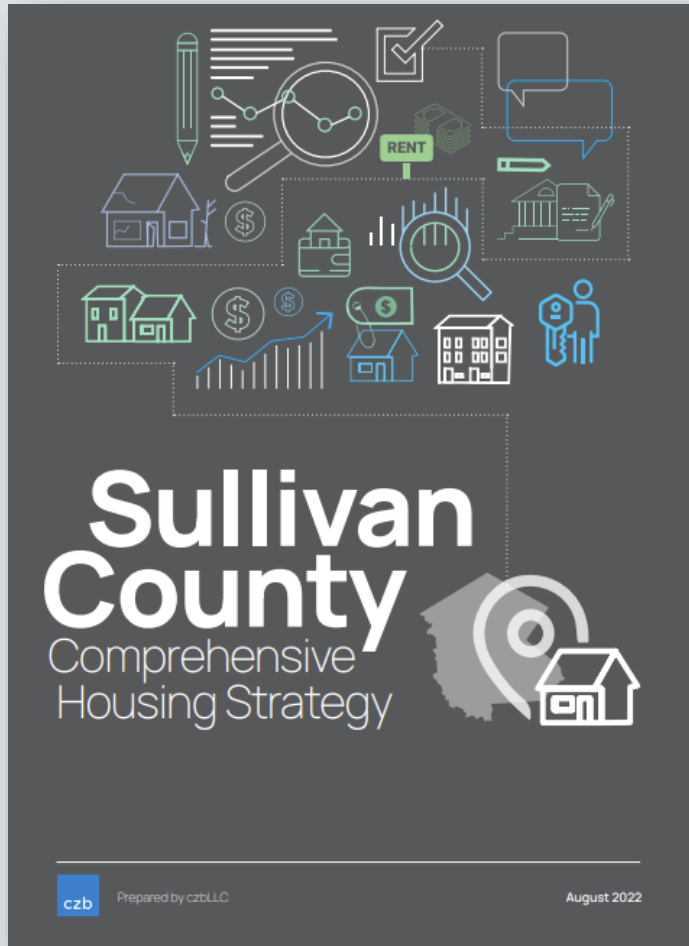


SULLIVAN COUNTY HOUSING TRUST FUND

Prepared for the Sullivan County Legislature
Executive Committee

September 19th, 2024

Why a Housing Trust Fund



Housing Needs Assessment:

- Rising cost of housing outpacing wages
- Low supply
- Homeownership increasingly out of reach

A Housing Trust Fund can:

- Directly address the housing crisis at the county level
- Leverage other private and public funds
- Be tailored to address specific housing goals

Basic Housing Trust Fund Process

Establish
Annual HTF
Allocation



Release a
Notice of
Funding
Availability
(NOFA)



HTF Committee
Reviews
Applications



HTF Committee
provides funding
recommendations
to the County
Legislature



County
Legislature
selects projects
and funds are
released

Proposed HTF Programs

- **Rental Rehabilitation Program**

- Work with landlords in good standing
- Prioritize health and safety
- Improve housing stock and save housing from dilapidation

- **New Construction Program**

- Add to capital stack to make potential projects financially feasible
- Help a project reach a deeper level of affordability
- State/federal subsidy programs like to see a local match

Rental Rehabilitation Program

Rental Rehabilitation: **Eligible Applicants**

Eligible Applicants Must:

- Provide proof of ownership
- Provide proof of adequate property insurance
- Be up to date on utility payments, mortgage payments, and property taxes
- Have a good track record with code enforcement

Rental Rehabilitation: Eligible Activities

Priority	Activity	Description
1	Environmental safety concerns	Mitigation of environmental hazards such as lead, asbestos, radon, or mold.
	Structural safety concerns	Non-cosmetic structural repairs and/or replacement of roofs, stairs, flooring, railings, porches or decks, etc.
2	Accessibility	Upgrades that improve accessibility for individuals with disabilities. Examples include bathroom grab bars, wheelchair ramps, threshold widening.
3	Energy Efficiency	Upgrades that improve energy efficiency through repair or replacement of doors, windows, insulation, heating systems, or cooling systems.
4	General Rehabilitation	All other non-cosmetic repair or replacement that improves quality of life for the tenant.

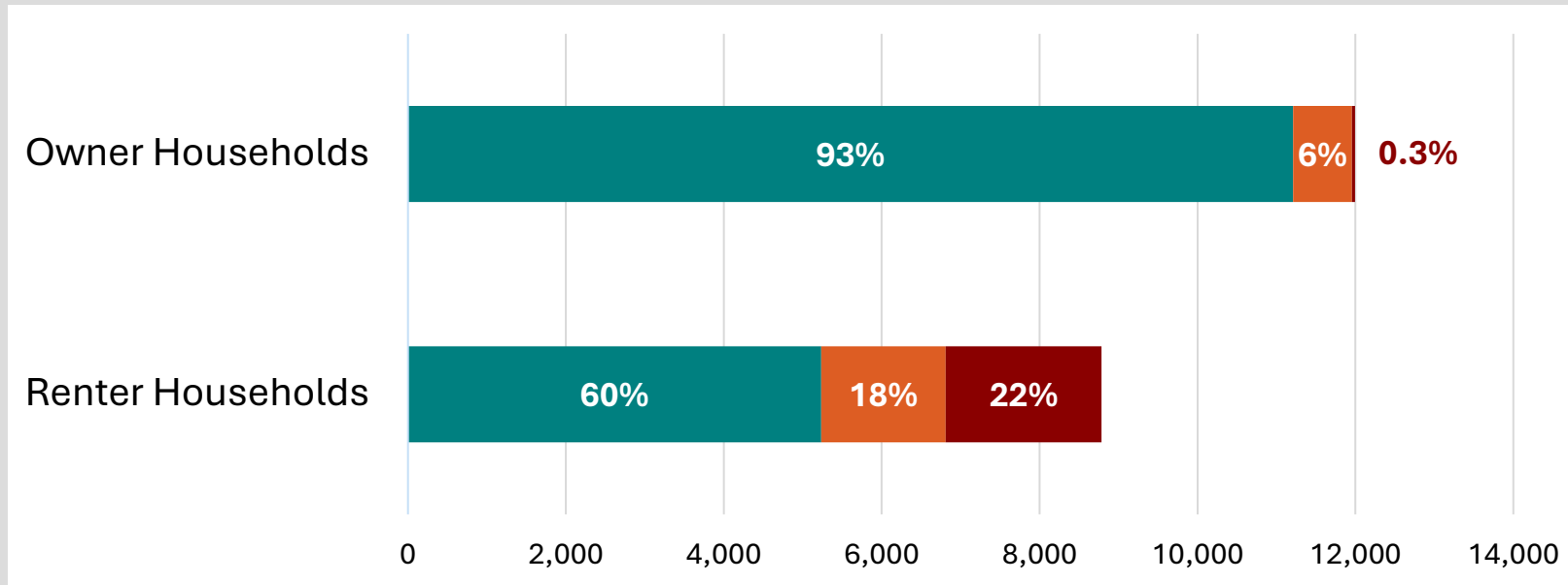
Rental Rehabilitation: **Affordability Standards**

- Must rent to tenants with a household income of **80% AMI or less**.
- Affordable rent is defined as rent that does not exceed 30% of the household's monthly income.
- Tenant income will be verified through submission of W-2s, federal tax returns, paystubs, and bank statements.
- Must maintain all affordability standards for an agreed upon term of affordability. Proposed term of authority is **8 years**.

Rental Rehabilitation: **Affordability Standards**

2024 HUD Income Limit Category	Maximum Income for a 1-person household	Maximum Income for a 2-person household	Maximum Income for a 3-person household	Maximum income for a 4-person household	Proposed Maximum per unit Award Amount
80% AMI	\$50,000	\$57,150	\$64,300	\$71,400	\$15,000
60% AMI	\$33,084	\$38,598	\$44,112	\$55,140	\$25,000
50% AMI	\$31,250	\$35,750	\$40,200	\$44,650	\$35,000

Measuring Housing Cost Burden



AFFORDABLE

Housing costs are less than 30% of total household income

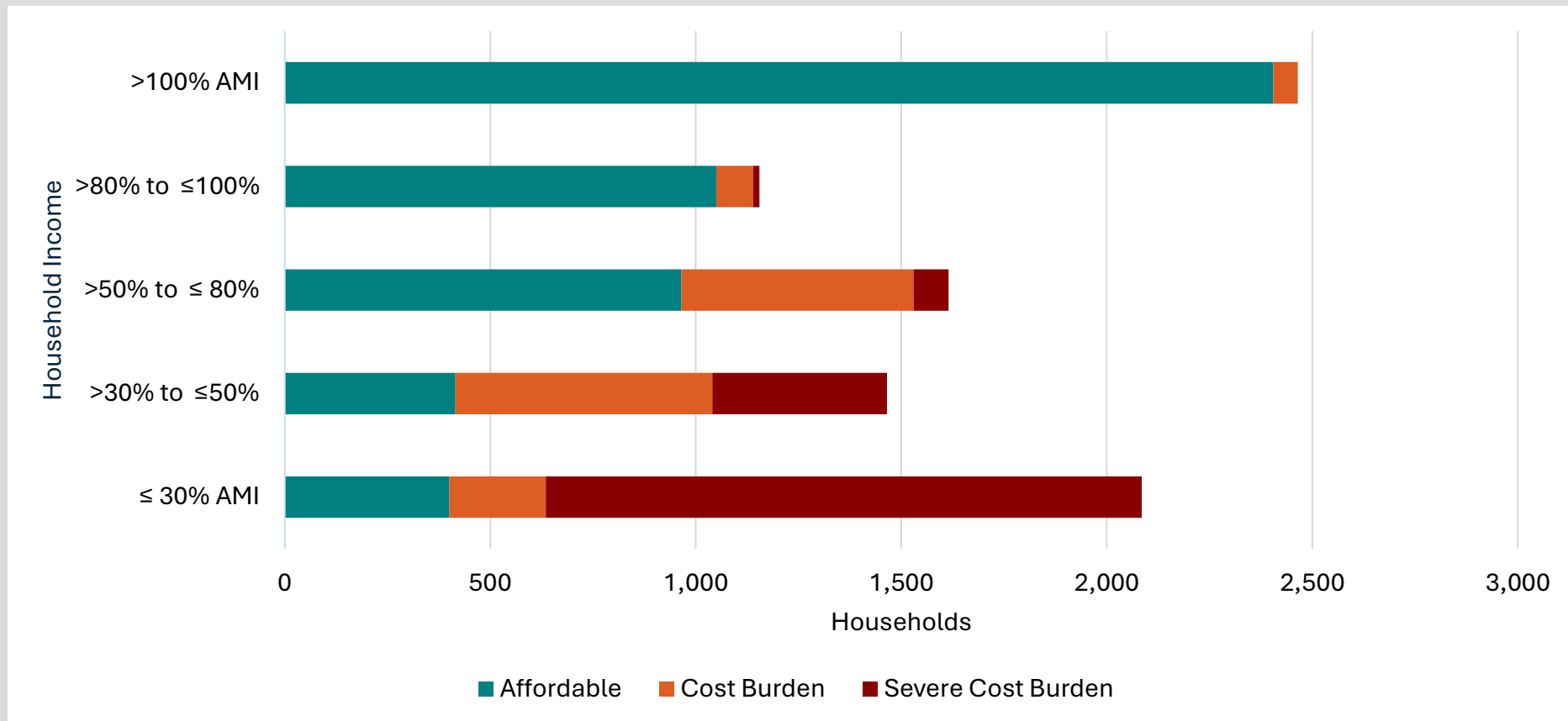
COST BURDEN

Housing costs are between 30% and 50% of total household income

SEVERE COST BURDEN

Housing costs are more than 50% of total household income

Housing Cost Burden of Renters, by Household Income



Source: HUD Comprehensive Housing Affordability Strategy Data 2016-21

Where is the Need Most Pronounced?

3,550 renter households have **housing cost burden** or **severe housing cost burden**

- 95% of those households have an income **less than 80% AMI**

1,975 renter households have **severe housing cost burden**

- 95% of those households have an income **less than 50% AMI**

Who Could Benefit from *Affordable Housing*?

2024 HUD Income Limit Category	Maximum Income for a 1-person household
80% AMI	\$50,000
60% AMI	\$33,084
50% AMI	\$31,250

Healthcare & Social Assistance:

25% of workforce

Average wage: \$45,907

Accommodation & Food Services

10% of workforce

Average wage: \$42,886

Retail Trade

10% of workforce

Average wage: \$35,166

Who Could Benefit from *Affordable Housing*?

2024 HUD Income Limit Category	Maximum Income for a 1-person household
80% AMI	\$50,000
60% AMI	\$33,084
50% AMI	\$31,250

Average Sullivan County Wage

<u>Nursing Care Facilities:</u>	<u>\$47,649</u>
<u>Automotive Repair:</u>	<u>\$44,649</u>
<u>Child Daycare Services:</u>	<u>\$34,023</u>
<u>NYS Minimum Wage (40hr/wk)</u>	<u>\$31,200</u>
<u>Grocery Stores:</u>	<u>\$31,072</u>
<u>Gasoline Stations</u>	<u>\$26,480</u>
<u>Restaurants:</u>	<u>\$25,004</u>

Rental Rehabilitation: **Affordability Standards**

2024 HUD Income Limit Category	Maximum Income for a 1-person household	Maximum Income for a 2-person household	Maximum Income for a 3-person household	Maximum income for a 4-person household	Proposed Maximum per unit Award Amount
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Rental Rehabilitation: **Contractor Selection**

- County creates a pool of qualified contractors to carry out the rehabilitation work
- County creates a scope of work and bid packet
- Contractors bid on the projects and County selects lowest reasonable bid

Rental Rehabilitation: Compliance

A lien will be placed on properties that receive funding. Sullivan County may demand repayment if any of the following events occur during the term of affordability:

- Foreclosure proceedings commence on the property.
- Rental units are not being rented to eligible tenants, as defined by this program.
- Rental units are not being rented at an affordable rate, as defined by this program.
- The property is in violation of local building and fire codes.
- The property is sold*

*new buyers will have the opportunity to enter into an agreement to continue the term of affordability.

New Construction Program

New Construction: Eligible Applicants & Activities

Eligible Applicants Must:

- Provide proof of ownership
- Provide proof of adequate property insurance
- Be up to date on utility payments, mortgage payments, and property taxes
- Have a good track record with code enforcement
- Have demonstrated experience developing affordable housing in New York State

Eligible Projects:

- New build or adaptive reuse

New Construction: **Affordability Standards**

- Funds must go towards a unit rented at a price that is affordable to a household earning **60% of County AMI** or less. (can be part of a project that includes market rate units).
- Affordable rent is defined as rent that does not exceed 30% of the household's monthly income.
- Tenant income will be verified through submission of W-2s, federal tax returns, paystubs, and bank statements.
- Must maintain all affordability standards for an agreed upon term of affordability. Proposed term of authority is **30 years**.

New Construction: **Affordability Standards**

HUD Income Limit Category	Maximum Income for a 1-person household	Maximum Income for a 2-person household	Maximum Income for a 3-person household	Maximum income for a 4-person household	Maximum per-unit Award
60% AMI	\$33,084	\$38,598	\$44,112	\$55,140	\$30,000
50% AMI	\$31,250	\$35,750	\$40,200	\$44,650	\$40,000
30% AMI	\$18,800	\$21,450	\$25,820	\$31,200	\$50,000

New Construction: Local Inclusionary Zoning

- Funds from this program may not be used to satisfy any locally adopted inclusionary zoning policies that mandate the creation of affordable units for new rental construction.
- A development that includes additional affordable units above what is required by local law may still apply for funds from this program.

Review of Proposed Affordability Terms

RENTAL REHAB PROGRAM

Topic	Proposed	Discussion
Maximum tenant AMI	80%	<ul style="list-style-type: none"> Majority of the need is affordability for 80% AMI and lower. Modest term of affordability to make it more attractive to potential participants
Maximum award per unit	\$15,000 (80% AMI) \$25,000 (60% AMI) \$35,000 (50% AMI)	
Term of affordability	8 years	

NEW CONSTRUCTION PROGRAM

Topic	Proposed	Discussion
Maximum tenant AMI	60% AMI	<ul style="list-style-type: none"> Maximum AMI and term of affordability align with Low Income Housing Tax Credit (LIHTC) and other affordable housing programs. Longer term of affordability because the maximum award amounts are higher
Maximum award per unit	\$30,000 (60% AMI) \$40,000 (50% AMI) \$50,000 (30% AMI)	
Term of affordability	30 years	

Next Steps

Next Steps

- Adopt housing as a County purpose
- Pattern submits final draft of HTF design and rules
- Pattern designs application and scoring rubric
- County formally adopts the HTF
- County appoints HTF review committee

Other Key Decisions

- Dedicated revenue source
- Administration of the HTF (direct contracting or program administrator)