsby, P.C., 2005

progressive law.®

cohen&grigsby

®

ROAD MAP

1. Create new authority
2. Develop affiliated entity
3. Use non-federal funds

© Cohen & Grigsby, P.C., 2005

progressive law.®

cohen&grigsby

ROADBLOCKS

1. Capital bond speed bumps
2. Recapture reserves
3. HUD OIG report on non-profits
4. Part 85 procurement



© Cohen & Grigsby, P.C., 2005

progressive law.®

cohen&grigsby

Q&A

© Cohen & Grigsby, P.C., 2005

progressive law.®
