

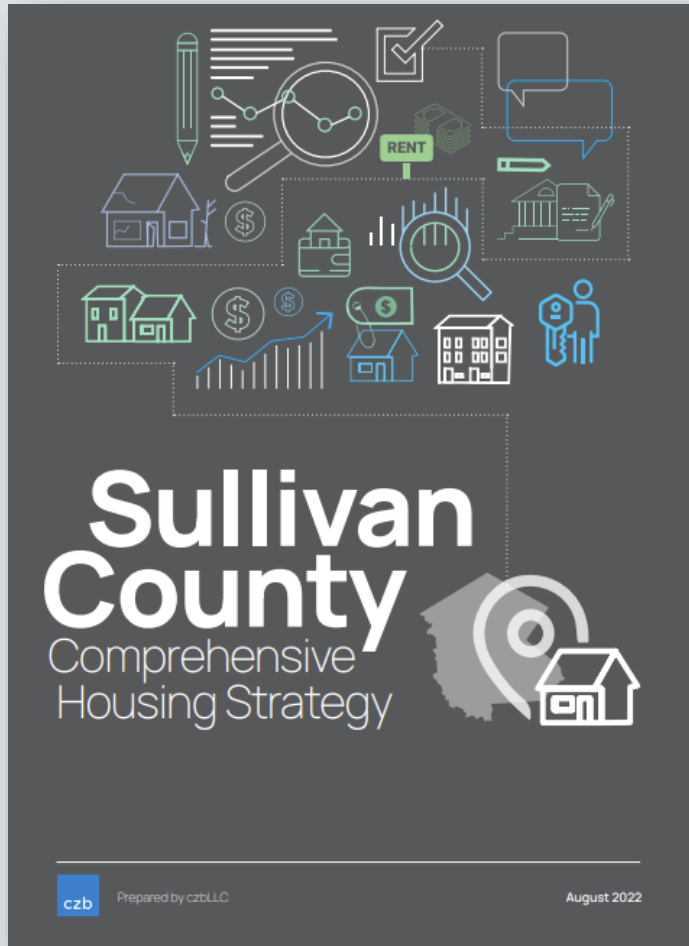
# SULLIVAN COUNTY HOUSING TRUST FUND

Prepared for the Sullivan County Legislature  
Executive Committee

September 19<sup>th</sup>, 2024

HUDSON VALLEY  
**PATTERN** *for* **PROGRESS**

# 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**

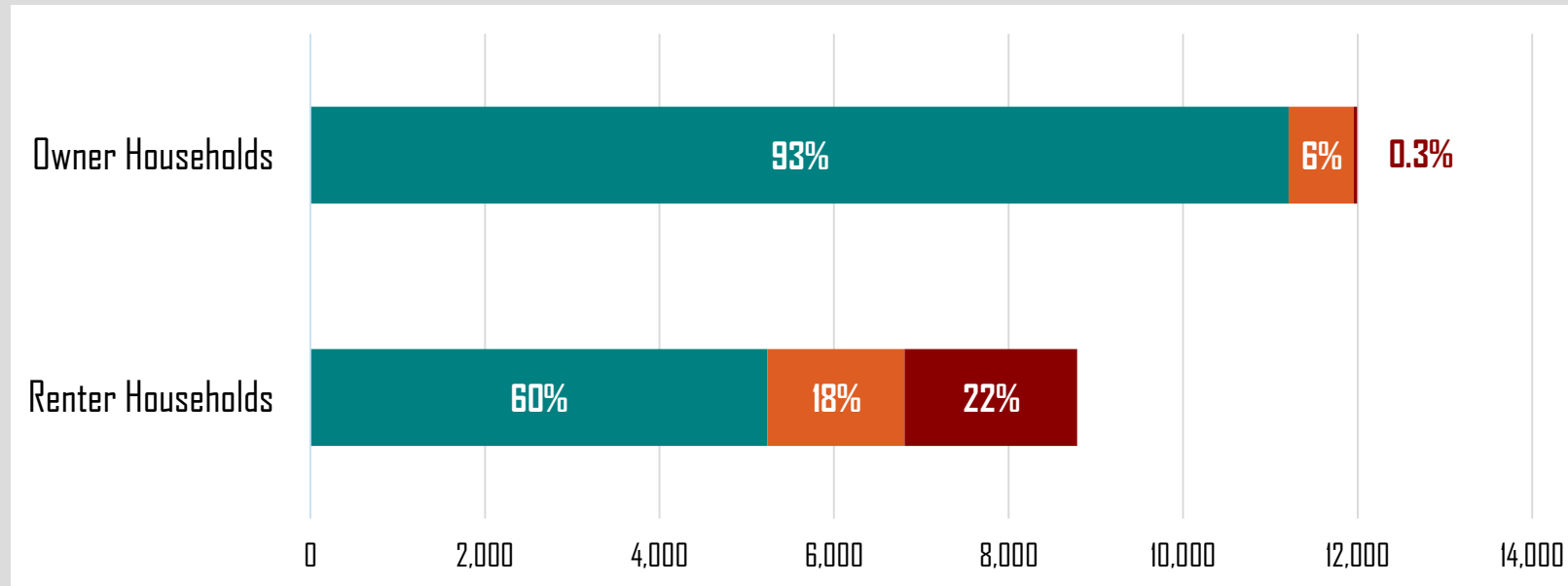
- Must rent to tenants with a household income of **80% AMI or less**.
- Affordable rent is defined as rent that does not exceed 30% of the household's monthly income.
- Tenant income will be verified through submission of W-2s, federal tax returns, paystubs, and bank statements.
- Must maintain all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

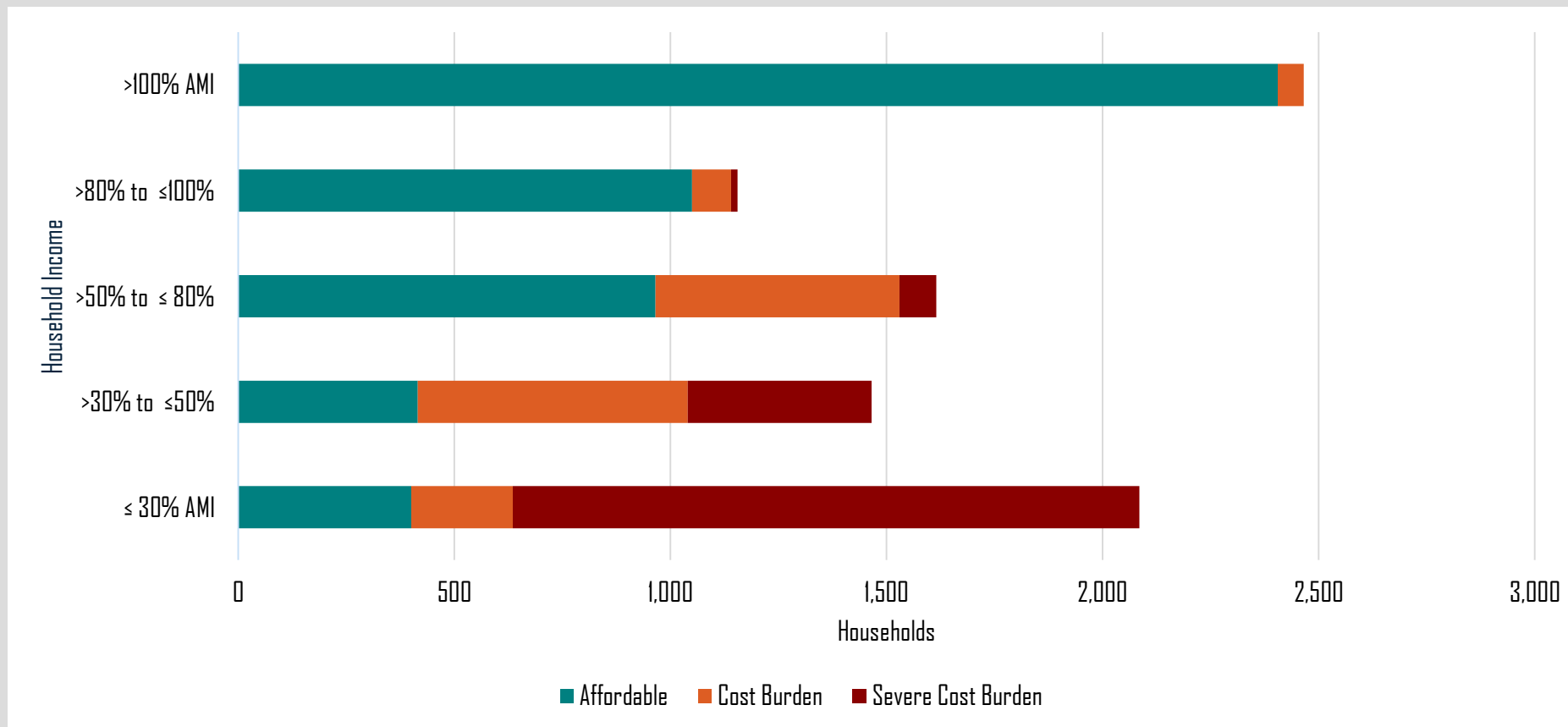
## COST BURDEN

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
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

## 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"> <li>Majority of the need is affordability for 80% AMI and lower.</li> <li>Modest term of affordability to make it more attractive to potential participants</li> </ul>
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"> <li>Maximum AMI and term of affordability align with Low Income Housing Tax Credit (LIHTC) and other affordable housing programs.</li> <li>Longer term of affordability because the maximum award amounts are higher</li> </ul>
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)