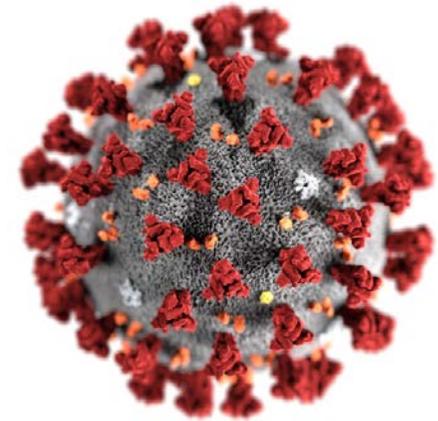


Policy Solutions in the COVID-19 World

April 16, 2020





Agenda

- Welcome & Introductions
- Affordable Housing Legislative and Regulatory Asks
- COVID-19 Aid Packages 3, 3.5, and 4
- Looking Ahead to the Remainder of 2020
- Open Forum Discussion

HousingOnline.com/covid-19-news/

The screenshot shows a web browser window with the URL housingonline.com/covid-19-news/. The page features a dark blue header with the NH&RA logo and navigation links: SEARCH, CONTACT, LOGIN, and CREATE AN ACCOUNT. Below the header is a menu bar with categories: ABOUT US, EVENTS, COUNCILS, NEWS, TAX CREDIT ADVISOR, RESOURCES, STORE, and COVID-19 NEWS. A red arrow points to the 'COVID-19 NEWS' menu item.

The main content area is titled 'COVID-19 News' and includes a 'Filter by state' dropdown menu set to 'All States'. A red arrow points to this dropdown menu with the text 'Sort by State'. Below the filter, there is a list of news articles:

- NH&RA Hosts COVID-19 Member Town Hall**
March 25, 2020 | General News
- Guidance on Deferring Tax Payments Due to COVID-19 Outbreak**
March 25, 2020 | Federal / Agency News
- FHFA Requires Multifamily Properties in Forbearance to Suspend Evictions**
March 25, 2020 | Federal / Agency News
- Negotiators Advance Third Coronavirus Aid Package**
March 25, 2020 | Federal / Agency News
- Ohio Reschedules April 1 Compliance Policies and Regulations Training to April 21**
March 25, 2020 | Qualified Allocation Plans
- Nixon Peabody Considerations for Rehab-In-Place in the age of COVID-19**
March 25, 2020 | Member News
- Nixon Peabody Gives COVID-19 Guidance for Owners and Managers of Multifamily Residential Properties**
March 25, 2020 | Member News
- COVID-19 Message from Commissioner Montgomery**
March 25, 2020 | Federal / Agency News
- CDC Guidance for Senior Housing Communities**
March 25, 2020 | General News
- New Hampshire Housing Operations & Hours**

On the right side of the page, there is a '2020 NH&RA PRESENTING SPONSOR' section featuring the Bank of America logo and a 'Newsletter Signup: HousingOnline Weekly' button. A red arrow points to the 'Click Here' text in the top right corner of the page.

HousingOnline.com/forums/forum/covid-19/

COVID-19

[Home](#) › [Forums](#) › COVID-19

[Subscribe](#)

This forum has 8 topics, 8 replies, and was last updated [3 days, 22 hours ago](#) by [Kaitlyn Snyder](#).

Viewing 8 topics - 1 through 8 (of 8 total)

Topic	Voices	Posts	Last Post
Eviction Moratoriums Started by: Kaitlyn Snyder	1	3	3 days, 22 hours ago Kaitlyn Snyder
Property Management & Operations Started by: Thom Amdur	2	5	3 days, 22 hours ago Kaitlyn Snyder
Construction Started by: Thom Amdur	2	3	3 days, 22 hours ago Kaitlyn Snyder
HR/Personnel Started by: Kaitlyn Snyder	1	1	3 days, 22 hours ago Kaitlyn Snyder
Leasing Started by: Kaitlyn Snyder	1	1	3 days, 22 hours ago Kaitlyn Snyder
Public Policy & Advocacy Started by: Thom Amdur	1	1	1 week, 2 days ago Thom Amdur
Market Studies & Appraisals Started by: Thom Amdur	1	1	1 week, 2 days ago Thom Amdur



Questions

The screenshot displays the GoToWebinar interface. At the top, there is a menu bar with 'File', 'View', and 'Help'. Below it is the 'Audio' panel, which includes a 'Sound Check' indicator and options for 'Computer audio' (selected) and 'Phone call'. A microphone icon is circled in red, and the word 'MUTED' is displayed in orange. Below the microphone, the selected device is 'Microphone (HD Webcam C510)'. A volume slider is visible, and the selected speaker is 'Speakers (High Definition Aud...'. Below the audio panel is a 'Questions' panel, which is also circled in red. It contains a text input field with the placeholder text '[Enter a question for staff]' and a 'Send' button. At the bottom of the interface is the GoToWebinar logo.



**Emily
Cadik**



Executive Director
*Affordable Housing
Tax Credit Coalition*

**Buzz
Roberts**



President & CEO
*National Association
of Affordable
Housing Lenders*

**Jennifer
Schwartz**



Director of Tax and
Housing Advocacy
*National Council
of State Housing
Agencies*

**Kaitlyn
Snyder**



Policy Director
*National Housing &
Rehabilitation
Association*

**Jeffrey
Woda**



President
*Woda Cooper
Companies*

COVID-19 Response: CARES Act

- ▶ Congress just passed \$2 trillion relief bill with emergency housing measures
 - ▶ Over **\$12 billion** in new appropriations for HUD programs
 - ▶ \$5 billion: Community Development Fund
 - ▶ \$4 billion: Homeless Assistance Grants / Emergency Solutions Grants
 - ▶ \$1.25 billion: Tenant-Based Rental Assistance
 - ▶ \$1 billion: Project-Based Rental Assistance
 - ▶ \$685 million: Public Housing Operating Fund
 - ▶ \$300 million: Native American Programs
 - ▶ \$65 million: Housing Opportunities for Persons with AIDS
 - ▶ \$50 million: Housing for the Elderly (Section 202)
 - ▶ \$15 million: Housing for Persons with Disabilities (Section 811)

COVID-19 Response: CARES Act

- ▶ New moratoriums on evictions and foreclosure
 - ▶ **60 day foreclosure moratorium on all federally-backed mortgage loans** and up to 180 days forbearance (and an additional 180 day extension if needed) for borrowers of a federally-backed mortgage loan, both beginning March 18
 - ▶ **Up to 90 day forbearance of residential mortgage loan payments for multifamily properties of 5+ units** with federally-backed loans if borrowers do not evict or charge late fees to tenants during the forbearance period
 - ▶ **120 day moratorium on eviction filings** or other legal action to charge fees or penalties if the property is insured, guaranteed, supplemented, protected, or assisted by the Department of Housing and Urban Development, Fannie Mae, Freddie Mac, the rural housing voucher program, or the Violence Against Women Act of 1994



COVID-19 Response: Immediate Relief

- ▶ **Extensions of key deadlines** to accommodate construction and lease-up delays during the crisis
- ▶ **A minimum 4 percent Housing Credit rate** to support the development of affordable housing at a time when the "4 percent" Housing Credit rate has fallen to an all-time low of 3.12 percent as a result of federal borrowing rate cuts
- ▶ **Lower the "50 percent test" threshold** for private activity bond financing required to access 4 percent Housing Credits
- ▶ **Allocate substantial appropriations** to be used for rental assistance, operating expenses, replenishing reserves, and other emergency measures

COVID-19 Response: Future Recovery

- ▶ Increase the annual 9 percent Housing Credit allocation by 50 percent, phased in over two years at 25 percent per year, and adjusted for inflation, beginning in 2021
- ▶ Provide additional basis boosts if needed for the financial feasibility
 - ▶ 30 percent basis boost for developments financed using Multifamily Private Activity Bonds,
 - ▶ 50 percent basis boost for developments serving extremely low-income tenants,
 - ▶ 30 percent basis boost for developments in rural areas, and/or
 - ▶ 30 percent basis boost for developments in Native American communities

NCSHA Top Multifamily Priorities During Pandemic

Require Congressional Action

- **Housing Assistance Fund**-- \$75 billion in flexible funding to every state HFA to meet a wide range of needs of homeowners and renters caused by the economic fallout.
- **Minimum 4% Credit Rate for Bond-Financed Housing Credit Properties**
- **Emergency Rental Assistance**— potentially through ESG program.
- **Substantial one-time increase in Funding for HOME**
- **Reinstatement of the FFB option for FHA-HFA multifamily loan risk-sharing program**
- Potential to add **lowering 50% Test** for bond-financed Housing Credit projects.

NCSHA Top Multifamily Priorities During Pandemic

Require Action by Federal Reserve and/or Treasury

- **Multifamily Property and Servicer Liquidity**– NCSHA is working on an expansion to our Mortgage Servicer Funding Facility proposal to the Federal Reserve include multifamily properties and servicers. Requires no further Congressional action.
- **Housing Bond Liquidity**—Proposal to Federal Reserve and Treasury, building on New Issue Bond Program from the financial crisis. Requires no further Congressional Action.

NCSHA Top Multifamily Priorities During Pandemic

Require Action by IRS/Treasury

- **Provide a 12-month extension of the 10% Test deadline for carryover allocations**– 6 months allowed under Rev. Proc. 2014-49; extension through July 15 provided under Notice 2020-23.
- **Provide a 12-month extension of the 24-month minimum rehabilitation expenditure deadline.**
- **Provide a 12-month extension of the placed in service deadline**– 12-month extension allowed under Rev. Procs. 2014-49 and 2014-50.
- **Provide at minimum a 12-month extension of the 25-month rehabilitation period currently allowed under IRS Rev. Procs. 2014-49 and 2014-50 to properties that suffered a casualty loss due to a Presidentially declared disaster in the 25-month period prior to the onset of COVID-19.**

NCSHA Top Multifamily Priorities During Pandemic

Require Action by IRS/Treasury

- **Provide a 12-month extension of the year-end deadline for property restoration for any property that suffers a casualty loss not associated with a major disaster during 2020.**
- **Provide a 12-month moratorium on both physical inspections and tenant file reviews.**
- **Provide a 12-month moratorium on tenant income recertification requirements.**
- **Provide a 12-month extension for all open noncompliance corrective action periods.**

NCSHA Top Multifamily Priorities During Pandemic

Require Action by IRS/Treasury

- **Suspend the yet-to-be implemented IRS regulation 1.42.5, which will increase the number of required compliance monitoring inspections even further than required under current regulations.**
- **Provide guidance clarifying that the temporary closure of property amenities and common space facilities during the duration of the crisis will not negatively impact a property's eligible basis and result in loss of Credits.**

A portrait of Jeffrey J. Woda, a man with dark hair and a goatee, wearing a dark suit, white shirt, and red tie. He is smiling and looking slightly to the right. The background is a blurred office setting with windows.

Jeffrey J. Woda

About the Presenter:

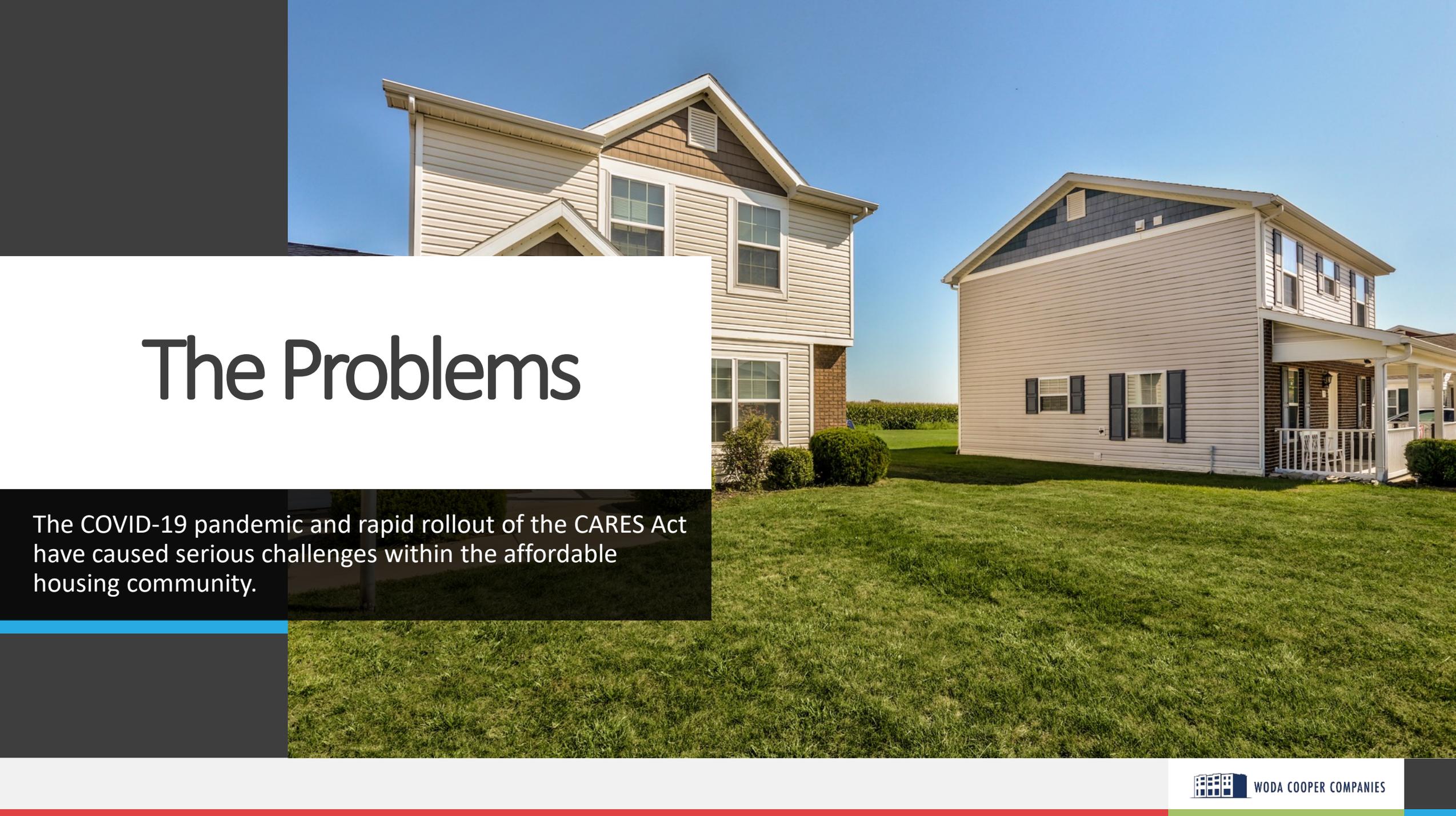
- Managing Director and President of Woda Cooper Companies, Inc.
- Board member: National Housing and Rehabilitation Association
- Steering committee member: Housing Credit Group of the National Association of Home Builders Association
- Board member: Bethany College

Woda Cooper Companies

An employee owned, vertically integrated affordable real estate firm.

Woda Cooper currently provides homes to more than 20,000 residents. We operate in 15 states in the Midwest, Mid-Atlantic and Southeast, and have a development portfolio of \$1.5 billion.

However, the impact of Woda Cooper can't be summed in spreadsheets. The real measure of Woda Cooper's success can be seen in the lives we have touched and in the vibrant neighborhoods of which we've become a part.



The Problems

The COVID-19 pandemic and rapid rollout of the CARES Act have caused serious challenges within the affordable housing community.

The Problems

The Challenges Created by Coronavirus & CARES Act



1. Affordable housing companies with more than 500 employees are ineligible for the SBA's Payroll Protection Program Loans but need immediate access to funds to pay staff.
2. The CARES Act ensures no resident may be evicted for 120 days but provides no assistance to these tenants to pay rent.
3. Regulations only allow for 90 days of forbearance if the property is federally financed or has federally assisted financing. This means that many low-income housing tax credit properties will fall behind on mortgage payments and become subject to foreclosure.



What's Really at Stake...



The Solutions

Woda Cooper Companies' proposed solutions to the issues faced by larger affordable housing providers.

Challenge #1

Paying Staff Amidst a Pandemic

Problem

- Property management is a labor-intensive business. As a result, we and many similarly situated affordable housing companies have over 500 employees and are ineligible for the SBA's Payroll Protection Program Loan but need immediate access to funds to keep our essential employees in place.

Solution

- We ask that similar relief be afforded to affordable housing owners and managers. Specifically, we ask that the OMB be directed to create a sub-code under Sector 53, Subsector 531, with an NAICS code of 531410 entitled "Affordable Housing Providers" that provides for a size standard of 1250 employees.
- This solution would not require any further legislative action.

Challenge #2

Residents Cannot be Evicted, but Cannot Pay Rent

Problem

- The CARES Act ensures no resident may be evicted for 120 days but provides no assistance to these tenants to pay rent.

Solution

- Servicers and lenders to affordable housing properties need relief which in turn will provide relief to owners, managers, and residents. We ask that affordable housing lenders and servicers be eligible to receive a 0% interest loan from the Federal Reserve. The funds would be sized in the amount necessary to compensate these lenders and servicers for payments not made during the forbearance period.
- This solution would not require any further legislative action.

Challenge #3

Little to No Forbearance Amid Non-payment of Rent

Problem

- Regulations only allow for 90 days of forbearance if the property is federally financed or has federally assisted financing. This means that many low-income housing tax credit properties will fall behind on mortgage payments and become subject to foreclosure.

Solution

- Section 4023 of the CARES Act should be modified to provide for up to 120 days of forbearance.
- Section 4023 of the CARES Act should be modified to cover all properties subject to the tenant protections afforded in Section 4024 of the CARES Act.
- Legislation is needed to address the forbearance/no eviction period by
 1. Allowing landlords to directly receive funds to cover rental receipt shortfalls that arise due to Section 4024, or
 2. Allowing tenants to receive retroactive rental assistance to cure rental defaults arising during the 120 day no eviction period under Section 4024, or
 3. providing lenders with a source of payment other than landlords for the forbearance period allowed for under Section 4023.



Remainder of 2020

- CRA Reform
- AHCIA
- FY 2021 Appropriations
- Extension of NMTC



Community Reinvestment Act

Current Exam Structure

- Applies to all banks > \$1.3B domestic assets...
 - except wholesale and limited purpose banks, which have community development (CD) test only
- Lending test (50% of rating) includes originations of mortgages, small business, CD loans
 - CD includes affordable housing
- Investment test (25%) includes LIHTC, NMTC, HTC, MBS
 - Includes new and prior investments
- Service test (25%)
- Considers qualitative factors: responsiveness, complexity, innovation, leadership

OCC/FDIC Proposed Exam Structure

- Key metric: $\frac{\text{\$volume of CRA activity on balance sheet}}{\text{bank's domestic deposits}}$
- Applies to all banks >\$500M domestic assets
 - Activity includes mortgages, small business loans, consumer loans, CD loans/investments
 - No separate lending, investment, service tests
 - Initial performance standard: 6%+ is Satisfactory; 11%+ is Outstanding
- Retail loan distribution (pass/fail)
- 2% CD requirement (pass/fail)
- Metrics apply for “assessment areas” and bank-wide
 - Activities outside AAs count if bank passes metrics in most AAs
- Equity investments, AH and CDFI loans get 2X multiplier
 - Little/no consideration of responsiveness, complexity, innovation, leadership



FY 2021 Appropriations

- House Appropriations Chairwoman Nita Lowey distributed FY 2021 302(b)s to the twelve subcommittees last week
- The Bipartisan Budget Act of 2019 set the following non-defense discretionary amounts:
 - FY 2020: \$621.5 billion
 - FY 2021: \$626.5 billion



Questions

The screenshot displays the GoToWebinar interface. At the top, there is a menu bar with 'File', 'View', and 'Help'. Below it is the 'Audio' panel, which includes a 'Sound Check' indicator and options for 'Computer audio' (selected) and 'Phone call'. A microphone icon is circled in red, and the word 'MUTED' is displayed in orange. Below the microphone, the selected device is 'Microphone (HD Webcam C510)'. A volume slider is visible, and the selected speaker is 'Speakers (High Definition Aud...)'. Below the audio panel is a 'Questions' panel, which is also circled in red. It contains a text input field with the placeholder text '[Enter a question for staff]' and a 'Send' button. At the bottom of the interface is the GoToWebinar logo.