

Proposed Moving to Work (MTW) Activity: “2020-2 Development Protection Fund”

A. ACTIVITY DESCRIPTION

Describe the proposed activity.

INLIVIAN will use its broader use of funds authority to ensure the long-term stability and viability of existing INLIVIAN- and affiliate-owned rental housing properties. INLIVIAN has properties that need capital investment and others that potentially need re-syndication of tax credits in order to maintain the quality and quantity of units provided to low-, very low, and extremely low-income seniors and families. In this activity, INLIVIAN will conduct updated detailed capital needs assessments and review financial projections at each site, establish priorities for rehabilitation and refinancing, and explore options for upgrading units over a multi-year period.

Describe how the proposed activity will achieve one or more of the three statutory objectives and the specific impacts on that statutory objective(s).

This activity addresses the statutory objective of increasing housing choices for low-income families. It is expected to lead to the preservation of affordable units in the Charlotte area. The preservation activities include using MTW funds for expenses incurred in rehabilitating the units to extend their useful life and affordability, or to acquire the property or limited partner's interest at the end of the tax credit period to maintain the asset's affordability into the future, or pay off existing loans in order to leverage additional financing.

This activity will allow INLIVIAN to respond to both planned and unforeseen events and conditions that may impact the Agency's affordable housing portfolio—impacts that could result in unsustainable financial losses, less than desirable living conditions for residents, or non-compliance with affordability restrictions.

The preservation fund will also provide predevelopment financing for existing low-income housing projects developed or owned by INLIVIAN, or its affiliates. These funds will also allow INLIVIAN, either directly or through its affiliates, to take advantage of opportunities to leverage funds from other sources and to secure various guarantees (such as operating deficit, tax indemnification, and loan repayment guarantees) associated with the properties.

Provide the anticipated schedule for implementing the proposed activity.

The initiative will be implemented immediately. There are immediate preservation needs at several properties.

B. ACTIVITY METRICS INFORMATION

2020 METRIC	BASELINE	BENCHMARK	OUTCOME
CE #4: Increase in Resources Leveraged			
Amount of funds leveraged in dollars (increase)	\$0	\$22M	TBD
HC #2: Units of Housing Preserved			
Number of housing units preserved for households at or below 80% AMI (increase)	2,846	2,846	TBD

Data Source(s): We will be tracking this initiative through the agency’s management software—Yardi.

C. COST IMPLICATIONS

There are no cost implications.

D. NEED/JUSTIFICATION FOR MTW FLEXIBILITY

Authorization(s) detailed in Attachment C and/or D of the Standard MTW Agreement (or applicable successor section in future iterations of the MTW Agreement) that gives the MTW PHA flexibility to conduct the proposed activity.

Attachment C B(1)(a)and(b) Single Fund Budget and Full Flexibility.

The authorization is needed to fund the needed improvements or financing necessary for the preservation of affordable units.

E. RENT REFORM/TERM LIMIT INFORMATION

Not Applicable.