



NALHFA 2026



Innovating the Future of Affordable Housing

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SAN ANTONIO, TEXAS

MAY 4-6





Innovating the Future
of Affordable Housing

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Unshelving Public Housing

Unlocking Capital through Restore-Rebuild





Getting to Know You

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Getting to Know You

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Restore-Rebuild Primer

Contextual Information



Background

Underfunded

- \$90 Billion estimated capital repair backlog
- \$800 Million annual funding gap
- 10,000 units/year lost to disposition or demolition

Capped

- Faircloth Amendment (10/1/1999)
- 260,000 Public Housing Units on the “shelf”

Encouraged to Reposition

- Multiple paths to convert to Section 8
- More stable funding
- No net increase in cost (supposedly)

Public Housing
is a critical piece
in the affordable
housing market

What is Restore Rebuild (Faircloth to RAD)?

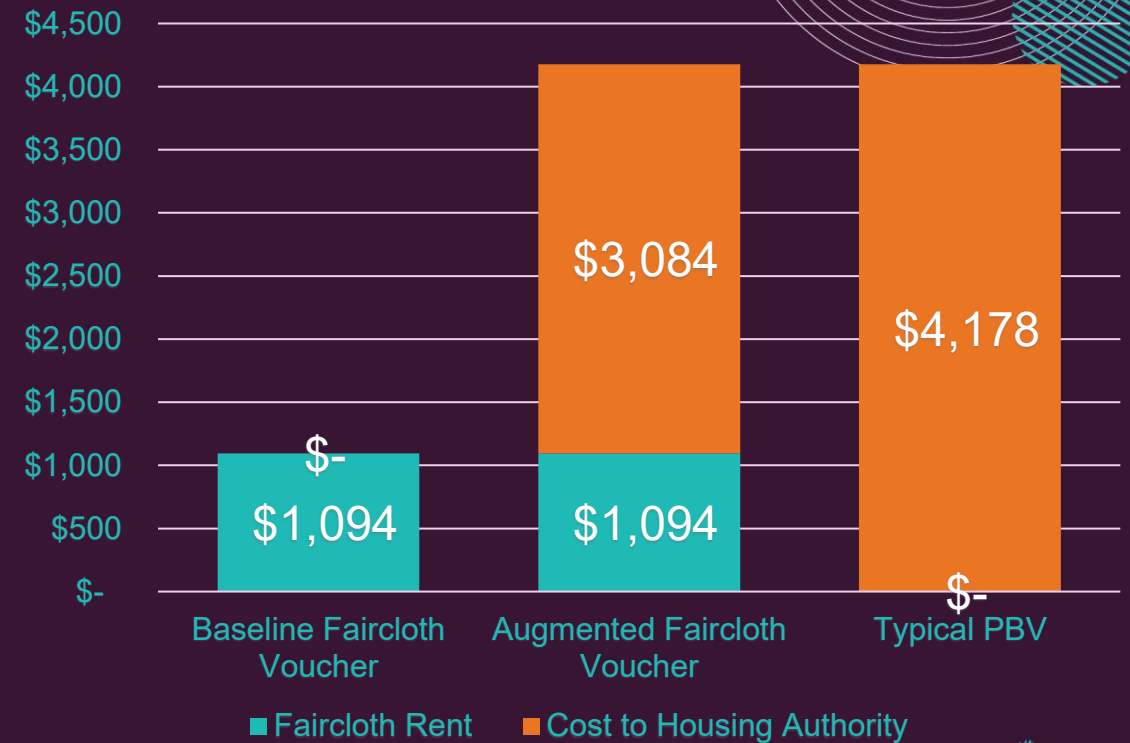
- Every Public Housing Agency (PHA) has a set amount of Faircloth Authority to build “public housing”
- If a PHA has more Faircloth Authority than Public Housing units in operation, it can build public housing units and then convert them to RAD vouchers
- Vouchers much better than just building new Public Housing with that authority because they are:
 - Stable and reliable
 - Not subject to annual appropriations in the same way
 - Increases at a reliable amount, unlike rents in the public housing program.



Rent Augmentation

- PHA can use unspent dollars in the Section 8 program budget, as available, to increase ("augment") the rents paid on RAD units up to 110% of HUD Fair Market Rent
- Augmented rents can cover operating costs to decrease other operating subsidies and support debt service, which decreases capital subsidy needs

Faircloth Rent Augmentation vs. PBVs for a Two Bedroom Unit



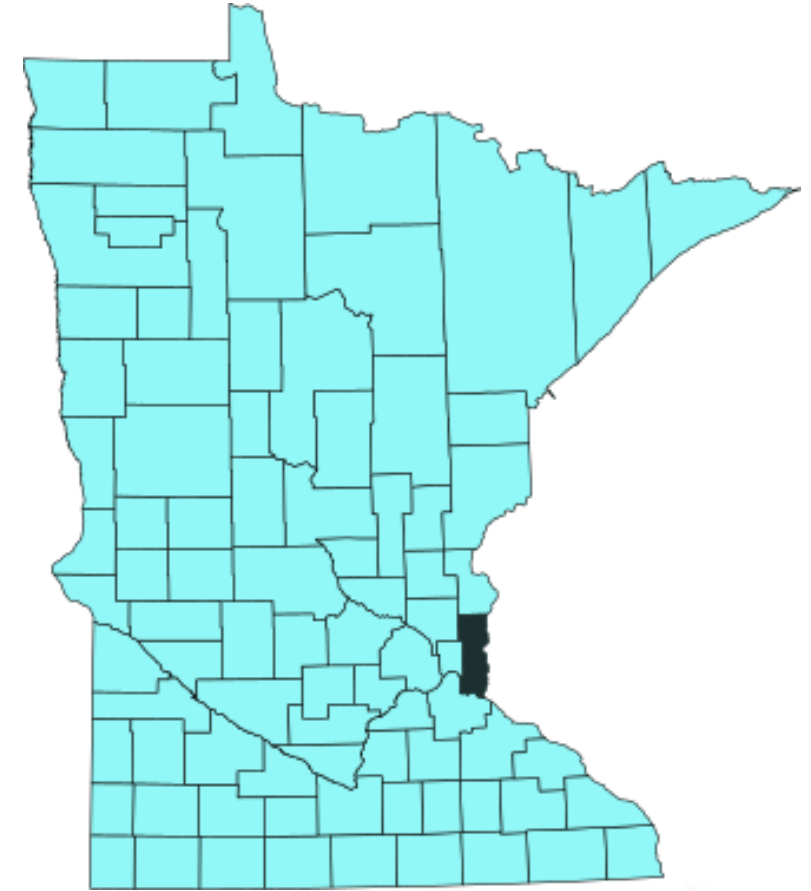
Restore-Rebuild Stand Alone New Construction

Washington County CDA
Minnesota



Washington County CDA

- Twin Cities Suburban County
 - Highest Housing Costs
 - Lowest Wages
- 107 Faircloth Authority Units
 - 58 Units available
 - Result of scattered site Disposition
 - 49 Remaining Units
- Our Goals
 - Maximize federal resources
 - Expand our Housing Choice Voucher program
 - Feasibility with RAD rents



Bluestem, Cottage Grove MN

- 1-acre infill site
- 52 senior apartments
- Mix of efficiencies and one-bedroom units
- Affordable 30% & 60% AMI
- 36 Restore-Rebuild units
- Developed by local nonprofit developer



Financial Structure

- \$15.6 Million TDC
- Tax Exempt Bonds
- 4% LIHTC
- Subordinate Debt
 - American Rescue Plan Act
 - City Tax Increment Loan
 - CDA GROW Loan
- Deferred Developer Fee



San Francisco Restore Rebuild

New Construction and Portfolio Rehab



Valuable Documents to Review

- HUD Restore Rebuild Guide
- Timelines from CSG
- Architecture
 - Mixed Finance Best Practices
 - MOHCD Negotiating Tactics
- Mixed Finance Development Plan
 - CSG Training Slides
 - Site and Neighborhood Standards Example
 - MFDP Application, Attachments and Development Calculator



Project Process up to Closing

- Select a project
- Communicate procurement with PHA
- Submit NARR
- Being MFDP – 9 months before close
- HUD Architect Review
- Commitment Letter from PHA
- Complete MFDP and Get Comments from PIH
- Get approval letter!





Thank you for attending this session



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