Housing Finance and Development Programs in Other States

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FOREWORD

This report on the housing finance mechanisms of the housing agencies of the fifty states is submitted to the Legislature pursuant to House Concurrent Resolution No. 477, H.D. 1., which was adopted during the Regular Session of 1993.

The Bureau would like to recognize the assistance of the various state housing finance agencies who transmitted materials from around the country toward the formulation of this report. The Bureau extends a special note of appreciation to the staff of the Hawaii Housing Finance and Development Corporation.

Samuel B. K. Chang
Director

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TABLE OF CONTENTS

Appendices

Chapter 1

INTRODUCTION

House Concurrent Resolution No. 477, H.D. 1, (see Appendix A) was adopted by the Fourteenth Legislature of the State of Hawaii during the Regular Session of 1993. H.C.R. No. 477, H.D. 1, requests the Legislative Reference Bureau to conduct an interim study of the housing finance and development mechanisms of each state.

H.C.R. No. 477, H.D. 1, makes note of the fact that the State is currently in the midst of a housing crisis characterized by a shortage of affordable housing for low and moderate-income homebuyers. The concurrent resolution cites problem areas such as high interest rates, the scarcity and high cost of land, and the lengthy development process in Hawaii as a few of the factors contributing to the shortage. The concurrent resolution notes that state housing policies can have a profound impact on the process of housing development in a state and that state financing initiatives can assist or hinder the construction of affordable housing.

Accordingly, the concurrent resolution requests the Legislative Reference Bureau to conduct a study on "state mechanisms for housing finance and other supports to the development of affordable housing via state housing finance agencies and other programs". Specifically, the Bureau is requested to determine:

(1) The function and purpose of the entity within each state's housing strategy;

(2) The specific mechanisms for housing finance, including bond issuance, mortgage financing and loan guarantees;

(3) The role of the state entity in the housing development process; and

(4) The income level of the target populations served.

This report has been divided into four chapters, this chapter which is the introduction. Chapter 2 provides an historical analysis of the federal laws and policies that have shaped the development of state housing finance agencies. Chapter 2 also reviews the initial history of the first five state housing programs that pioneered the concept of state housing finance and development. Chapter 3 reviews the housing finance agencies of each state and provides descriptions of the programs and the powers and duties exercised by these programs. The chapter also presents data, on matters such as bond expenditures, the number of families assisted, the number of mortgages financed, and the income groups served by these agencies. Chapter 4 summarizes the report and presents a conclusion.

Chapter 2

HISTORICAL REVIEW OF STATE HOUSING FINANCE

Introduction

Although the 1970s represented an era of expanded federal attentiveness toward state and local housing programs and concerns, the onset of the 1980s marked the dawn of a period of severe federal retrenchment from traditional funding assistance. Significant cutbacks in assistance to state and local jurisdictions resulted in substantial changes in the role played by state and local jurisdictions in the area of assisted housing. Between 1980 and 1987, new federal budget authority for low-income housing fell by 72 percent.[1] During the late 1970s the federal government provided housing assistance to approximately 325,000 new households each year. By 1991, the number dropped to 98,000.[2]

Prior to 1960, very few states provided any type of housing assistance. State participation was usually limited to helping local communities meet the cost sharing requirements of various federal housing programs. States entered the arena of assisted housing in the mid-1960s with the advent of state housing finance agencies. Over the next two decades, state legislatures began establishing state housing finance agencies in nearly every region of the country. Presently, the National Council of State Housing Agencies includes a membership of nearly sixty state-level housing programs. A primary reason for the rapid establishment of these agencies during the 1970s was the advantages offered by the federal Mortgage Revenue Bond Program in 1968. As independent state corporate entities, large portions of their funding come from the proceeds of bonds and the federal programs they administer.

Throughout the short history of state housing finance and development agencies, events at the national level have had a profound impact on the overall development and evolution of these programs. Federal subsidies, tax incentives, and delegated responsibilities have shaped the manner in which state housing programs are able to deliver housing assistance. This chapter reviews the various federal housing laws that have had an impact on state housing programs and the state housing agencies that pioneered the concept of state housing finance and development.

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1. Christensen, Karen S. and Pamuk, Ayse, Local Government Response to Severe Reductions in Federal Funding for Low-Income Housing, University of California at Berkeley, October 1988, at 1.

2. Id.

Federal Laws Affecting State Housing Finance Agencies

Prior to the onset of the Great Depression, federal participation in the development of low-cost housing was minimal.[3] Federal involvement began in earnest with the creation of the Federal Home Loan Bank System in 1932; the passage of the National Recovery Act of 1933; and the establishment of the Federal Housing Administration in 1934.[4] Although Congress continued to view housing construction as a means of reducing unemployment and stimulating the durable goods market, the foregoing series of initiatives resulted in major changes in the manner in which housing was produced and financed.

The basic framework for the future of public housing programs in the United States was established with the passage of the Federal Housing Act of 1937. The major political precedent set with the passage of the law was the concept of placing the responsibility for program implementation at the local level. Although financed with federal funds, subsidy programs aimed at low-income households and the "submerged middle class" would be primarily locally operated. Local housing authorities constructed and operated low-rent units and the federal government made a forty-year commitment to pay the debt financing.[5]

During the 1960s, the federal government developed a series of new programs aimed at low-income households. The Section 202 program provided nonprofit sponsors of elderly housing with below-market interest rate financing. The 1961 Section 221(d)(3) and the 1969 Section 236 programs provided interest rate subsidies on loans to for-profit and nonprofit developers. In 1965, all non-rural housing programs were subsumed under the newly-created cabinet-level Department of Housing and Urban Development. With this shift, came an emphasis toward serving the needs of tenants with social and emotional problems and searching for alternative methods to resolve traditional housing problems.[6]

Toward the end of the 1960s several newly-enacted federal programs provided direct benefits to those states with housing finance agencies already in operation and additional inducements to states without such agencies to consider their establishment. The primary basis for state housing agency mortgage capital financing was established under Section 103 of the Internal Revenue Code Amendments Act of 1968. Although they were used by several states prior to this period, the federal government first authorized the use of Industrial Development Bonds and Mortgage Revenue Bonds in 1968 as a means of encouraging

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3. Bratt, Rachel G., Federal Constraints and Retrenchment in Housing: The Opportunities and Limits of State and Local Governments, Vol. 8, Journal of Law and Politics, 654, (1992).

4. Id., at 656.

5. Id.

6. Id., at 658.

private investors to purchase bonds sold by state housing finance agencies and other entities. The Mortgage Revenue Bond provision was authorized as a temporary measure and would require periodic reauthorization by Congress for extension.[7] Another enactment which provided states with an incentive to establish state housing finance agencies was Section 236 of the Housing Act of 1968 which provided subsidy payments to reduce mortgage interest rates down to one percent so that moderate-income families could afford the required rents. Under the law, HUD set aside funds to be applied specifically to housing projects financed by a state or local housing agency.[8]

In 1974, Congress passed the Housing and Community Development Act which created several new allowance programs known as the Section 8 Existing Housing and the Section 8 New Construction and Substantial Rehabilitation programs. Under these programs, tenants paid a portion of the incomes toward rent, the federal government paid the difference based on a predetermined fair market rental rate.[9]

Throughout the 1980s the federal government sharply reduced its funding commitment to the development of low-income housing. States responded by creating a plethora of new programs to meet the housing needs of local communities. States began spending more of their own funds than ever before to carry out affordable housing activities. Among the most important pieces of federal legislation affecting state housing programs passed by Congress during this period was the Tax Reform Act of 1986. The program in the Tax Reform Act which was aimed at stimulating the development of low-income housing was called the Low-Income Housing Tax Credit (LIHTC) Program. The program was established to offer tax credits to developers who build low-income housing. Like the Mortgage Revenue Bond program, the LIHTC program required periodic reauthorization by Congress to continue as a program.[10]

In 1990, Congress enacted the National Affordable Housing Act which created the HOPE, HOME, and Preservation programs. Under the HOME program states are required to provide matching funds and administer a federal grant program to increase affordable housing. In addition, the program must by developed in accordance with a Comprehensive Affordable Housing Strategy (CHAS).[11]

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7. Id., at 659.

8. Betnun, Nathan S., Housing Finance Agencies A Comparison Between States and HUD, Praeger Publishers (1976), at 9.

9. Bratt supra note 3, at 663.

10. Id., at 666.

11. Id., at 668

In 1992, Congress reauthorized the HOME program. In an effort to contain additional tax increases, however, President Bush vetoed the $27 billion Urban Aid Tax bill which included provisions for extending the Mortgage Revenue Bond and the LIHTC programs.

In presenting his economic plan to Congress in February 1993, President Clinton recommended the permanent extension of the Mortgage Revenue Bond and LIHTC programs. The President also recommended folding programs for the new construction of public housing into the HOME program, as well as fully funding HOME in an amount of $2.2 billion.[12]

In August 1993, Congress passed the Budget Reconciliation Act of 1993. Despite opposition from critics who claimed that the tax credits promoted fraud and were ineffective and costly to the federal government, contained within the package were permanent extensions for the Low-Income Housing Tax Credit and Mortgage Revenue Bond programs.[13]

Early State Housing Programs

This section reviews the early history of the first five agencies that pioneered the concept of state housing finance and development. A detailed review of the programs currently administered by these agencies is presented in the following chapter.

New York became the first state to utilize the proceeds of bonds for the production of housing with the enactment of the Limited Profit Housing Companies Act in 1955. Through the use of tax-exempt general obligation bonds backed by the full faith and credit of the State of New York, the Division of Housing and Community Renewal provided the first public, low-interest, high loan-to-value mortgage funds to developers of rental housing for middle-income families. The issuance of bonds to support the program required the approval of voters.[14]

As demand for financing grew, reliance upon general obligation bonds became less feasible since voter approval on large issues was not always forthcoming. A task force recognized the need to create additional inducements for private investments and so recommended the creation of a state housing finance agency capable of selling bonds backed by a reserve fund. This arrangement protected the credit of the State, avoided the need to go to the voters, and provided investors with protection against defaults. In 1960 the Legislature

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12. National Conference of State Legislatures, NCSL Legisbrief, Vol. 1, No. 14, April 1993, at 2.

13. Congressional Quarterly Weekly Report, "New Levies on Gas and the Rich Would yield $240 Billion" August 7, 1993, at 2133.

14. Betnun, supra note 8, at 14.

created the New York State Housing Finance Agency--the first agency authorized to finance housing constructed by private developers. The original law authorized the agency to issue $525 million in notes and bonds. Subsequent amendments raised the limit to $6 billion. By 1975, the agency had financed the development of nearly 65,000 dwelling units.[15]

The success of the New York State Housing Finance Agency quickly raised the interest of other jurisdictions. In 1966, the Michigan Legislature enacted legislation containing provisions directly out of the New York law to create the Michigan State Housing Development Authority. Unlike the New York program, however, the Michigan agency would utilize federal subsidies and bond proceeds to serve low-income as well as moderate-income residents. The agency began operating in 1968.[16]

In 1964, the Massachusetts Legislature established a commission on low-income housing. The commission looked at the New York law as the initial starting point but envisaged a program assisting low instead of middle-income residents. Although the legislation was approved in 1966, the Massachusetts Housing Finance Agency did not become operational until 1968. Among the goals of the agency was the permanent elimination of slums.[17]

As in Massachusetts, the Illinois Housing Development Authority was created in accordance with the recommendations of a commission established to investigate alternatives for the production of low-income housing. While the New York program was recognized as the leading innovator in the field, the commission recommended that the Illinois law be based on the Massachusetts program. The law envisaged the mixing of low and moderate-income families in the same project using devices such as rent skewing and state rent supplements. The agency began operations in 1967.[18]

The New Jersey Housing Finance Agency was also established in 1967. Unlike its predecessors, however, the New Jersey law required an amendment sponsored by suburban legislators limiting the agency's activities to those cities and towns that would approve a resolution attesting to the need for such housing.[19]

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15. Id.

16. Id., at 18.

17. Id., at 20.

18. Id., at 23.

19. Id., at 25.

Chapter 3

HOUSING AGENCIES IN OTHER STATES

Introduction

The National Council of State Housing Agencies (NCSHA) estimates that more than 600 affordable housing programs are presently administered by more than fifty state affordable housing entities throughout the United States.[1] Established primarily to focus on the problems and needs left unaddressed by the private housing market in each particular state or locality, these agencies contribute significantly to the strength of the national economy by raising capital to provide direct and indirect homeownership, rental housing, and home rehabilitation assistance to families and individuals earning incomes ranging from very low to moderate.[2]

State housing agencies have now been established in every region of the country.[3] In association with participating public, private, and nonprofit housing sponsors, state housing finance agencies in the various states now finance single-family developments, provide loans to lenders, engage in secondary mortgage purchases, and provide loans directly to first-time homebuyers. They also provide construction and permanent financing for multifamily developments.[4] As a result of their ability to utilize the tax-exempt capital and money markets, state housing finance agencies are able to offer mortgage financing to income-targeted homebuyers at rates generally below the prevailing rate offered by conventional mortgage lending institutions. To address the issues of political independence, organizational effectiveness, and debt responsibility, state housing finance agencies are generally afforded the status of self-governing public benefit corporations with their primary decision-making authority vested in a board of directors.[5]

The purpose of this Chapter is to present brief descriptions of the affordable housing programs administered by state housing agencies in other states. Most of the program and fiscal data presented in this chapter were compiled from information provided directly by the

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1. State HFA Program Catalogue, National Council of State Housing Agencies, Vol. I, January 1992 (Hereinafter referred to as "NCSHA Catalogue").

2. Id.

3. Betnun, Nathan S., Housing Finance Agencies, A Comparison Between States and HUD, Praeger Publishers (1976), at 9.

4. Id., at 1.

5. Id., at 6.

respective state housing agencies in their most recent fiscal expenditure reports. These data were supplemented with information published by the National Council of State Housing Agencies in their 1992 State Housing Finance Agency Program Catalogue.

ALABAMA HOUSING FINANCE AUTHORITY

The Alabama Housing Finance Authority (AHFA) is a public corporation and instrumentality of the State of Alabama created on July 25, 1980, under Act No. 80-585. The Authority consists of a staff of twenty-six. The day-to-day operations of the authority are managed by an executive director who is hired by a board of directors.[6]

Major Programs

Mortgage Revenue Bond Program: This program began in 1980 in response to 17.5 percent mortgage interest rates and high unemployment in the building industry. AHFA funded the program by selling tax-exempt bonds to private investors. Participating lenders reserved funds on a first-come, first-served, loan-by-loan basis when potential homebuyers applied to the program.[7]

Down Payment Assistance Program: This program provides down payment and entry cost assistance to potential homebuyers who do not have the necessary funds to make an adequate down payment. The down payment assistance is a non-interest bearing second mortgage that runs concurrent with an AHFA first mortgage. To be eligible for assistance, a family can earn no more than $30,400.[8]

Mortgage Credit Certificate Program: This program allows first-time homebuyers to declare 20 percent of their mortgage interest payments as a federal income tax credit. By reducing the buyer's federal tax liability, the credit increases the amount of disposable income available to purchase a home. In 1992, AHFA issued $25 million in mortgage credit certificates to help over 350 families to enter the homebuying market.[9]

Building Blocks to Homeownership Program: This program provides educational services to acquaint the public on the importance of homeownership and provide families with a better understanding of the homebuying process. The program

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6. Alabama Housing Finance Authority, State of Alabama, 1992 Annual Report, at 16.

7. Id., at 2.

8. Id., at 4.

9. Id.

publishes brochures and sponsors seminars to assist families in determining whether a home purchase is feasible.[10]

Habitat for Humanity Loan Purchase Program: In March 1992, AHFA formed a partnership with Alabama Habitat for Humanity Affiliates to purchase their loans at zero percent interest. Families chosen for the program must volunteer to build their own and other Habitat for Humanity homes using donated materials. With a low mortgage amount at an interest rate of zero percent, families are able to meet the required monthly payments.[11]

Housing Partnership Program of Alabama: Initiated in July 1992, this program allows nonprofit organizations to purchase AHFA held properties and make necessary repairs and modifications, thus, reducing the number of AHFA held foreclosed properties. These properties are sold to Alabama homebuyers belonging to the 80 percent or below median income level with AHFA providing zero-percent financing.[12]

Low-Income Housing Tax Credit (LIHTC) Program: AHFA administers the federal LIHTC program which encourages private and nonprofit developers to build or rehabilitate rental housing for low-income households. A per capita formula determines the amount of tax credits issued to each state by the federal government. The tax credits give developers an incentive by providing a dollar-for-dollar reduction of federal tax liability over a ten year period.[13]

Multifamily Bond Program: AHFA provides financing by using a portion of the state volume cap to issue multifamily tax-exempt bonds. Because the bonds are tax-exempt, developers receive favorable interest rates, which reduces their interest expense, and facilitates lower rental rates.[14]

Comprehensive Housing Affordability Strategy (CHAS) Program: Submitting a CHAS plan to the federal Department of Housing and Urban Development is a prerequisite for states to qualify for funding under 14 federal programs contained in the National Affordable Housing Act of 1990. CHAS is a housing strategy which identify's state

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10. Id.

11. Id.

12. Id., at 5.

13. Id.

14. Id., at 8.

housing needs and strategies over a five-year period. Alabama became one of the first states to complete a CHAS plan.[15]

HOME Investment Partnership Program: HOME funds are provided to states and local jurisdictions to invest in a wide array of affordable housing activities. Loans under the program offer favorable terms for the production of rental housing units that are affordable to very low-income families.[16]

ALASKA HOUSING FINANCE CORPORATION

The Alaska Housing Finance Corporation (AHFC), a self-supporting public corporation and government instrumentality, was created in 1971 by the State of Alaska to provide Alaskan homebuyers with affordable mortgage financing and refinancing assistance. AHFC purchases mortgage loans from private financial institutions operating in Alaska through the issuance of taxable and tax-exempt bonds and notes. In 1989 AHFC purchased 9,081 loans, totalling $868.4 million. As of 1989, AHFC estimated that their loans have stimulated the investment of more than $7 billion in housing in communities throughout Alaska.[17]

Major Programs

Home Owners Assistance Program: AHFC created this program in 1988 to make mortgage payments more affordable for borrowers and offer assistance to homeowners who may be experiencing serious but temporary difficulties in meeting their mortgage payments. Specifically, the program eliminated the scheduled increases in monthly principal and interest payments--resulting in a thirty-year mortgage and a lowered interest rate and mortgage payment. In 1989, 6,340 mortgagors utilized the program.[18]

Taxable Mortgage Program: This program provides borrowers up to $199,850 for a single family residence or $255,650 for a duplex. This program is available to all borrowers who cannot qualify for tax-exempt funds which are restricted for use to first-time homebuyers or veterans. AHFC issued 920 loans under the program in 1989.[19]

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15. Id., at 10.

16. Id.

17. Alaska Housing Finance Corporation, State of Alaska, 1989 Annual Report, at 5.

18. Id., at 12.

19. Id.

Tax-Exempt Mortgage Program: In 1980, Congress established a program under which the individual states could issue tax-exempt bonds and use the proceeds to make loans to first-time homebuyers. AHFC issued 1,371 loans in 1989 under this program.[20]

Homeownership Assistance Program (HOP): This program reduces a borrower's monthly mortgage payment by providing an additional subsidy. Although the mortgage loan is written at the prevailing interest rate, borrowers receive a subsidy in an amount which would reduce their monthly payments to a rate equivalent to 28 percent of their income, or a 6 percent interest rate loan, whichever is less. AHFC purchased 26 HOP loans in 1989 at a total cost of $1.9 million.[21]

Federal Housing Administration Guarantee: Mortgage loans with FHA insurance under FHA's 203b, 203b2, and 234c programs are made available by AHFC under this program. AHFC purchased 1,622 loans under this program in 1989.[22]

Mobile Home Loan Program: This program offers borrowers a choice of a 10 percent down payment with a 20 year loan term, or a 5 percent down payment with a 10 year loan term. The maximum loan amount is $75,000. The program issued eighteen loans to borrowers in 1989.[23]

Triplex/Fourplex Program: This program provides loans as high as $308,900 for a triplex or $384,000 for a fourplex to owner-occupants. The program issued 47 loans in 1989.[24]

Pledged Account Mortgage Program: Under a pledged account mortgage, borrowers place a portion of their down payment in an interest-bearing savings account which is pledged as additional security. Money is drawn out of the account each month to pay a portion of the borrower's monthly mortgage payment. This program allows borrowers to purchase a larger home in anticipation of their income increasing. Two mortgagors took advantage of the program in 1989.[25]

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20. Id.

21. Id., at 13.

22. Id.

23. Id.

24. Id.

25. Id.

Second Mortgage Program: This program consists of a "Second for Purchase Program" which allows borrowers to assume an older first mortgage at the original low-interest rate and a "Second for Home Improvement Program" for borrowers who wish to retain their original first mortgage rate but need financing to make improvements.[26]

Veterans Mortgage Program: This program allows AHFC to fund below-market interest rate mortgage loans made to veterans with tax-exempt bonds. A total of 245 veterans utilized the tax-exempt funds in 1989.[27]

Refinance Program: The Refinance Program provides mortgagors the opportunity to reduce their monthly mortgage payments and make their loans assumable. Refinancing is also available mortgagors regardless of whether the loan is held by AHFC.[28]

Non-Conforming Property Program: The Corporation purchases loans secured by properties for which conventional financing cannot be obtained. While they may be marketable, these dwellings generally feature non-conforming characteristics such as low ceilings or inadequate utilities. In 1989, the program purchased 15 loans.[29]

Refinance Program of a Non-AHFC Loan: This program allows eligible borrowers to refinance their existing loans regardless of whether the loan is held by AHFC. The loan is made at a rate equal to AHFC's cost of funds.[30]

Second Mortgage Program for Health and Safety Repairs: This program provides financing to borrowers who have a mortgage with AHFC and need to make health or safety-related improvement to their properties.[31]

Condominium Association Loan Program: This program allows AHFC to provide loans to homeowners associations for common area improvement for health and safety

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26. Id., at 14.

27. Id.

28. Id.

29. Id.

30. Id.

31. Id.

purposes. Loans are approved only if the damage or deficiency in question was caused by circumstances beyond the control of the association.[32]

ARIZONA DEPARTMENT OF COMMERCE

The Community Development and Finance Division of the Arizona Department of Commerce administers the housing programs of the State of Arizona. The duties of the Housing Section include:

(1) Reviewing plans for the issuance of tax-exempt single family Mortgage Revenue Bonds for the creation of below-market interest rate mortgage pools;

(2) Reviewing multifamily, sanitarium, clinic, medical hotel, rest home, nursing home, skilled nursing, and life care facilities financed with tax-exempt bonds; and

(3) Administering the Low-Income Housing Tax Credit Program.

In 1988, the Arizona Legislature created the Office of Housing Development (OHD) within the Department of Commerce. The duties of OHD include:

(1) Establishing guidelines for the construction of future affordable housing;

(2) Providing staff support to the advisory committee to OHD;

(3) Administering the Housing Trust Fund; and

(4) Administering other state housing development programs.[33]

Major Programs

Mortgage Revenue Bond Program: This program utilizes tax-exempt bonds to raise private investment capital to expand homeownership opportunities for first-time homebuyers. The tax-exempt status of Mortgage Revenue Bonds enables the program to provide mortgage loans at below market rates. The program is targeted

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32. Id.

33. Arizona Department of Commerce, State of Arizona, FY 1987-1988 Annual Report, at 21.

toward first-time homebuyers earning low to moderate incomes. Loans are for periods of thirty years at a fixed-rate of 8.39 percent.[34]

Multifamily Bond Program: The department is authorized to issue tax-exempt bonds to finance multifamily residential, sanitarium, clinic, medical hotel, rest home, nursing home, skilled nursing, and life care facilities.[35]

Low-Income Housing Tax Credit (LIHTC) Program: The Arizona LIHTC program provides federal tax credits to owners of qualifying residential rental projects. In 1990, the department possessed the authority to allocate approximately $4 million in tax credits. Tax credits can be claimed each year for a period of ten years, with the credit approximately either 9 percent or 4 percent of the qualified cost of the low-income units in the project. In 1990, 1,200 units were created at a cost of $3.4 million.[36]

Housing Trust Fund: This fund consists of unclaimed property deposits and interest earned. The proceeds of the fund are utilized for the operation, construction, or renovation of housing facilities for low-income households. In 1990 1,700 units were created at a cost of $2.7 million.[37]

ARKANSAS DEVELOPMENT FINANCE AUTHORITY

The Arkansas Development Finance Authority (ADFA) was created in 1985 under Act 1062 as a self-funded state agency governed and controlled under Arkansas state law. ADFA is administered by a Board of Directors whose membership consists of the Director of The Department of Finance and Administration and ten public members appointed by the governor. The President of ADFA serves as the secretary to the Board. ADFA provides financing through the issuance of taxable and tax-exempt bonds for housing, industry, local governments, education, agricultural enterprises, health care, infrastructure projects, jails, and prisons. ADFA also offers direct loans for housing, small minority businesses, agriculture, and exporting. ADFA's operating income is obtained from interest on loans and investments and from loan origination and servicing fees. During 1992, AFDA's assets totalled $1.7 billion.[38]

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34. NCSHA Catalogue, Vol. 1.

35. Id., Vol. 2.

36. Id.

37. Id., Vol. 5.

38. Arkansas Development Finance Authority, State of Arkansas, Combined Financial Statements for The Year Ended June 30, 1992.

Major Programs

Single Family Housing Program: The objective of this program is to supplement the private sector with the capacity to provide housing to as many low- to moderate-income households in Arkansas as possible. ADFA was among the first housing agencies in the nation to utilize Government National Mortgage Association escrow financing which lowers the interest rate on home loans. From 1978 through 1991, housing tax-exempt bonds provided $1.2 billion for the purchase of approximately 28,000 new and existing homes.[39]

Multifamily Housing Program: The objective of this program is to preserve existing and finance new multifamily Arkansas dwellings that are affordable to low- to moderate-income families. From 1978 to 1992, housing tax-exempt bonds provided approximately $220 million to finance 46 projects consisting of 3,356 units. This figure includes 19 Section 8 projects which provided 1,232 apartments for low- to moderate-income and elderly households.[40]

Special Housing Programs: These program utilize fees, interest income, and federal assistance to finance single and multifamily housing for low- to moderate-income families in distressed neighborhoods and communities of Arkansas. The program consists of seven separate subprograms:[41]

> **Homeless Assistance Program:** Over $250,000 has been dedicated under this program to assist nonprofit agencies to acquire or rehabilitate properties to provide housing for the homeless.
>
> **Affordable Housing Development Program:** Over $2 million in loan funds were provided to seven developers to finance the construction of single family homes.
>
> **Little Rock Homeownership Program:** Approximately $1 million has been allocated by ADFA under this program to finance the purchase of housing by low- to moderate-income households living in minority neighborhoods in the Little Rock area.

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39. Id.

40. Id.

41. Id.

Helena Housing Program: Approximately $400,000 in low-interest loans has been allocated by ADFA under this program to rehabilitate and develop single and multifamily dwellings in low-income, minority areas of Helena.

Pine Bluff Housing Project: ADFA purchased a 37-unit multifamily project in Pine Bluff to provide housing for very low-income families and Section 8 recipients.

Financing Adjusted Factor Affordable Housing Loan Program: ADFA utilized $600,000 of a refunding bond issue to provide housing for very low-income and homeless persons.

Comprehensive Housing Affordability Strategy/HOME Program: The CHAS program is a five-year housing strategy for guiding the investment of state and federal resources for affordable housing. The CHAS program was established to comply with the conditions of the federal Home Investment Partnerships Program (HOME) which provides block grants to participating states to address local housing concerns.

CALIFORNIA HOUSING FINANCE AGENCY

The California Housing Finance Agency (CHFA), established in 1975 by the California Legislature to address the housing needs of low- to moderate-income Californians, is a tax-exempt public institution and political subdivision of the State of California. CHFA is governed by a fourteen member Board of Directors that consists of eleven voting members and three non-voting members representing various private and public housing interests in California. The Chairman of the Board of Directors is appointed by the governor for a term of five years. CHFA's basic function is to provide below-market interest rate mortgage capital through the sale of tax-exempt notes and bonds. All debt on CHFA notes and bonds is repaid from revenues generated through the repayment of CHFA mortgage loans and does not constitute an obligation of the State of California. The bond proceeds are utilized to provide homeownership loans to qualified borrowers through participating private lenders. For rental housing developments, the funds are loaned directly to borrowers. California law requires CHFA to be self-supporting--all operating expenses are paid from program revenues.[42]

42. California Housing Finance Agency, State of California, 1991-1992 Annual Report, at 32.

Major Programs

Home Mortgage Purchase Program: Mortgage financing under this program provides mortgage financing assistance statewide with special focus on high cost and rural areas of the State. The program provides mortgage capital to first-time homebuyers for the purchase of homes at below-market interest rates. With emphasis on affordability and geographic distribution, funds are awarded to mortgage lenders, and through the lenders, to developers and builders, on a competitive basis. During 1992 CHFA purchased 3,471 loans under the program and offered fixed-rate mortgages at interest rates ranging from 7.25 percent to 8.625 percent.[43]

Nonprofit Housing Program: This program provides financing for contractor-built single family homes developed by nonprofit organizations which serve low-income families. Under this program CHFA issues commitments to nonprofit organizations at favorable interest rates. In 1992 the rate of interest was 7.5 percent. The agency also provides a reduced commitment fee structure to assist in lowering costs. Under the program CHFA has issued loans totalling nearly $35 million to borrowers who purchased homes in nonprofit contractor built developments.[44]

Self-Help Housing Program: This program provides reduced mortgage rates to low-income families willing to form labor-sharing home construction groups under the supervision of a nonprofit corporation. The program makes permanent loan fund commitments to qualified nonprofit self-help housing developers with the resources and technical ability to oversee housing construction. As of 1992, CHFA issued mortgage capital in excess of $30 million to organizations participating in the program.[45]

Self-Help Builder Assistance Program: This program was designed specifically to provide interim financing to qualified nonprofit mutual self-help housing developers that develop housing for low-income buyers. Funds for the program are derived from a trust fund known as the Housing Assistance Trust Fund. In 1992, CHFA approve three project loans representing homes for forty-seven families.[46]

Rental Housing Programs: CHFA provides rental housing financing assistance to rental housing developers who commit at least 20 percent of the units in a project to

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43. Id., at 10.

44. Id., at 11.

45. Id., at 12.

46. Id., at 13.

very low-income tenants for a period of thirty years. CHFA multifamily loans are thirty-year, fixed-rate mortgages secured by a first deed of trust on the property being financed. The loans are made directly to the project sponsor. Rental properties financed by the CHFA are monitored by the Property Management Division of the Agency.[47]

COLORADO HOUSING AND FINANCE AUTHORITY

The Colorado Housing and Finance Authority (CHFA) was created by the Colorado General Assembly to alleviate the high cost of construction loans, home mortgage interest, and home improvement for low- and moderate-income households in Colorado through the issuance of revenue bonds. CHFA is a body corporate and political subdivision of the State and is not subject to administrative direction by any department, commission, board, bureau, or agency of the State. CHFA is governed by a nine-member Board of Directors consisting of the State Auditor, a member of the General Assembly, and seven members appointed by the governor.[48]

Major Programs

Mortgage Revenue Bond Program: Mortgage Revenue Bonds (MRB) are issued throughout the year by CHFA. The proceeds are used to purchase below-market interest rate first mortgages from participating lenders. The funds are committed to homebuyers on a first come, first served reservation system. Applicants must be first-time homebuyers and must meet certain eligibility requirements such as income and purchase price limits. CHFA adopted the existing MRB structure in 1989. The structure eliminated the need for mortgage lenders to pay an upfront commitment fee, thus increasing the number of lenders participating and reaching a broader spectrum of homebuyers. Smaller, more frequent issues assured a more even flow of funds into the marketplace and allowed CHFA to increase the total volume offered by taking advantage of periodic refunding opportunities on existing issues. The new first come, first served reservation system enables CHFA to manage funds and recycle cancellations swiftly.[49]

Mortgage Credit Certificate Program: Mortgage Credit Certificates allow homebuyers to take a federal tax credit for a percentage of the mortgage interest paid during the

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47. Id..

48. Department of Local Affairs, State of Colorado, Comprehensive Housing Affordability Strategy (CHAS).

49. Id., at 239.

year. The funds are committed to homebuyers on a first come, first served reservation system. Participants must be first-time homebuyers and must meet certain eligibility requirements.[50]

Second Mortgage Program: These funds are used for assisting homebuyers who utilize mortgage revenue bond financing to fund minimum down payment and closing costs. The funds are committed to homebuyers on a first come, first served reservation system. Applicants must meet the standard eligibility requirements for the Mortgage Revenue Bond program and have a family income not in excess of 80 percent of the State's median income.[51]

Special Needs Housing Fund: This program funds construction and permanent financing for small special needs housing projects. Activities given priority are acquisition and rehabilitation. The maximum size of a loan is $150,000 or 75 percent loan to cost or value, whichever is less. Applications are accepted on a continuous basis. Proposed loans are taken to the CHFA Board of Directors for approval.[52]

501(c)(3) Program: This program provides construction and permanent financing for new construction, acquisition, and rehabilitation of very low-, low-, and moderate-income housing for family, elderly, and special needs households. Applicants must be 501(c)(3) tax-exempt organizations under the Internal Revenue Code or local public housing authorities. The maximum loan level is 95 percent of cost or value whichever is less. Loans are subject to Board approval.[53]

Housing Opportunity Fund: This fund provides flexible gap financing for low-income rental and homeownership projects or programs. Preference is given to programs that target households with extremely low incomes.[54]

Low-Income Housing Tax Credit (LIHTC) Program: This program allows individuals who invest in qualifying low-income housing projects to receive federal tax credits that directly reduce their tax liabilities for ten years, provided that the project complies with program regulations. Proceeds from these investments are used to construct

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50. Id.

51. Id., at 240.

52. Id.

53. Id.

54. Id., at 241.

low-income housing projects. Preference is given to projects providing housing for the lowest-income households for the longest period of time.[55]

CONNECTICUT HOUSING FINANCE AUTHORITY

The Connecticut Housing Finance Authority (CHFA) is a public instrumentality and political subdivision of the State of Connecticut. It was created for the purpose of increasing the housing supply and assisting in the purchase, development, and construction of housing for low- and moderate-income families throughout Connecticut.

The governing body of CHFA consists of ten directors. Four directors are State officials and the remaining six are appointed by the governor with the advice and consent of the Senate.[56]

Major Programs

Home Mortgage Program: This program offers low-interest, fixed-rate thirty-year growing equity mortgage loans to low- to moderate-income first-time homebuyers. Growing equity mortgages (GEM) are loans with monthly payment increases of $.60 per original $1,000 borrowed, starting in the second year and occurring every two years thereafter for a total of six increases. GEM loans enable the borrower to repay the loan in seventeen rather than thirty years, resulting in lower overall interest payments.[57]

Nonprofit Revolving Construction Loan Program and Individual Construction Loans: This program provides low-interest construction financing to nonprofit housing organizations for the rehabilitation or construction of ownership housing.[58]

Rental Housing Mortgage Program: This program provides below-market, fixed-rate interest, thirty-year construction and permanent mortgage loans to nonprofit and for-profit developers for the construction or substantial rehabilitation of rental housing.[59]

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55. Id.

56. Connecticut Housing Finance Authority, State of Connecticut, Home Is Where Our Heart Is--1992 Annual Report, at 33.

57. NCSHA Catalogue, Vol. 1.

58. Id.

59. Id., Vol. 2.

Small Rental Program: This program provides thirty-year, fixed-rate permanent mortgages, with interest rates as low as 3 percent to nonprofit organizations for the development of small rental developments (5 to 25 units) for moderate-income tenants.[60]

DELAWARE STATE HOUSING AUTHORITY

The Delaware State Housing Authority (DSHA) was created in 1968 by the General Assembly of the State of Delaware. DSHA is authorized to: (1) make mortgage, construction, and other loans to nonprofit and limited-profit housing sponsors; (2) make loans to mortgage lenders; (3) purchase loans from mortgage lenders; and (4) apply for and receive assistance from the federal government. DSHA is authorized to issue bonds and notes in order to exercise its powers. DSHA's total bonded debt limitation in 1992 was $350,000,000. Bonds and notes issued by DSHA are not a debt or liability of the State, and the State is not liable for repayment of such obligations.[61]

Major Programs

Single Family Program: The proceeds of the single family Mortgage Revenue Bonds are used to purchase long-term mortgage loans on owner-occupied single family homes. Private financial institutions act as agents of DSHA and disburse and service the loans.[62]

Multifamily Program: In 1991, the Multifamily Program issued a variety of bonds to finance specific multifamily undertakings. The proceeds of Housing Development Revenue Bonds were used to provide construction and long-term permanent financing for new multifamily project construction projects. The proceeds of Multifamily Mortgage Revenue Bonds were used to provide permanent financing for multifamily housing projects. The proceeds of Multifamily Mortgage Revenue Refunding Bonds were used to refund the Section 8 Financing Adjustment Factor portion of the Multifamily Mortgage Revenue Bonds.[63]

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60. Id.

61. Delaware State Housing Authority, State of Delaware, Building Stronger Communities--1992 Annual Report, at 24.

62. Id.

63. Id.

Section 8: The Section 8 program accounts for the activity related to DSHA's administration of the federal Section 8 Housing Assistance Program. Under this program, rental subsidies are received from HUD through an annual contributions contract and disbursed to landlords in order to preserve the low rental nature of the housing units. HUD pays an annual fee to DSHA to administer the program.[64]

Public Housing Program: This program accounts for the activity related to DSHA's operation of nine housing projects under the HUD Low-Income Housing Program. HUD provides funding through an annual contributions contract. These funds, combined with the rental income received from tenants, are available solely to meet the operating and debt service expenses of Section 8 projects.[65]

Community Development Block Grant (CDBG): This program receives money from HUD for distribution as loans or grants to parties involved in community development.[66]

Housing Development Fund: This program was established to make low-interest and interest-free loans or grants to nonprofit or limited-profit housing sponsors for the development of certain housing for low- to moderate-income persons.[67]

Delaware Home Improvement Insurance Fund: This fund accounts for state funds which provide loan insurance for certain housing development loans.[68]

FLORIDA HOUSING FINANCE AGENCY

The Florida Housing Finance Agency (FHFA) was established in 1980 as a separate public body corporate and politic with no taxing power under the Florida Department of Community Affairs. The primary purpose of the agency is to finance housing for low-, moderate-, and middle-income homebuyers in Florida, and to stimulate the housing industry throughout the State. FHFA issues bonds to generate the capital necessary to provide housing purchase assistance. In recent years, federal tax credits and state funds have also been utilized to enhance the agency's ability to administer its programs. Bonds issued by

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64. Id., at 25.

65. Id.

66. Id.

67. Id.

68. Id.

FHFA are secured by mortgages or other financial instruments taken in exchange for the agency's loans and are not backed by the full faith and credit of the State of Florida. Within its first twelve years of operation, the agency issued more than $3.9 billion in bonds providing affordable housing for 185,000 residents of Florida.[69]

Major Programs

Single Family Mortgage Revenue Bond Program: Utilizing the proceeds of tax-exempt Mortgage Revenue Bonds, this program offers below-market interest rate loans to first-time low- to moderate-income homebuyers. The interest rate savings to the homebuyer is typically 1.5 to 2 percent below the prevailing market rate. Since 1982, over 22,633 homes have been financed by the program.[70]

Homeownership Assistance Program: This program was created in 1988 to reduce the down payment and closing costs of low-income homebuyers. The program offers zero-interest second mortgage loans in the amount of $1,700 to assist homebuyers eligible to receive such assistance. As of June 30, 1992, the program had made a total of 1,293 loans.[71]

State Clearinghouse for the Resolution Trust Corporation: Under an agreement with the federal Resolution Trust Corporation, FHFA acts as a clearinghouse for information on residential properties available under the program. The program maintains and updates a mailing list of interested individuals and provides a 24-hour answering service.[72]

Low-Income Housing Tax Credit (LIHTC) Program: The federal LIHTC program administered by FHFA provides a dollar-for-dollar reduction in tax liability in exchange for the acquisition and substantial rehabilitation or construction of rental housing projects that set aside at least 20 percent of their units for very low-income individuals and families. FHFA is the sole issuer of federal tax credits under the LIHTC program in Florida.[73]

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69. Florida Housing Finance Agency, State of Florida, Financial Statements, at 6.

70. Florida Housing Finance Agency, State of Florida, Annual Report, at 3.

71. Id., at 4.

72. Id.

73. Id.

State Apartment Incentive Loan (SAIL) Program: This program was created in 1988 as a development incentive program to stimulate the production of rental housing that is affordable to very low-income individuals and families. SAIL offers second mortgage loans at low-interest rates to developers who build or rehabilitate rental projects that set aside a minimum of 20 percent of the units for very low-income individuals or families. By leveraging state loan funds, local government contributions, developer equity, and either private or bond financing, developers build multifamily rental projects that serve very low-income tenants.[74]

Affordable Housing Demonstration Loan Program: The AHDL program was created in 1986 to serve as the prototype of the State Apartment Incentive Loan and Homeownership Assistance programs. Having served its intended purpose, the AHDL program was discontinued in 1992 under the William Sadowski Affordable Housing Act.[75]

State Housing Initiatives Partnership Program (SHIP): The SHIP program was created in July 1992 as a part of the William Sadowski Affordable Housing Act. The program channels tax increase revenues directly to participating counties and cities on the basis of population for uses related to affordable housing development.[76]

HOME Investment Partnerships Program: FHFA is the state agency designated by the federal government to administer the HOME program in Florida. HOME is a federally-funded program enacted in 1990 to provide states and local jurisdictions with the means to administer rental and homeownership programs in accordance with the goals of the Comprehensive Housing Affordability Strategy (CHAS).[77]

Affordable Housing Guarantee Loan Program: This program was created in July 1992 as a part of the William Sadowski Affordable Housing Act. The program was created to stimulate private sector lending, create security mechanisms to allow lenders to sell loans on the secondary market, and lower the cost of financing and refinancing eligible housing. FHFA is authorized to issue a maximum of $75 million in revenue bonds to fund the program.[78]

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74. Id., at 6.

75. Id., at 7.

76. Id., at 9.

77. Id., at 10.

78. Id., at 11.

Predevelopment Loan Program: This program provides loans of up to $500,000 to local government housing authorities and nonprofit corporations for the acquisition and development of affordable construction housing sites for very low and low-income families and individuals.[79]

HOPE II and HOPE III Programs: FHFA is the state agency designated by HUD to administer the Homeownership and Opportunity for People Everywhere Program. HOPE II facilitates the purchase of certain multifamily developments which are owned or held by certain federal, state, or local agencies. HOPE III assists low-income homebuyers in the purchase of single family properties held or owned by certain federal, state, or local agencies.[80]

GEORGIA HOUSING AND FINANCE AUTHORITY

The Georgia Housing and Finance Authority (GHFA) provides assistance to low- to moderate-income households otherwise unable to rent or purchase a home. The strategy of GHFA is to cooperate with businesses, local governments, and community-based nonprofit organizations to provide housing opportunities to the residents of Georgia. GHFA's approach favors the creation of revolving loan funds and the involvement of private lending institutions. GHFA administers the federal Section 8 Existing Housing Program and was designated in 1991 as the State's participating jurisdiction in the federal Home Investment Partnerships (HOME) Program which provides block grants to state and local housing programs.[81]

Major Programs

Home Buyer: Through mortgage lenders statewide, the GHFA provides first-time homebuyers with home mortgage financing at 1 or 2 percentage points below the prevailing market rate. GHFA reports that since its first bond sale in 1976, more than 20,000 Georgian families have been assisted in the purchase of their first homes in counties throughout Georgia. In 1992, 1,442 Home Buyer loans meeting GHFA's criteria were purchased. Total mortgages purchased by GHFA under the program amounted to $86.8 million.[82]

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79. Id.

80. Id., at 12.

81. Georgia Housing and Finance Authority, State of Georgia, GHFA 1992 Annual Report.

82. Id., at 5.

Multifamily Financing: In January 1992, GHFA created a multifamily financing program focusing on developers who utilize the Low-Income Tax Credit for low-income residential rental development. Financing for construction and permanent mortgages is underwritten by private lenders and backed by guarantees from an investment grade credit source. In the first six months of the program, seven development applications were accepted. The projects, totalling approximately $21 million, are expected to produce more than 470 unit of rental housing for low-income households.[83]

Low-Income Housing Tax Credit (LIHTC) Program: GHFA promotes low-income rental housing development by allocating federal income tax credits to individuals or corporations acquiring, constructing or rehabilitating low-income rental housing units. By providing housing for this sector of the rental housing market, developers of new low-income rental housing can recoup as much as 70 percent of their costs over a ten year period. In addition to meeting other GHFA standards, projects under this program must set aside 20 percent of their units for low-income renters.[84]

Section 8 Existing Housing Assistance: GHFA administers the federal Section 8 program for low-income rental housing tenants through five regional offices throughout Georgia. Section 8 provides rent subsidies on behalf of very low-income individuals and families to participating landlords who maintain their properties in accordance with certain housing quality standards. During 1992, GHFA provided $2.8 million in Section 8 rent subsidies to approximately 4,500 owners of eligible housing.[85]

Rental Rehabilitation: 1992 marked the end of a HUD rental rehabilitation program in Georgia. The Program will be resumed in 1993 with HOME funding. Since the creation of the rental rehabilitation program in 1986, approximately 2,000 low-income rental units have been brought to standard.[86]

Energy Conservation: GHFA provides low-interest loans to low- to moderate-income homeowners for energy conservation improvements. Grants for energy improvements are issued out of the Georgia Energy Fund. Since its creation in 1988, the fund has extended more than $3.8 million in energy loans to approximately 1,600 households.[87]

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83. Id., at 6.

84. Id., at 7.

85. Id., at 8.

86. Id., at 9.

87. Id., at 10.

Nonprofit Housing Development: GHFA provides technical and financial assistance to nonprofit agencies that target the low-income housing needs of Georgian communities. The program administers the Development Advances for Nonprofit Housing Sponsors Revolving Loan Fund which offers low-interest loans to nonprofit corporations involved in housing development for low-income households.[88]

Homeless Program and Shelter Assistance: The GHFA serves as the state administrative agency for the federal Stewart B. McKinney Homeless Assistance Act. The program also administers the Georgia Housing Trust Fund for the Homeless which provides assistance to emergency shelters, transitional housing, and residential facilities for handicapped homeless persons. GHFA distributed more than $1.6 million in federal grants to assist shelters and programs assisting the homeless.[89]

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

The Hawaii Community Development Authority (HCDA) was established in 1976 by the Hawaii State Legislature to renew, renovate, and improve underdeveloped or blighted areas of the State. HCDA is a body corporate and a public instrumentality of the State and is organized under the state Department of Business, Economic Development, and Tourism for administrative purposes. As a public corporation HCDA works to bring together private enterprise and government to make redevelopment possible. Under the law, the legislature is authorized to designate an area as a community development district if it determines that there is a need for replanning, renewal, or redevelopment. After an area is designated, HCDA is required to develop a district plan for district-wide improvements. The law requires the agency to address employment, housing, recreation, open space, and commercial and industrial needs. The authority utilizes the proceeds of tax-exempt revenue bonds finance redevelopment.[90]

Major Programs

Kakaako District: The 670 acre Kakaako district was designated as a community development district in 1976. Based on legislative directives, HCDA formulated a comprehensive Kakaako Plan in 1982. The plan now includes the Makai Plan which covers the district's makai and waterfront areas. The goal of the Plan is to create a

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88. Id., at 12.

89. Id., at 11.

90. Hawaii Community Development Authority, State of Hawaii, 1992 Annual Report Tenth Year Anniversary Celebration, at 3.

community with housing and workspaces which are attractive and functional.[91] The plan requires developers to set aside 20 percent of their total units for sale as affordable housing.[92] As of 1992, nine of the major Planned Development projects approved by HCDA produced a total of 782 affordable housing units and have generated approximately $11 million in in-lieu payments.[93]

Hamakua Community Development District: In 1993, the Legislature designated the Hamakua district on the Island of Hawaii as a community development district.[94] The law declares that severe financial problems threaten the economic and social stability of the Hamakua region. The law requires HCDA to promote economic stability and employment opportunities in the district.[95]

HAWAII HOUSING AUTHORITY

The Hawaii Housing Authority (HHA) was created in 1935 by the Territorial Legislature to provide safe and sanitary housing for low- and moderate-income residents of the Hawaii. To carry out its mission, the HHA was vested with the power to rehabilitate housing, develop lands for housing, and administer federal funds. Using state and federal funds, HHA works with public and private organizations to provide housing opportunities to families and individuals who would otherwise be homeless or living in unhealthy conditions. Services provided by HHA include: the administration of state and federal housing complexes; the modernization and maintenance of housing complexes; the delivery of management support services and housing opportunities to eligible tenants; and the administration of privately-owned, federally-subsidized housing developments. HHA is organized under the Department of Human Services pursuant to Chapter 356, Hawaii Revised Statutes, and is governed by an eight member Board of Commissioners.[96]

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91. Id., at 3.

92. Id., at 9.

93. Id., at 10.

94. Session Laws of Hawaii 1993, Act 311.

95. Id.

96. Hawaii Housing Authority, State of Hawaii, 1992 Annual Report, at 2.

Major Programs

Homeless Programs Branch: On April 1, 1992, HHA was designated as the agency in charge of administering the State's homeless programs. The objective of the new branch is to address the needs of the homeless and provide them with the opportunity to achieve self-sufficiency. The program provides grants to nonprofit organizations for the construction, renovation, and acquisition of homeless shelters. The program also administers the Homeless Shelter Stipend Program as well as the Outreach and Grant/Loan programs.[97]

Housing Management and Maintenance Program: This program maintains and modernizes HHA's public housing inventory. Nine management units, a property management section, and a central maintenance section are responsible for the daily operations and maintenance of the public housing inventory. (See Appendix B for a listing of the projects managed by HHA.)[98]

Resident Support Program: Under this program, the Applications and Counseling Section serves as a one-stop office for applicants seeking state and federal housing or wishing to enlist in the Section 8 or state Rent Supplement programs. The Housing Program Section provides interested residents with information and advice to create resident associations.[99]

Rent Subsidy Programs: HHA administers three rental assistance programs:[100]

(1) State Rent Supplement Program: This state-funded program helps eligible families pay a portion of their monthly rent. Families must pay at least 20 percent of their adjusted income for rent. In 1991, 1,448 rent subsidies were issued at an average amount of $147.

(2) Federal Section 8 Certificate: Under this program, eligible families pay no more the 30 percent of their adjusted income toward rents which must fall within the fair market rent guidelines established by the U.S. Department of Housing and Urban Development. In 1991, 1418 certificates were issued at an average amount of $392.

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97. Id., at 7.

98. Id., at 6.

99. Id.

100. Id., at 7.

(3) Federal Section 8 Vouchers: Under this program, no restrictions are placed on rent levels. The program pays the difference between 30 percent of adjusted income and the payment standard set by HHA, additional rents are paid by the participating family. In 1991, 238 vouchers were issued at an average rate of $341.

Hale Kokua Pilot Project: The 1992 Legislature placed the Hale Kokua Pilot Project under HHA. The five-year project allows the state Homeless Programs Coordinator to enlist five property owners within each census tract to provide shelter to any homeless tenant for a period of five years. In exchange for participation, the property owner may receive: (1) a $7,500 grant to offset the cost of renovating or building any adjoining or free standing unit to shelter the tenant; (2) a $300 monthly rent subsidy to supplement rents paid by the tenant; (3) real property tax waivers or reductions; (4) zoning and building code exemptions; and other incentives.[101]

HAWAII HOUSING FINANCE AND DEVELOPMENT CORPORATION

The Hawaii Housing Finance and Development Corporation (HFDC) was established by the Hawaii State Legislature under Act 337, Session Laws of Hawaii 1987. Originally placed within the Department of Business and Economic Development for administrative purposes, the Corporation now operates as a body corporate and politic with perpetual existence under the Department of Budget and Finance. HFDC is headed by a board of directors which consists of nine members. The Director of Finance, the director of Business Economic Development and Tourism, and the Governor's Special Assistant for Housing serve as ex-officio voting members. (See Appendix C for a schematic diagram of the programs administered by HFDC).

Major Programs

State Comprehensive Housing Affordability Strategy (CHAS): As the agency in charge of developing a CHAS plan for Hawaii, HFDC Program Planning and Evaluation staff worked with state and county agencies, private nonprofit organizations, and the public to identify the State's overall affordable housing needs. The CHAS is a planning document that maps out a five-year plan of action covering relevant public policies, institutional structure, investment priorities, implementation of strategies, and coordination of resources. Title I of the National Affordable Housing Act of 1990 requires states to formulate CHAS plans in order to qualify for assistance under various U.S. Department of Housing and Urban Development programs.[102]

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101. Session Laws of Hawaii 1992, Act 279.

102. Housing Finance and Development Corporation, State of Hawaii, 1992 Annual Report, at 6.

HOME Program Plan: HFDC is the agency designated to administer the HOME Investment Partnership Program which was established by Congress under the National Affordable Housing Act of 1990. HOME was intended to function as a locally-designed and administered program which would focus on expanding low-income housing, strengthen the strategy making capacities of state and local agencies, and provide federal fiscal and technical assistance. The HOME plan was submitted to the U.S. Department of Housing and Urban Development for approval.[103]

Hula-Mae Single Family Program: Through the use of tax-exempt revenue bonds, this program provides eligible homebuyers with below-market interest rate mortgage financing. During 1992, $119.5 million in bonds were issued. The program issued nearly 60 million in loans to 6,200 first-time homebuyers.[104]

Mortgage Credit Certificate Program: The Mortgage Credit Certificate Program provides eligible borrowers with a dollar-for-dollar reduction against their federal income tax liability. By reducing the amount of federal income tax owed, the Mortgage Credit Certificate provides eligible homebuyers with more net income to qualify for a loan and make payments. HFDC offers this credit through seven participating lenders.[105]

Taxable Securities Mortgage Program: This program was developed as an alternative to the Hula-Mae program and was designed especially to provide affordable financing for HFDC projects. This program provides eligible homebuyers with mortgage loans at below-market interest rates. Because the program is not subject to the federal regulations governing the Hula-Mae program, the Taxable Securities Mortgage Program exercises greater flexibility in providing assistance to homebuyers.[106]

Rental Housing System: The Rental Housing System was developed and implemented in 1988 in response to the rental housing shortage in the State. The first program of its kind in the nation, the Rental Housing System is comprised of multifamily rental housing projects which are acquired or constructed by HFDC and financed with the proceeds of tax-exempt bonds. HFDC retains ownership of all projects under the system, and bonds are payable from the net revenues of the entire system. The unique feature of this program is that because various projects are financed under a single bond indenture, the projects support each other and thereby

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103. Id.

104. Id., at 24.

105. Id.

106. Id.

reduce individual project risks. This feature enables HFDC to secure lower financing costs (5 percent) for its projects, which result in lower rental rates. Projects financed under the system include the 200-unit La'ilani project on Hawaii; the 184-unit Honokowai Kauhale project on Maui; and the 226-unit Kamakee Vista and 262-unit Pohulani projects on Oahu.[107]

Low-Income Housing Tax Credit (LIHTC) Program: This program provides incentives to private developers and nonprofit organizations to construct or rehabilitate affordable rental housing. The federal and state tax credits may be used to claim a dollar-for-dollar reduction in the income tax liability of the developer for ten years.[108]

Rental Assistance Program: This program provides rental subsidies to qualified families who earn 80 percent or less of the median income. Under this program, rental subsidies are committed to specific projects which must set aside 20 percent of its units for tenants whose incomes do not exceed 80 percent of the area median income. The amount of rental assistance subsidy committed to a project on a per unit basis is generally limited to a maximum of $175 per month, depending on the needs of a project. The 1992 Legislature authorized the program to make interim construction loans for rental housing projects.[109]

Hula-Mae Multifamily Program: This program offers below-market interest rate financing to owner/developers for the construction of rental housing. To qualify for low-interest loans under the program, at least 20 percent of the units must be targeted to families earning 50 percent of the median income; or at least 40 percent of the units must be targeted to families earning 60 percent or less of the median income.[110]

HFDC/Private Partnership Projects: As an ongoing process, HFDC seeks out partnerships with developers for the development of affordable housing. With the authority vested under Act 15, Session Laws of Hawaii 1988 HFDC housing production steadily increased between 1987 and 1992. HFDC-assisted production has grown from its original total of 363 units completed in 1987 to a 1992 tally of 1,137 completed and 1,431 under construction. In fiscal year 1992, HFDC continued with feasibility studies, planning and construction in two major categories of housing production, creating "master planned communities" and "infill developments" in 65 projects statewide. The heart of HFDC's 15 year development plan involves the development

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107. Id.

108. Id.

109. Id.

110. Id.

of three master planned communities. (see Appendix D for a listing of HFDC/private partnership projects statewide.)[111]

Homebuyer's Club Program: The 1992 Legislature authorized HFDC to establish a homebuyers club program to assist homebuyers in meeting their downpayment and closing costs.[112]

Rent to Own Program: The 1992 Legislature authorized HFDC to establish a rent-to-own program under which housing units that are for sale may be rented to program participants. HFDC is required to credit a portion of the rent received to the purchase of the unit.[113]

Rental Housing Trust Fund Program: This program was established by the 1992 Legislature to increase the supply of rental housing in the State. This program is administered by the Rental Housing Trust Fund Commission. HFDC provides technical and support services. The proceeds of the fund may be used for grants or loans for the development, construction, acquisition, and rehabilitation of rental housing. The fund consists of legislative appropriations, loan repayment proceeds, interest, and 25 percent of conveyance taxes paid to the State.[114]

Housing Opportunity Allowance Program: This program allows HFDC to assist any homebuyer who is ineligible to obtain home purchase assistance under other subsidy programs of the state and federal government, and whose income is insufficient to permit the prospective home buyer to obtain a mortgage loan providing for monthly payments within the prospective home buyer's financial ability from a private lender on either a conventional or a guaranteed or insured, but unsubsidized, basis.[115]

Loan Participation Program: This program allows the corporation to make participation loans of up to fifty percent of the principal amount of a loan made to a qualified borrower by a mortgage lender who is unable to otherwise lend a borrower sufficient funds at reasonable rates for the purchase or renovation of a residential

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111. Id., at 14.

112. Session Laws of Hawaii 1992, Act 306.

113. Id.

114. Id., Act 308.

115. Hawaii Rev. Stat., Section 201E-140.

property. The law limits the corporation's total outstanding level of participation to $10,000,000.[116]

State Mortgage Guarantee Program: This program allows HFDC to guarantee up to the top twenty-five percent of the principal balance of real property mortgage loans for the purchase of qualified single-family or multifamily housing units; a maximum of one hundred percent of the principal balance of real property mortgage loans of qualified single-family housing under section 213 of the Hawaiian Homes Commission Act; and up to 100 percent of the principal balance of real property mortgage loans of single-family or multifamily housing developed under self-help or shell housing programs.[117]

Downpayment Loan Program: This program allows HFDC to make direct downpayment loans to eligible borrowers in an amount not to exceed thirty percent of the purchase price of the residential property or $15,000, whichever is less. The interest rate on the loans may range from zero percent to eight percent, depending on the buyer's incomes.[118]

Rehabilitation Loan Program: This program allows HFDC to make loans to qualified residents for the purpose of rehabilitating or renovating housing units to meet minimum standards of habitability and all applicable county or state laws. Loans made under this program are reserved for the rehabilitation or renovation of owner-occupied, single-family and duplex housing.[119]

Housing Alteration Loan Program: Under this program, HFDC is authorized to provide low-interest loans to eligible persons with physical disabilities or their caregivers to make basic design or access alterations to kitchens, doorways, cabinets, and other fixtures.[120]

Land Reform Program: Under the state Land Reform Act of 1967, HFDC is authorized to condemn large residential tracts of land owned by private landowners. The Legislature determined that this method of increasing fee simple land was necessary to increase homeownership opportunities for the people of the State. This program is

116. Hawaii Rev. Stat., Section 201E-140.

117. Hawaii Rev. Stat., Section 201E-160.

118. Hawaii Rev. Stat., Section 201E-170.

119. Hawaii Rev. Stat., Section 201E-180.

120. Hawaii Rev. Stat., Section 201E-190.

unique to Hawaii, since no other state has such a large concentration of residential leasehold land.[121]

Lease Rent Renegotiation Program: Under this program HFDC is authorized to arbitrate the renegotiation of ground lease rents when a lessee or a lessor cannot agree on the new lease rent to be paid when the fixed period of rent expires. The program applies only to one or two family residential leasehold lots and the land underlying cooperative housing corporations.[122]

IDAHO HOUSING AGENCY

Established in 1972 by the Idaho Legislature, the Idaho Housing Agency (IHA) is a nonprofit, self-supporting corporate body that uses no state funds or employees to support its operations. IHA derives its operating funds from revenues received through the financing and repayment of mortgage loans and from fees associated with the administration of various federal housing programs. IHA is the administrator of federal rental assistance funds through the HUD Section 8 programs as well as federal homeless assistance funds under the federal Stewart B. Mckinney Act. The programs of IHA target low- to moderate-income Idaho households, senior citizens, and persons with special housing needs. IHA is governed by a seven member Board of Commissioners. In 1992, IHA reported a net asset base of $1.1 billion.[123]

Major Programs

Single Family Mortgage Loan Program: This program offers below-market interest rate thirty-year mortgages to low- and moderate-income citizens of Idaho. Since 1978, the program has financed the acquisition of 20,935 homes by Idaho families. During 1992, the program made single family mortgage loans in an amount of $122.3 million.[124]

Mortgage Services Group: This program was created in 1980 to improve IHA's portfolio management. Special emphasis was placed on lowering loan delinquency

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121. Id., at 29.

122. Id.

123. Idaho Housing Agency, State of Idaho, Twentieth Anniversary, Two Decades of Building Partnerships, 1992 Annual Report, at 9.

124. Id., at 5.

and default rates. In 1992 the program successfully held down the loan delinquency rate to 3.2 percent.[125]

Multifamily Finance Department: This department assists developers in utilizing the federal Low-Income Housing Tax Credit or the FHA Insured Multifamily Financing program to develop affordable rental housing. During 1992, IHA issued $11.5 million in multifamily housing bonds to finance the construction of 269 units, 104 of which were reserved for low-income households.[126]

Various Rental Assistance Programs: Federal housing contracts for the various rental assistance programs under IHA returned $21.4 million to Idaho's economy in 1992. As an adjunct to the standard Section 8 program, IHA received 98 Family Self-Sufficiency (FSS) Certificates and Vouchers from HUD during 1992. FSS is a new Section 8 program that links housing opportunities with a variety of social services to allow low-income families to voluntarily take advantage of educational and employment training programs.[127]

Homeless Coordinating Agency for Idaho: As the administrator for HUD funded Stewart B. McKinney Homeless Assistance Act funds, IHA administers three programs: (1) the Permanent Housing for Handicapped Homeless program; (2) the Emergency Shelter Grant program; and (3) the Section 8 Moderate Rehabilitation for Single Room Occupancy Dwelling for Homeless Individuals program. The Homeless Coordinating Agency and works in conjunction with the Statewide Homeless Coordinating Network to identify and attempt to resolve homeless issues.[128]

HOME Program: As the participating jurisdiction for the State of Idaho, IHA is responsible for creating a plan to distribute $3.5 million in federal HOME block grant funds. The funds will be made available to nonprofit groups who wish to rehabilitate existing housing or build new housing as permanent rental housing for low-income tenants.[129]

Housing Idaho, Inc.: With the threat of many Section 8 assisted housing developments becoming market rate rental housing, the IHA Board of Commissioners

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125. Id.

126. Id.

127. Id.

128. Id., at 7.

129. Id., at 8.

facilitated the formation of Housing Idaho, Inc., a nonprofit affiliate organization created to encourage the preservation of affordable rental housing for low-income households, the elderly, and the disadvantaged. As of 1992, the program acquired five existing rental projects, making 164 units perpetually affordable.[130]

ILLINOIS HOUSING DEVELOPMENT AUTHORITY

The Illinois Housing Development Authority (IHDA) was created by the Illinois General Assembly in 1965 under the Illinois Housing Development Act to assist in the financing of decent, safe, and sanitary housing for households of low and moderate income. To accomplish this objective, IHDA is authorized to make mortgage or other loans to nonprofit and limited profit corporations for the acquisition, construction, or rehabilitation of dwelling accommodations. To carry out its duties, the enabling legislation authorizes IHDA to issue bonds and notes.[131]

Major Programs

Single Family Housing Purchase Program: IHDA began offering single family home financing in 1982. This program offers first-time homebuyers with annual incomes of $58,880 or less, conventional fixed-rate thirty-year loans requiring a minimum 5 percent down payment. The purchase price of the dwelling must fall within the established ceiling.[132]

Affordable Housing Trust Fund Program: This program provides funds to nonprofit and for-profit groups, local government agencies, and housing authorities for the construction, purchase, or rehabilitation of housing for low- and very low-income families and individuals. The AHTF is expected to reduce the effects of the void left in the wake of diminishing federal funding for low-income housing. This program is funded by one half of all collected real estate transfer fees.[133]

Housing Partnership Program: The Housing Partnership Program provides funding for the purchase and rehabilitation of living arrangements which provide housing for persons with disabilities. The program also plays an important part in preserving the

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130. Id.

131. Illinois Housing Development Authority, State of Illinois, Housing for the 90's: Innovation, 1990 Annual Report, at 32.

132. Id., at 16.

133. Id., at 9.

State's supply of single room occupancy units. In 1990, $3 million was made available for Housing Partnership Program projects.[134]

Multifamily Tax-Exempt Loan Program: IHDA issues tax-exempt bonds to finance low-interest, fixed-rate, thirty to forty-year loans for the construction of new or the rehabilitation of existing multifamily projects.[135]

Low-Income Housing Tax Credit (LIHTC) Program: IHDA administers the federal LIHTC program which provides incentives in the form of federal income tax credits to developers who make qualifying investments in low-income housing. In 1990, the credit assisted in the development of 3,609 units in 89 projects throughout Illinois.[136]

INDIANA HOUSING FINANCE AUTHORITY

The Indiana Housing Finance Authority (IHFA) functions as the corporate entity in charge of helping low- to moderate-income households acquire affordable housing. The Indiana Family Social Services Administration administers the various HUD subsidized programs in Indiana.

Major Programs

Mortgage Revenue Bond Program: Through the sale of tax-exempt Mortgage Revenue Bonds, this program offers 30 year, fixed-rate interest mortgage financing. Interest rates range from 8.22 percent to 8.54 percent. Points range from 3.35 percent to 3.75 percent. A special point program has been established for borrowers with incomes of $22,000 or less. The program targets individuals and families with low to moderate incomes. The cumulative amount of bonds sold by the program as of 1990 was $312,996,000.[137]

Mortgage Credit Certificate Program: In cooperation with local lending institutions, IHFA offers Mortgage Credit Certificates to qualified homebuyers. Certificates provided under this program permit homebuyers to earn a tax credit for at least 25 percent of the annual mortgage interest payments. The remaining percentage

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134. Id., at 10.

135. NCSHA Catalogue, Vol. 1.

136. Id.

137. NCSHA Catalogue, Vol. 1.

continues to qualify as tax deductible. The program targets individuals and families earning low to moderate incomes.[138]

Community Development Block Grant: This program provides federal Community Development Block Grant funds for eligible housing activities. Grants and loans are made available to eligible communities for substantial or moderate rehabilitation, bridge loans for low-income rental housing credit projects, and homeowner assistance.[139]

Low-Income Housing Tax Credit (LIHTC) Program: IHFA is the agency designated to allocate approximately $6,875,000 in low-income housing credits per year. The tax credit can be earned for the acquisition, rehabilitation, or the new construction of rental housing set aside for tenants with incomes 60 percent or less of the area median income for a period of fifteen years.[140]

Multi-Unit Program: Under this program, IHFA purchases mortgages on multifamily projects insured under the FHA. IHFA purchases qualified below-market interest rate mortgages that it finances by issuing tax-exempt bonds. Loans may be used for acquisitions, new construction, and substantial rehabilitation. Projects must comply with set aside requirements established for low- and very low-income renters.[141]

Rental Rehabilitation Program: HUD distributes rental rehabilitation grants in accordance with a need-based formula to states, urban counties, and cities with populations of 50,000 or more. With these funds, states can provide partial rehabilitation subsidies to rental property owners. Loans and grants may only be used for essential improvements.[142]

Housing Trust Fund: This program was initiated in 1991 to offer flexible low-interest financing to housing providers to increase the supply of low- and very low-income rental housing. The program also provides assistance to providers to expand homeownership opportunities. The program is supported by a revolving fund. Funds

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138. Id.

139. Id.

140. Id., Vol. 2.

141. Id.

142. Id.

for the program are derived from a twenty-year, no interest loan from the Public Depository Insurance Fund and separate state appropriations.[143]

IOWA FINANCE AUTHORITY

The Iowa Finance Authority (IFA) was established to help low- to moderate-income residents of Iowa to purchase their own homes. The agency also provides low-interest financing for business development, wastewater treatment facilities, and leaking underground storage tank cleanup. By issuing tax-exempt Mortgage Revenue Bonds and federal tax credits, IFA reduces mortgage costs for first-time homebuyers. IFA is governed by a ten member board.[144]

Major Programs

Single Family Mortgage Loan Program: This program was initiated in 1977 to provide below-market interest rate mortgages to qualified first-time homebuyers through the issuance of tax-exempt Mortgage Revenue Bonds. Since its inception, the program estimates that 14,000 fixed-rate mortgage loans have been issued.[145]

Mortgage Credit Certificate Program: Since 1986, IFA has exchanged part of its bond allocation for federal tax credits that allow eligible first-time home buyers to claim part of the mortgage interest they pay as a federal tax credit. By reducing the buyer's federal income tax, the tax credit reduces the annual mortgage cost. In 1991, 1,731 first-time homebuyers participated in the program with loans exceeding 74 million.[146]

Individual Home Acquisition Program: Created in 1990, this program was designed to provide assistance to homebuyers in the form of grants to match the buyer's contribution to pay eligible closing costs, down payments, or make necessary home repairs required to qualify for a loan or mortgage insurance.[147]

Low-Income Housing Tax Credit (LIHTC) Program: The LIHTC program provides tax credits to individuals and corporations who construct or rehabilitate low-income rental

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143. Id.

144. Iowa Finance Authority, State of Iowa, 1991 Annual Report, at 2.

145. Id., at 5.

146. Id.

147. Id., at 7.

housing units. The program allows the owner to receive a tax credit for a ten year period against the owner's federal income tax liability. Since 1987, the program has provided tax credits to 3,270 rental units in 137 developments.[148]

Resolution Trust Corporation Clearinghouse: Under an agreement with the federal Resolution Trust Corporation--the federal agency responsible for the disposition of the properties and assets of failed savings and loan associations--the IFA acts as a clearinghouse which disseminates information about foreclosed housing assets to prospective purchasers.[149]

Housing Assistance Fund Program: This program is a flexible financial assistance program designed to assist local housing sponsors meet their locally defined needs in the development and maintenance of affordable, quality housing for low- and moderate-income families. In three years of operation, the program has committed $8 million to local housing projects.[150]

Homeless Shelter Assistance Grant Program: This program provides assistance for the acquisition, rehabilitation and operation of homeless shelters. In 1991, IFA awarded fourteen grants totalling $213,000 for shelter renovation and acquisition.[151]

Title Guaranty Program: This program offers guaranty certificates protecting real property titles. Funding for the program is obtained from premiums charged for the certificates and interest on real estate trust accounts. Since its inception, the program has issued coverage in excess of $1.2 billion.[152]

Sewage Treatment Works Financing Program: Created in 1988 to comply with the Federal Water Quality Act of 1987, this program pays for a portion of the costs of upgrading state and local sewage treatment systems.[153]

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148. Id., at 9.

149. Id.

150. Id.

151. Id., at 13.

152. Id., at 14.

153. Id., at 15.

Underground Storage Tank Fund Program: Tax-exempt bond financing of $75.5 million was completed in 1992 to provide insurance for and finance the clean-up of underground storage tanks.[154]

KANSAS DEPARTMENT OF COMMERCE AND HOUSING

The Office of Housing became a full division within the Kansas Department of Commerce on July 1, 1992. The name of the agency was subsequently changed to the Kansas Department of Commerce and Housing (KDOC&H) to recognize the status of the new division. Following the reorganization, the responsibilities of the Office in the area of housing were expanded even further. Under the governor's reorganization plan, three programs formerly under the Secretary of Social and Rehabilitation Services (the Kansas Weatherization Assistance Program, the Community Services Block Grant Program, and the Emergency Community Services Homeless Grant Program) were transferred to the Office. Other responsibilities of KDOC&H include community development, industrial development, trade development, and travel, tourism and film promotion.[155]

Major Programs

The Office of Housing lists its major accomplishments for fiscal year 1992 as follows:

(1) Weatherized 2,861 homes with 25 percent energy savings;

(2) Awarded $2,884,392 in community services block grants to the benefit of 48,778 residents;

(3) Assisted 119 homeless families under the homeless program;

(4) Added 36 families to the rural homeless program;

(5) Supported 291 units under the Section 8 New Construction program;

(6) Provided $413,000 to local governments for 37 homeless emergency shelters;

(7) Supported 14 units under a demonstration program for handicapped homeless;

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154. Id.

155. Kansas Department of Commerce and Housing, State of Kansas, 1992 Annual Report.

(8) *Created 1,848 units of affordable housing under the Low-Income Housing Tax* Credit Program;

(9) Completed 273 units under the Rental Rehabilitation Program;

(10) Established a statewide clearinghouse for housing information; and

(11) Received a $115 million Private Activity Bond allocation from the Legislature to assist first-time buyers of single-family homes.[156]

KENTUCKY HOUSING CORPORATION

The Kentucky Housing Corporation (KHC) was established in 1972 by the Kentucky General Assembly under the Kentucky Housing Corporation Act to provide safe, decent, and affordable housing for very low, low, and moderate-income households. Under the law, KHC is authorized to issue bonds and notes in an aggregate amount not to exceed $1,125,000. The law also authorizes KHC to invest in the obligations of the United States, the Commonwealth of Kentucky, or their agencies and instrumentalities. KHC makes first mortgage loans to income-eligible first-time homebuyers for the purchase of single family or multifamily housing units.[157]

Major Programs

Country Home Program: This program encourages economic growth in rural communities by providing homebuilders with a total financing package to build affordable housing. The package features low-interest construction financing as well as permanent take-out loans. The program focuses on the development of single family homes in rural communities.[158]

Equity Partners Investing in the Commonwealth (EPIC): EPIC is a statewide mortgage assistance program that provides below-market interest rate second mortgage loans to qualified low- to moderate-income homebuyers for the purpose of assisting in the payment of various closing costs associated with the first mortgage. EPIC lends the homebuyer up to 60 percent of the total funds needed to close on a home deal at very low interest rates. Moneys are made available to fund the program by private lenders

156. Id.

157. Kentucky Housing Corporation, State of Kentucky, 1992 Annual Report, at 18.

158. NCSHA Catalogue, Vol. 1.

throughout the State. KHC insures the participating lenders against any losses on the loans, underwrites each loan, and services the loans at no cost to the lending institutions or borrowers. EPIC loans are originated at the same time as first mortgages. The first mortgage must be FHA insured or VA guaranteed.[159]

Homeownership Program: This program provides financing for single family homes at below-market fixed interest rates. Loan production is generated through the issuance of tax-exempt Mortgage Revenue Bonds. The average interest rate for the 1,446 loans issued in 1991 ranged from 6.75 to 8.45 percent. The average loan amount was $43,000 and the average income of households served was $22,700.[160]

Trust Fund: This program assists households whose incomes are at or below 50 percent of the State's median income ($29,400). By investing available moneys from the Mortgage Revenue Bond Program into the Trust Fund, KHC makes home loans at interest rate ranging from 1 to 7 percent, fixed for thirty years. As of 1992, the Trust Fund made more than $27 million in loans. More than $13 million of the total was issued at an interest rate of 1 percent. The average income of households served under the program was $14,300. Financing for the fund is derived from reserve funds from previous agency activities.[161]

Yes You Can...Own a Home Program: This program was developed to guide potential homebuyers through the process of purchasing a home. The program consists of three two-hour sessions which detail every aspect of the homebuying process.[162]

Section 8 Programs: KHC administers an array of rental housing programs to help house families who cannot afford or choose not to buy a home. KHC's most important rental program is the Section 8 program, which was placed under the jurisdiction of KHC in 1976. Over the years, Section 8 has provided project-based rental assistance for over 13,430 units under the New Construction and Moderate Rehabilitation programs. Two actively-funded Section 8 programs--Existing Certificates and Housing Vouchers--provide rental assistance directly to 2,191 tenants. Section 8 programs require that a family pay no more than 30 percent of its income for rent and estimated utilities.[163]

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159. Id.

160. Id.

161. Id.

162. Id.

163. Id.

Rental Deposits Surety Program: This program guarantees security and utility deposits for very low-income families who lack the resources to make these payments. The program helps families, single parents, the elderly, the disabled, and the handicapped move into apartments immediately. The tenants then pay back the deposits into escrow accounts.[164]

Low-Income Housing Tax Credit (LIHTC) Program: This program provides a federal tax incentive to low-income housing developers and investors.[165]

Nonprofit Enterprise for Affordable Rental (NEAR) Program: The NEAR program was designed to increase the supply of affordable rental housing for low- to moderate-income households. The program offers permanent financing at 8 percent for 30 years. The source of funding for the program is prepayments from previous bond issues.[166]

LOUISIANA HOUSING FINANCE AGENCY

The Louisiana Housing Finance Authority (LHFA), which was created in 1981, is an independent, self-supporting political subdivision of the State which raises funds through the issuance of tax-exempt notes and bonds for the purpose of making low-interest, fixed-rate, long-term mortgage loans available to low- and moderate-income first-time homebuyers. By combining the resources of private investors, lending institutions, builders, developers, and government agencies, LHFA evaluates and responds to Louisiana's housing needs. LHFA also administers eight Section 8 programs for HUD. LHFA is governed by a thirteen member Board of Commissioners.[167]

Major Programs

Single Family Homeownership Program: LHFA works with private lending institutions to make first-time homeownership affordable. The agency utilizes the tax-exempt Mortgage Revenue Bond program to facilitate the financing of below-market interest, fixed-rate, thirty-year mortgage loans to qualified families in Louisiana. These funds

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164. Id., Vol. 2.

165. Id.

166. Id., Vol. 5.

167. Louisiana Housing Finance Agency, State of Louisiana, Financials 1992.

are generally offered to homebuyers at 1.5 to 2 percent below prevailing interest rates.[168]

Low-Income Housing Tax Credit (LIHTC) Program: The LIHTC program uses federal tax credits as an incentive for developers to produce and preserve rental housing for low-income households. LHFA accepts applications and makes tax credit awards at least twice a year.[169]

Louisiana Comprehensive Housing Affordability Strategy (CHAS): LHFA updates the Louisiana CHAS plan annually in accordance with the National Affordable Housing Act of 1990. The U.S. Department of Housing and Urban Development requires that a federally-approved CHAS exist prior to the disbursement of federal dollars. The Louisiana CHAS was approved in 1992.[170]

Rental Housing Programs: LHFA issues taxable and tax-exempt bonds to finance the construction, acquisition, and rehabilitation of rental properties. Often, these funds are used by developers in conjunction with Section 8 rent subsidies, FHA insurance, grants, and other funds.[171]

Housing Development Grant Program: This program, which was established in 1984, awards up to one-half of the total development costs, less acquisition, to governmental units for the construction or substantial rehabilitation of rental units in severe housing shortage areas. Funding for this program is provided by HUD grants and tax-exempt bonds. As of 1990, the program produced 110 units.[172]

MAINE STATE HOUSING AUTHORITY

The Maine State Housing Authority (MSHA) was established by the Maine Legislature in 1969 to improve housing conditions in urban and rural areas of Maine by bringing in new mortgage capital and accepting federal housing assistance on behalf of the State. MSHA was created by the Main Housing Authorities Act as a public body corporate and politic and an instrumentality of the State of Maine. To carry out its duties, MSHA was authorized to issue

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168. Id.

169. Id.

170. Id.

171. Id.

172. NCSHA Catalogue, Vol. 5.

tax-exempt bonds without pledging the credit of the State of Maine. MSHA is governed by a seven member advisory board and is supported by a staff of seventy personnel.[173]

Major Programs

Home Purchase Program: The Home Purchase Program provided 1,300 working families in Maine with loans for the purchase of their first homes in 1989. Bond financing and use of HOME funds combined to provide $85 million in low-interest rate loans to make housing affordable.[174]

Home Start Program: The Home Start Program was specifically designed to provide loans to low-income borrowers. In 1989, the program provided $15 million in loans--with interest rates as low as 6 percent--to help 300 families purchase their first homes.[175]

Closing Cost Assistance: This program assists homebuyers in financing closing cost payments.[176]

Purchase Plus Improvement: This program provides homebuyers with the means to purchase and improve existing housing.[177]

Home Improvement Program: The Home Improvement Program was established to provide homeowners, the financing to make necessary home improvements. The program provides home improvement loans at an interest rate of 7.75 percent for up to ten years. In 1989, the program provided $3 million in loans to assist approximately 350 families to make basic permanent improvements to their homes.[178]

Underground Oil Storage Tank Removal Program: MSHA's Homeownership Division assists low- and moderate-income families in the removal of underground oil storage tanks that pose environmental risks. The program provides grants and interest free

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173. Maine State Housing Authority, State of Maine, 1989 Annual Report, at 22.

174. Id., at 6.

175. Id.

176. Id.

177. Id.

178. Id., at 7.

loans to homeowners whose tanks could leak and contaminate groundwater and the environment.[179]

Home Equity Conversion Mortgage Program: This program provides a mechanism for qualified elderly homeowners in Maine to liquidate the equity value of their properties to supplement their fixed incomes and remain in their homes for as long as they are able.[180]

Rental Loan Program: Financed primarily from the sale of MSHA tax-exempt bonds, the Rental Loan Program provided $25 million in low-interest rate mortgage loans to finance the development and preservation of approximately 700 units of rental housing in 1989.[181]

MSHA/Farmers Home Administration 515 Program: Also financing the development of new apartments is the MSHA/FmHA 515 program, which involves the use of MSHA HOME funds to leverage low-interest rate mortgage loans from FmHA for additional low-income units.[182]

MSHA Housing Preservation Program: MSHA works with FmHA and the Community Development Block Grant (CDBG) program to leverage additional money for repairs to the homes of very low-income families. In 1989, the program used a total of $2 million to rehabilitate 150 homes.[183]

202 Start Program: The 202 Start Program uses MSHA funds for short-term loans to nonprofit developers to leverage HUD mortgage and long-term rental assistance for new housing for elderly of persons with disabilities.[184]

Moderate Rehabilitation Program: In 1989, MSHA was able to secure Mod-Rehab funding for the first-time since the mid 1980s. HUD allocated a total of 120 Mod-

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179. Id.

180. Id.

181. Id., at 8.

182. Id.

183. Id.

184. Id., at 9.

Rehab units to MSHA. The program generated more than $700,000 in rental assistance for low-income tenants using renovated apartments.[185]

Rental Rehabilitation Program: MSHA's Rental Rehabilitation Program was recognized by HUD as the most productive state operation of its kind in 1989, earning the program more than $500,000 in bonus funding.[186]

New Housing Initiatives Program: This program was designed to provide loans or grants to non-profit housing developers for the implementation of innovative housing proposals. In 1989, the program expended $600,000 to leverage an estimated equal amount of funding from other sources.[187]

Environmental Access Grants and Loans Program: This program provides up to $10,000 in grants and interest free loans to persons with disabilities in order to make their homes more accessible. In 1989, the program was recognized as the best program of its kind in the country.[188]

Homeless Family Transitional Living Demonstration Program: This program provided $250,000 in mortgage financing in 1989 for the development of 20 units for the long-term housing of homeless families with children.[189]

Homeless Shelter Program: This program matches federal homeless funds. In 1989 the program allocated $600,000 in loans to shelters, adding approximately 60 additional beds for the homeless.[190]

Boarding Care Facilities: This program provides below-market interest rate financing to facilities providing housing for the persons with developmental disabilities. The source of funds is tax-exempt bonds.[191]

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185. Id.

186. Id.

187. Id., at 10.

188. Id., at 11.

189. Id., at 12.

190. Id.

191. Id.

MARYLAND DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT

The Community Development Administration (CDA), a division of the Maryland Department of Housing and Community Development, was created in 1970 by the Maryland General Assembly in response to the growing shortage of housing for the elderly, the handicapped, and households with limited incomes. As the State's housing finance agency, CDA provides mortgage financing for single and multifamily housing. Throughout its history, CDA's programs have been financed out of the proceeds of tax-exempt revenue bonds and notes, state general obligation bonds, and annual federal subsidies. As of December 31, 1989, CDA reported the development of 67,698 housing units financed with $2,084,986,453 in funds.[192]

Major Programs

Maryland Mortgage Program: Under this program, income-qualified households receive below-market interest rate mortgage financing for the purchase of existing or newly-constructed homes. Participating lenders originate loans which are purchased by CDA. The incomes of homebuyers under this program must not exceed 85 percent of the statewide median income. As of 1989, the program reported financing 23,274 units with $1.154 billion.[193]

Maryland Home Financing Program: This program, which began in 1973, differs from the Maryland Mortgage Program in that it offers a lower preferred interest rate for first-time homebuyers with incomes below the area median income. Funds for the program are generated from the sale of general obligation bonds, state general funds, and a revolving fund containing the proceeds of previous loans. As of 1989, the program reported the issuance of 3,048 loans in an amount of $85 million.[194]

Homeownership Incentive Program: Created in 1986, this program stimulates the production and rehabilitation of owner-occupied single-family housing by providing below-market interest rate loans to households earning less than $22,825 per year. The program encourages local governments and nonprofit organizations to contribute local resources for the development and rehabilitation of housing for low- and moderate-income households. As of 1989, the program reported providing over $10 million to enable the development or substantial rehabilitation of 277 housing units.[195]

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192. Maryland Department of Housing and Community Development, State of Maryland, Overview of the Programs of the Community Development Administration, at 1.

193. Id.

194. Id., at 2.

195. Id.

Homeowner's Emergency Mortgage Assistance Program: This program was established in 1984 to assist unemployed homeowners in the payment of delinquent mortgage loans. Funded by general obligation bonds, the program is a partnership between CDA and cooperating lenders. The maximum assistance period is 36 months. As of 1989, the program issued 219 loans totalling $2.2 million.[196]

Reverse Equity Mortgage Program: This program enables elderly homeowners to access accumulated equity in their homes without having to sell or move. No repayment is required until the borrower dies, sells the property, or moves out of the residence. Loan proceeds must be utilized for home repairs, housing expenses, or health costs. In 1989, the program issued 25 loans totalling $142,682.[197]

Settlement Expense Loan Program: This program was established in 1989 to provide low- and moderate-income homebuyers with assistance for settlement expenses. In 1989, the program made 119 loans totalling $240,130.[198]

Multifamily Bond Program: This program provides tax-exempt bond financing to developers of rental housing containing five or more units. As a condition of financing, the sponsor must rent a percentage of the units to low-income tenants. As of 1989, the program provided more than $691.3 million in financing which resulted in the development of 20,632 units.[199]

Rental Housing Production Program: Created in 1986, this program provides private developers, nonprofit organizations, and local governments with low-interest, deferred loans to acquire, construct, rehabilitate, or reduce the operating costs of rental housing. As of 1989, $22 million in funding was provided to develop 1,246 units.[200]

Elderly Rental Housing Program: This program was created in 1984 to provide low-interest deferred payment loans for the construction or substantial rehabilitation of rental housing for elderly households. As of 1989, more than $3.7 million in funding resulted in the development of 239 units.[201]

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196. Id.

197. Id.

198. Id., at 3.

199. Id., at 4.

200. Id.

201. Id.

Nonprofit Rehabilitation Program: This program was created in 1986 to assist nonprofit corporations and local governments in the rehabilitation of residential properties. Eligible projects include properties containing up to 100 units, group homes, congregate housing, temporary shelters, emergency housing, transitional housing, and single room occupancy housing. Over $3 million in loans assisted in the rehabilitation of 361 units as of 1989.[202]

Partnership Rental housing Program: This program was established in 1989 to expand the supply of affordable housing to poor families. Under the program, localities provide the finished site, including roads, water, sewer, and other improvements, while the CDA finances construction.[203]

Maryland Housing Rehabilitation Program--Multifamily: This program began in 1977 to preserve existing multifamily rental housing with five or more units. The financing must be used to bring properties up to applicable building codes and standards. As of 1989, more than $31 million in loans assisted in the improvement of 2,492 units.[204]

Construction Loan Program: This program offers below-market interest rate two-year loans to nonprofit organizations and local governments for the development of multifamily rental and single family housing. Preconstruction as well as construction costs are eligible for financing. As of 1989, the program provided over $3.1 million in financing to construct 403 units.[205]

Maryland Housing Rehabilitation Program--Single Family: This program, which began in 1977, provides financing for the preservation of single-family homes and rental apartments with up to four units. Between 1977 and 1989, the program provided $26.9 million in loans for the improvement of 2,012 units.[206]

Livability Code Rehabilitation Program: This program provides low-interest and deferred-payment loans to low-income homeowners and landlords renting to low-income households to bring their properties up to applicable standards.[207]

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202. Id., at 5.

203. Id.

204. Id., at 6.

205. Id.

206. Id., at 8.

207. Id.

Accessory, Shared, and Sheltered Housing Program: This program targets low-income elderly, handicapped, and disabled persons. The program offers low-interest and deferred payment loans for improvements, modifications, and additions to existing single-family homes to create accessory units to provide space for homesharing. As of 1989, the program provided $143,663 in loans for the construction of 21 accessory units.[208]

Indoor Plumbing Program: Low-income families and landlords renting to low-income families living in housing without plumbing are eligible to apply for low-interest and deferred payment loans to install safe and sanitary sewage disposal and drinking water systems. As of 1989, the program provided $1.8 million in loans for plumbing improvements to 266 units.[209]

Residential Lead Paint Abatement Program: This program offers low-interest and deferred payment loans for the removal of lead paint in dwelling units to low-income homeowners and landlords renting to low-income households. As of 1989, the program authorized over $1.4 million in loans for the removal of lead paint in 145 units.[210]

Group Home Acquisition Program: This program offers low-interest and deferred payment loans to nonprofit organizations for the acquisition and modification of existing housing for use as group homes, temporary housing, and emergency shelters. As of 1989, the program provided nearly $9 million in funding for the creation of 316 units.[211]

Home and Energy Loan Program: Initiated in 1983, this program provides loans to improve the energy efficiency of single-family housing. Loans are made by participating local governments as well as directly through CDA. As of 1989, the program provided $9.7 million in financing for the improvement of 1,432 units.[212]

Energy Bank Program: Funds from the federally-sponsored Solar Energy and Energy Conservation Bank Program are used to prepay interest on basic energy conservation improvement loans or to provide matching grants in conjunction with other grant

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208. Id.

209. Id.

210. Id., at 9.

211. Id.

212. Id.

programs. Interest reduction grants are used primarily in conjunction with other resources available to applicants. Eligible recipients, whose incomes must not exceed 60 percent of the area median income, receive grants or subsidized loans with interest rates as low as zero percent. As of 1989, the program provided $261,088 in grants for the improvement of 265 units.[213]

Rental Allowance Program: This program provides grants to local governments that provide flat rent subsidies to low-income state residents who are either homeless or in need of emergency housing. The incomes of the residents assisted under this program cannot exceed 30 percent of the state median income. The goal of the program is to help these households return to self-sufficiency. The monthly rental allowance can be provided for a maximum period of twelve months.[214]

Section 8 Existing/Voucher Program: Eligible families receive certificates or vouchers which allow them to seek the housing of their choice with a commitment by the State to subsidize that portion of their rent which exceeds 30 percent of their income.[215]

Rental Rehabilitation Program: This is a split subsidy program designed to ensure an adequate supply of standard housing for low- and moderate-income tenants. The program seeks to increase private market rental housing by providing funds to help offset the cost of necessary rehabilitation to deteriorated existing units. Following rehabilitation, rental assistance is offered to eligible families to assist them in making rental payments for the improved units. Maximum assistance is $5,000 per unit or 50 percent of the total cost, whichever is less. Tenants are the provided with Section 8 Existing Certificates or vouchers, subsidizing their rents in excess of 30 percent of their incomes.[216]

Moderate Rehabilitation Program: This program was designed to assist in the improvement of existing multifamily rental units in need of repair. Under this program, the landlord rehabilitates the unit and the program commits rental subsidies on behalf of the tenant for fifteen years.[217]

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213. Id.

214. Id., at 11.

215. Id.

216. Id.

217. Id.

MASSACHUSETTS HOUSING FINANCE AGENCY

The Massachusetts Housing Finance Agency (MHFA) is a self-supporting state agency charged with financing and promoting the construction, purchase, and rehabilitation of housing in the Commonwealth. MHFA, which made its first loans in 1970, raises money for its programs through the sale of taxable and tax-exempt bonds to private investors. Sale proceeds are loaned to qualified borrowers, either directly by MHFA or through local lenders, at reduced interest rates.

MHFA is governed by eleven members. Nine members are appointed by the governor; two members serve in an ex-officio capacity. The Members of MHFA are advised by the Multifamily Program Advisory Committee, and the Single Family Program Advisory Committee.[218]

Major Programs

Homeownership Opportunity Program: The Homeownership Opportunity Program was designed to create new homes at affordable prices for qualified first-time homebuyers. The affordable units are targeted for buyers whose incomes range from $25,000 to $33,000. To maintain their affordability over time, the resale of the units financed under the program is restricted.[219]

General Lending Fund: This pool of funds is reserved for borrowers such as Vietnam-era Veterans, low-income and minority borrowers, and households in which a member has a physical disability.[220]

Neighborhood Rehabilitation Funds: This pool of funds is reserved for persons who buy or rehabilitate homes in locally-designated neighborhoods. These funds are distributed in cooperation with local housing and community development agencies.[221]

New Construction Set-Aside: This pool of funds is reserved for purchasers of new homes and condominiums built by specific developers. This program encourages the

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218. Massachusetts Housing Finance Agency, State of Massachusetts, Annual Report For The Year Ended June 30, 1988, at 46.

219. Id., at 25.

220. Id., at 26.

221. Id.

development of new units at prices affordable to low- and moderate-income households.[222]

Home Improvement Program: MHFA, in cooperation with thirty-eight local community development agencies, provides low-interest home improvement loans to qualified homeowners. Improvements authorized under the loans of this program include those that increase energy efficiency, provide access to the handicapped, or bring the building up to local health, sanitary, or fire prevention standards.[223]

Rental Housing Programs: MHFA's below-market rate interest financing provides a major source of private mortgage capital for the production of rental housing in Massachusetts. MHFA raises funds for its loan programs through the sale of bonds to private investors. Sale proceeds are loaned to nonprofit and limited profit developers who agree to build or rehabilitate rental housing in accordance with MHFA requirements. MHFA generally requires that 20 to 25 percent of the units developed be rented to low-income households.[224]

State Housing Assistance for Rental Production (SHARP): In response to the phase-out of the federal Section 8 New Construction and Substantial Rehabilitation Programs, MHFA developed SHARP, to stimulate the production of privately-owned rental housing in which 25 percent of the units are reserved for low-income households receiving federal Section 8 or state Chapter 707 rental housing certificates.[225]

80/20 Program: Under this program, MHFA finances rental housing developments in which at least 20 percent of the units are reserved for low-income tenants.[226]

Tenant/Management Relations Program: To meet the needs of the management companies and the tenants of MHFA-financed developments, MHFA developed several management training programs for low-income and minority tenants.[227]

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222. Id., at 28.

223. Id.

224. Id., at 14.

225. Id.

226. Id., at 17.

227. Id., at 21.

Project TAP: Residents who suffer from drug or alcohol abuse problems are often unable to maintain stable home lives and pay rent on a regular basis. Project TAP provides training to management personnel to recognize, confront, and offer assistance to substance abusing tenants.[228]

Energy Conservation Program: This program provides loans to multifamily property owners to retrofit older developments. One program requirement is that the loans be repaid through energy cost savings, not increased rents.[229]

MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY

The Michigan State Housing Development Authority (MSHDA) was created by the Michigan Legislature under the State Housing Development Authority Act of 1966. MSHDA is a component unit of the State and is reflected as an enterprise fund in the State's annual financial report. MSHDA is authorized to issue notes and bonds to finance housing for sale or rental to low- and moderate-income families. MSHDA is governed by a seven member Authority. Three members serve by virtue of their positions in office and four members are appointed by the governor and approved by the senate.[230]

Major Programs

Single Family Program: MSHDA mortgages offer thirty-year loan terms, fixed-rates of interest, and down payments of 5 percent or less. In 1989, the Legislature raised the annual income limits applicable to qualified homebuyers under the *Single Family* Program to $36,500. In 1990 over 90 percent of the program's borrowers were purchasing their first homes; 64 percent of the homes were located in targeted areas of economic distress. The maximum purchase price for new homes under the program range from $75,000 to $80,000, depending on the location. The maximum price of an existing home ranges from $45,540 to $60,000. MSHDA's *Single Family* Program relies on a network of participating banks, savings and loans, and mortgage companies that take applications and process loans. MSHDA then purchases the mortgages from these lenders.[231]

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228. Id., at 22.

229. Id.

230. Michigan State Housing Development Authority, State of Michigan, Catalyst For Change, 1990 Annual Report, at 40.

231. Id., at 15.

The Michigan Mortgage Credit Certificate Program: MSHDA was the first housing finance agency in the country to offer a full-service mortgage credit certificate (MCC) program as a method of assisting modest-income homebuyers in making their purchases. MCCs provide a federal income tax credit that gives buyers more income to qualify for a loan and to make monthly payments. The credit, which is based on 20 percent of the annual interest paid on the mortgage, continues for the life of the loan held by the borrower; the remaining 80 percent can be taken as a tax deduction.[232]

The Michigan Initiative: The Michigan Initiative allows private lenders to make conventional thirty-year, fixed-rate mortgage loans with 5 percent down payments and liberalized eligibility criteria. Michigan borrowers earning up to $43,470 per year are eligible; they need not be first-time homebuyers. The initiative is made possible through a partnership that requires the Federal Home Loan Mortgage Corporation (Freddie Mac) to purchase up to $500 million in mortgages from lending institutions. MSHDA provides up to $5 million to pay part of any loan losses not covered by private mortgage insurance. MSHDA also provides homeownership counseling services to potential borrowers. The program assists homebuyers in two ways: (1) It cuts the normal down payment to 5 percent; and (2) It offers less restrictive credit terms.[233]

Housing Opportunities Providing Equity (HOPE): HOPE is a joint effort between MSHDA and the Michigan Department of Social Services (DSS). The purpose of the program is to provide better housing options for families receiving public assistance and to make more productive use of the funds that DSS pays each year for shelter allowances. Up to $2 million in loans can be issued by MSHDA to organizations (public, private, and nonprofit) that buy and renovate housing. Those who lease the repaired housing are then trained in home maintenance. The units then will be rented or leased to DSS client families, with their shelter allowances used to support the providers' operating expenses for the unit and debt service on the loan.[234]

Home Improvement Program: The Home Improvement Program provides low-cost property improvement loans to homeowners of dwellings which are older than twenty years. The loan funds are derived from the sale of tax-exempt bonds with the interest rate underwritten by MSHDA earnings and an appropriation by the Legislature. The typical borrower earned an income of $13,402, and the average loan was for $6,728.[235]

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232. Id.

233. Id., at 16.

234. Id.

235. Id., at 14.

High-Risk Home Improvement: This program provides repayable grants to certain communities to enable these communities to provide home improvement financing to homeowners whose income or credit history fail to meet federal insurance standards.[236]

Direct Lending Program: MSHDA sells tax-exempt bonds to offer below-market rate interest mortgage loans to private developers of new or renovated rental housing for families or elderly people. At least 20 percent of the units must be occupied by persons earning no more than half the area median income.[237]

Taxable Bond Program: MSHDA authorized a $50 million in taxable bonds under this program to finance the construction and renovation of 1,000 apartments for modest-income families and senior citizens. The taxable bonds--in contrast to tax-exempt bonds--qualify developers for a larger tax credit under the LIHTC program. By selling the credit to investors and using the funds for additional equity in the project, developers can reduce the amount of their mortgage loan and make the units affordable at lower rents. Housing constructed under this program is restricted for at least fifteen years to tenants whose incomes are not more than 60 percent of the area median income. Rent restrictions also apply.[238]

Pass Through Program: The Michigan Legislature established this program in 1984 to encourage economic growth and the development of additional housing. MSHDA issues tax-exempt bonds supported by the real estate itself, and by letters of credit, mortgage or bond insurance, or other forms of credit enhancement arranged by developers. Other than approving the financing mechanism, MSHDA has no underwriting responsibility for pass through housing. A total of 3,956 apartments and townhouses have been developed under this program. At least 20 percent must be rented to low-income households.[239]

Section 8 and Section 236 Programs: More than 31,300 apartments mortgaged by MSHDA are assisted by federal Section 8 and 236 subsidy programs. The programs made possible the production of many affordable housing units, but both have been discontinued for future construction and rehabilitation projects. Developments already subsidized will continue to receive assistance for the term of their mortgage loans, unless the owner wishes to prepay after the loan has been in place at least twenty

236. Id.

237. Id., at 10.

238. Id.

239. Id., at 11.

years. Section 8 and 236 support makes it feasible to house very low-income families and senior citizens.[240]

Rental Rehabilitation: Owners of rental properties in certain communities are allowed to apply for federal grants or low-cost MSHDA building rehabilitation loans under this program. The assistance under this program is restricted to apartments with tenants earning low to moderate incomes.[241]

Section 8 Existing: This program provides subsidies to more than 11,000 low-income families and elderly tenants to help in paying the rent.[242]

Low-Income Housing Tax Credit (LIHTC) Program: MSHDA is the agency designated to allocate LIHTC program tax credits. Under this program, owners and investors in low-income housing may qualify to receive a ten-year credit against their federal tax liability if the development provides affordable housing for low-income tenants.[243]

Neighborhood Builders Alliance: The alliance is a partnership between MSHDA and people who have taken the initiative to improve their neighborhoods. The program provides self-help support, neighborhood grants, and leadership training.[244]

Neighborhood Preservation Program: This program is a $25 million pilot program developed by MSHDA to help revitalize distressed communities. The program offers low-cost mortgages to finance small-scale rental projects. Twenty percent of the units financed under the program are reserved for very low-income tenants.[245]

Neighborhood Housing Grant Program: This program provides grants out of a $1 million MSHDA fund to nonprofit housing organizations involved in preserving housing for low-income residents. A key part of the program is to help organizations build their capacity to undertake more complex projects and improve their fundraising skills.[246]

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240. Id.

241. Id., at 12.

242. Id.

243. Id., at 13.

244. Id., at 17.

245. Id.

246. Id., at 18.

Loans to Nonprofits: MSHDA makes zero-interest loans to nonprofit groups that need financing for neighborhood revitalization projects.[247]

Block Grant Program: MSHDA administers three types of federal block grants:[248]

(1) Community Development Block Grants;

(2) Comprehensive Neighborhood Rehabilitation Competition; and

(3) Housing Assistance Program Awards.

Weather Emergencies, Coordinated Action Response for Everyone (WE CARE): Michigan communities and nonprofit organizations that provide temporary shelter receive grants from the MSHDA WE CARE program when existing shelters are full because of weather emergencies.[249]

Emergency Housing Apartment Program: This program is a joint effort between MSHAD and the Department of Social Services (DSS) to make more productive use of DSS shelter payments and to produce more housing for low-income people. Loans and grants enable nonprofit sponsors to purchase and renovate buildings to house homeless referred from DSS.[250]

Run 4 Shelter/Walk 2 Help (The Homeless Children's Fund): MSHDA estimates that 15,000 youngsters are homeless at any point in time during the year in Michigan. The Homeless Children's fund was established by MSHDA to help Michigan shelters meet the needs of homeless infants and children. Run 4 Shelter/Walk 2 Help is a four-mile run, two-mile walk charitable event that donates its proceeds to the Homeless Children's Fund. The event raised $44,000 in 1990. Grants from the fund may be used for playground equipment, toys, clothing, educational materials, and special services.[251]

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247. Id., at 19.

248. Id.

249. Id., at 8.

250. Id.

251. Id., at 9.

MINNESOTA HOUSING FINANCE AGENCY

The Minnesota Housing Finance Agency's (MHFA) first housing assistance program became available in 1973. By the end of 1988, MHFA offered over twenty different housing assistance programs to address the needs of Minnesota's modest-income population. Since its establishment, MHFA has financed its operations through the sale of tax-exempt and taxable revenue bonds and state appropriations. By combining borrowed capital with local, state, and federal funds, MHFA has not only provided homeownership opportunities for modest-income residents of Minnesota, the agency has also preserved the State's existing stock of housing and created jobs in the public and private sectors of the State's economy. MHFA is governed by a Board of Directors.[252]

Major Programs

Minnesota Mortgage Program: The Minnesota Mortgage Program provides below-market interest rate mortgages to eligible moderate-income first-time homebuyers. Homes must meet sales price limits and other standards set by MHFA. The program is financed through the sale of tax-exempt revenue bonds.[253]

Homeownership Assistance Fund: This program provides interest-free down payment and monthly assistance to eligible MHFA mortgage recipients. Assistance is repaid according to a preset schedule, with repayments increasing gradually.[254]

Tribal Indian Housing Program: This program provides loans for the construction, purchase, and rehabilitation of housing both on and off reservations. Low- and moderate-income Indian families residing in Minnesota are eligible without regard to tribal affiliation.[255]

Urban Indian Housing Program: This program provides loans for the construction, purchase, and rehabilitation of housing for Indians residing in the Twin Cities metropolitan area and Duluth.[256]

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252. Minnesota Housing Finance Agency, State of Minnesota, Biennial Report, Fiscal Years 1988-1989, at 1.

253. Id., at 4.

254. Id.

255. Id.

256. Id.

Innovative Loan Program: This program provides short-term, interest-free construction loans to sponsors of innovative housing construction, design, and marketing methods.[257]

Home Improvement Loan Program: This program provides below-market interest rate loans to low- and moderate-income homeowners to finance a variety of home improvements. Interest rates on the loans range from 3 to 9 percent.[258]

Rehabilitation Loan Program: This program provides deferred loans (loans without interest or periodic payments) for basic home repairs of up to $7,500 to homeowners with adjusted annual incomes of no more than $7,000. If the property is sold or transferred within ten years, the loan must be repaid in full.[259]

Accessibility Loan Fund: This program provides deferred loans of up to $10,000 to modest-income households with a disabled member. Loans may be used to make permanent modifications to make the home more accessible for the disabled member of the household. If the property is sold or transferred within five years, the loan must be repaid.[260]

Home Energy Loan Program (HELP): This program provides energy efficiency repair loans to homeowners of up to $5,000 at below-market interest rates.[261]

Rental Rehabilitation Loan Program: This program provides below-market interest rate loans to owners of rental properties occupied by low- and moderate-income tenants to meet state energy conservation standards.[262]

Multifamily Development Program: In the past, this program provided both construction financing and mortgage loans at below-market interest rates for the construction or rehabilitation of rental housing. Due to the end of Section 8 Housing Assistance Payments Program-New Construction, the MHFA no longer processes

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257. Id.

258. Id., at 3.

259. Id.

260. Id.

261. Id.

262. Id.

proposals that require Section 8 assistance. MHFA continues to finance rental housing through a variety of mechanisms.[263]

Apartment Renovation Mortgage Program: This program provides below-market interest rate loans to rental property owners for the purchase, rehabilitation, or refinancing of existing multifamily rental housing.[264]

Energy Improvement Loan Insurance Program: This program provides homeowners with insurance for energy improvement loans borrowed from private lenders.[265]

Elderly Homesharing Program: This program provides funds to nonprofit sponsors to establish homesharing programs for elderly people.[266]

Rental Rehabilitation Grant Program: This program allocates HUD grants to eligible property owners who can match the grant with private resources for the rehabilitation of rental property occupied by low- and moderate-income tenants.[267]

Low-Income Housing Tax Credit (LIHTC) Program: The LIHTC program provides federal tax credits to developers and owners of qualifying rental housing for low- and moderate-income tenants. The credit reduces the tax liability of owners of eligible housing for up to ten years, provided that housing affordability is maintained for fifteen years.[268]

New Construction Tax Credit Mortgage Program: This program provides below-market interest rate loans to eligible developers for the construction of rental housing for low- and moderate-income families. This program is funded through MHFA reserve funds.[269]

Housing Trust Fund: This program provides financing to developers of rental and cooperative housing for very low-income people. The program provides zero interest

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263. Id., at 4.

264. Id., at 5.

265. Id.

266. Id.

267. Id.

268. Id.

269. Id.

deferred loans for the development construction, acquisition, preservation, and rehabilitation of low-income rental and limited equity cooperative housing. The funds for this program are generated by interest earnings on trust accounts kept by real estate brokers.[270]

Low-Income Persons Living Alone Program: This program provides grants which represent as much as 50 percent of the cost of developing a low-income rental housing project to nonprofit sponsoring organizations.[271]

Housing the Homeless: This program provides grants to nonprofit sponsors for the rehabilitation of existing permanent housing for homeless people.[272]

Supportive Housing Demonstration Program: This program provides grants for the acquisition or rehabilitation of housing for the homeless. The housing funded under this program may be for transitional or permanent housing purposes.[273]

Temporary Housing: This program provides grants to nonprofit sponsors to acquire, construct, or rehabilitate temporary housing for low-income homeless people.[274]

MISSISSIPPI HOME CORPORATION

The Mississippi Home Corporation (MHC) is a governmental instrumentality of the State of Mississippi created under the Mississippi Home Corporation Act. Under the law, MHC is authorized to issue bonds to provide financing for residential housing and and other housing-related programs for individuals and families with low- to moderate-incomes in the state. Bonds and other obligations issued by MHC are not a debt or a liability of the State of Mississippi.[275]

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270. Id., at 6.

271. Id.

272. Id.

273. Id.

274. Id.

275. Mississippi Home Corporation, State of Mississippi, Financial Statements and Schedules, at 1.

Major Programs

First-Time Homebuyer Program: This program was established in 1980 to serve individuals and families with low to moderate incomes who are first-time homebuyers. The program uses the proceeds of the sale of tax-exempt Mortgage Revenue Bonds to provide below-market rate interest thirty-year mortgage financing. In 1990, the program expended a total of $50,556,542.[276]

Single-Family Energy Conservation Revolving Loan Program: This program was established in 1991 to provide low-interest loans of up to $5,000 for energy-related improvements in single family homes owned by families with low to moderate incomes. The program directs its assistance to smaller communities and rural areas. Program funds cover a part or all of the cost of providing assistance to homeowners for loans, interest reduction payments, or other assistance that will reduce the cost of energy related repair and rehabilitation activities.[277]

Tax-Exempt Bond Financed Multifamily Program: This program was established in 1991 to provide loans to individuals, nonprofit and for-profit corporations, and partnerships to finance the acquisition, rehabilitation, and construction of multifamily rental housing projects for persons of low or moderate income. The loan repayment period is forty-years and the interest rate is variable.[278]

Low-Income Housing Tax Credit (LIHTC) Program: The MHC LIHTC program was established in 1987 to encourage investment in the construction, acquisition, or rehabilitation of housing for low-income individuals and families. The credit provides a dollar-for-dollar reduction in the taxpayer's income tax liability for ten years.[279]

Rental Rehabilitation Program: This program was initiated in 1984 to provide federal funds to investors to rehabilitate or acquire and rehabilitate rental units affordable to persons of low and moderate incomes.[280]

Community Development Block Grant Program: This program allows localities to apply for funds to create local Rural Rental Rehabilitation Programs that provide loans

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276. NCSHA Catalogue, Vol. 1.

277. Id.

278. Id., Vol. 2.

279. Id.

280. Id.

to owners of residential rental property to acquire, repair, or rehabilitate their property to applicable energy conservation and handicapped accessibility standards.[281]

Mississippi Group Home Loan Program: This program was established in 1991 to operate in conjunction with the Mississippi Department of Mental health to provide loans of up to $4,000 to groups of four or more individuals recovering from alcoholism or other drug addiction to start independent recovery homes.[282]

Technical Assistance to Nonprofits: This program provides individuals operating housing development organizations with assistance in housing planning, grant writing, community coalition development, and training in operating housing nonprofits.[283]

MISSOURI HOUSING DEVELOPMENT COMMISSION

The Missouri Housing Development Commission (MHDC) was established by the 75th Missouri general assembly to assist in the creation of low- and moderate-income housing in Missouri. To fulfill its mission MHDC is authorized to issue and sell tax-exempt and taxable bonds. The proceeds from these bonds provide permanent financing for single family dwellings and below-market interest rate financing and permanent financing for multifamily housing. No state tax funds are used by MHDC.

MHDC is headed by a commission comprised of nine members. The governor, the state treasurer, and the attorney general serve as members by virtue of their office; the remaining four members are appointed by the governor at the consent of the senate.[284]

Major Programs

Multifamily Program: The purpose of the Multifamily Program is to encourage the construction and rehabilitation of rental housing for low- and moderate-income families. MHDC uses tax-exempt bond proceeds to finance below-market interest rate construction and permanent loans. These resources are provided to nonprofit and limited dividend corporations in order to reduce rental rates to a level that is affordable

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281. Id.

282. Id., Vol. 2.

283. Id., Vol. 2.

284. Missouri Housing Development Commission, State of Missouri, Annual Report 1992, at 4.

to low- and moderate-income persons. Loans under this program are generally insured by HUD.[285]

Single Family Program: The MHDC began the Single Family Program in 1976. The program is funded exclusively through the sale of tax-exempt Mortgage Revenue Bonds. The proceeds of these bonds provide qualified first-time homebuyers with below-market interest loans for the purchase of new or existing single family homes.[286]

Special Needs Single Family Programs: MHDC has established an agreement with the Federal Housing Administration (FHA) to furnish low-interest loans to very low-income homebuyers wishing to purchase repossessed FHA properties that sell for $30,000 or less. An agreement has also been established with the Resolution Trust Corporation (RTC) to provide financing to very low-income homebuyers wishing to purchase RTC properties that sell for $40,000 or less. MHDC has also arranged agreements with other federal agencies such as the FmHA to assist in the sale of available properties.[287]

Home Improvement and Weatherization Program: This program provides low- to moderate-income owner occupants with below-market interest rate financing to repair, improve, or weatherize existing homes. The maximum loan under the program is $15,000.[288]

Neighborhood Loan Program: The Neighborhood Loan Program is a joint effort between MHDC and the various neighborhood organizations of Missouri to provide interim loans to neighborhood groups and qualified builders for the acquisition and rehabilitation of existing structures. Neighborhood organizations identify the housing needs and solicit resources from MHDC and private lenders.[289]

Low-Income Housing Tax Credit (LIHTC) Program: MHDC is the administrator of the LIHTC program in the state of Missouri. The LIHTC was created by the federal Tax Reform Act of 1986 to encourage the production of low-income rental housing. The amount of the tax credit is directly related to the percentage of low-income units made

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285. Id., at 4.

286. Id., at 5.

287. Id., at 6.

288. Id.

289. Id.

available to low-income tenants. The credit is provided for ten years if certain set aside requirements are met annually.[290]

Missouri Low-Income Housing Tax Credit Program: In addition to the federal LIHTC, the State of Missouri provides state low-income housing tax credits to support and encourage the construction of low- to moderate-income housing.[291]

Section 8 Certificate and Voucher Programs: MHDC administers the federal Section 8 Certificate and Housing Voucher programs. The Certificate and Voucher programs provide federal assistance to alleviate some of the difficulties experienced by low-income tenants in the payment of rents. The Section 8 Certificate program provides subsidies to landlords and the Voucher program provides rental assistance to the renter in the form of a voucher.[292]

Operation Homeless: Operation Homeless is a pilot program designed to provide families and individuals living in shelters, on the street, or in cars with a section 8 certificate or voucher to secure adequate housing. The applicant must be approved through a social service agency and be able and willing to enter into a one year lease.[293]

Housing Trust Fund Program: This program was established by the MHDC to provide rental assistance to very low-income families and individuals throughout Missouri. Families and individuals eligible to receive assistance under this program must have incomes at or below 50 percent of the median income. Rental assistance payments are made directly to the property owner. Financing is provided by agency reserve funds.[294]

Rental Assistance Program: This program is designed to operate similarly to the federal Section 8 Certificate Program. MHDC has committed $15,000,000 to this program for very low-income families and individuals in twenty-one regional council districts throughout Missouri.[295]

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290. Id., at 8.

291. Id.

292. Id., at 9.

293. Id.

294. Id., at 10.

295. Id., at 11.

Department of Mental Health Voucher Program: This program is the result of an agreement with the Missouri Department of Mental Health to assist in the issuance of housing vouchers to clients afflicted with mental illness.[296]

Home/Tenant Based Rental Assistance Program: This program utilizes funds allocated by HUD through the federal HOME program. The funds are expended in accordance with the needs identified in the Missouri CHAS.[297]

MONTANA BOARD OF HOUSING

The Montana Board of Housing was created by the Montana Housing Act of 1975 to assist low-income families and individuals in the acquisition of safe and sanitary housing. The Board is an agency of the State of Montana and operates under the Department of Commerce for administrative purposes. In accordance with the Housing Act of 1975, the Board receives no appropriations or allocations out of the Montana general fund for administrative or operating expenses. Instead, all Board programs are funded through either the sale of tax-exempt bonds or the collection of administrative fees. The Board is authorized to issue bonds and notes up to a maximum principal amount outstanding of $975,000,000.

The Montana Board of Housing is comprised of seven members appointed by the governor and confirmed by the senate. The Chairperson of the Board is chosen by the governor.[298]

Major Programs

Single Family Mortgage Program: This program offers low-interest, thirty-year mortgage loans of not more than $75,000 to first-time Montana homebuyers intending to occupy their homes. Mortgage loan applications are processed in compliance with FHA or VA underwriting criteria by real estate lenders selected by the Board. The program is funded exclusively through the sale of tax-exempt Mortgage Revenue Bonds.[299]

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296. Id.

297. Id.

298. Montana Board of Housing, State of Montana, Audited Financial Statements June 30, 1992, at 8.

299. Montana Board of Housing, State of Montana, Annual Report 1992, at 5.

Recycled Single Family Mortgage Program: The Board makes mortgage funds available to low-income homebuyers through the recycling of mortgage prepayments and other funds held under previous bond issues of the Single Family Mortgage program. Commitments under this program include: $4,645,000 to Neighborhood Housing Services, Inc. of Great Falls; $769,300 to the Joint Venture for Affordable Housing; and $5,000,000 in conjunction with HUD to lenders closing 203(k) loans.[300]

Mortgage Credit Certificate Program: This program issues mortgage credit certificates to enable eligible homebuyer/recipients to receive a federal tax credit based on the interest paid on their home loan. The annual tax credit is equal to 20 percent of the annual interest paid on their mortgage loan. The remaining 80 percent of the interest paid continues to be eligible as an itemized deduction.[301]

Homebuyers Cash Assistance Program: This program was initiated in May 1991 to address the housing needs of creditworthy families and individuals who lack the financial resources to purchase a home under any other home financing program of the Board. In order to qualify for the program the homebuyer may not have an annual income in excess of $20,000. The price of an eligible home under the program may not exceed $45,000. Cash assistance of up to 50 percent of the minimum cash required to close a loan (maximum advance of $1,000), combined with 7.75 percent thirty-year mortgage is available for eligible homebuyers. Thus far, the program has assisted 85 eligible homebuyers.[302]

Multifamily Bond Program: As of June 30, 1992, more than 1,400 multifamily housing units for occupancy by families or individuals receiving rent subsidies under HUD Section 8 have been financed under the various multifamily bond projects of the Board. Mortgage or construction loans are insured by the FHA and are financed through the issuance of multifamily bonds and notes.[303]

Low-Income Housing Tax Credit (LIHTC) Program: The Board arranges federal LIHTC tax credits for the state of Montana. The LIHTC was established by Congress under the Tax Reform Act of 1986 to provide incentives for the retention, rehabilitation, and construction of low-income rental housing. Under the program, developers and

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300. Id., at 6.

301. Id.

302. Id., at 7.

303. Id., at 8.

owners of qualified housing receive an annual federal tax credit for ten years, based on the number of units provided to low-income individuals and families.[304]

Reverse Annuity Mortgage Loan Program: This program, which was initiated in 1990, targets low-income senior citizens who have little or no remaining debt on their homes and who wish to benefit from an additional source of income based on the equity in their homes. program loans, which typically range from $15,000 to $40,000, enable senior homeowners to provide more substantially for the own support and specialized care.[305]

NEBRASKA INVESTMENT FINANCE AUTHORITY

The Nebraska Investment Finance Authority (NIFA) was created as a nonprofit entity on August 26, 1983 by the Nebraska Legislature. NIFA was established to create funding sources to provide: (1) home mortgage loans at reduced interest rates to Nebraska residents earning low to moderate incomes; (2) agricultural loans at reduced interest rates to farmers and other agricultural enterprises; and (3) business loans at reduced rates to Nebraska business enterprises. NIFA is authorized to invest in loans made for the construction, rehabilitation, or purchase of residential housing as well as make loans to mortgage lenders under terms and conditions requiring the proceeds to be used to provide loans to qualified persons and enterprises. NIFA has no taxing power but is authorized to issue revenue bonds and other obligations to carry out the duties of the authority. The debts incurred by NIFA do not represent obligations of the State of Nebraska or any political subdivision thereof.[306]

Major Programs

Single Family Program: Through the sale of Mortgage Revenue Bonds NIFA provides low- to moderate-income first-time homebuyers with 30 year, below-market interest fixed-rate loans. The borrower must intend to use the dwelling as a principal residence and the dwelling must meet certain price limits. NIFA does not originate any mortgage loans; instead the agency works with participating mortgage institutions throughout the state. In 1990, the program financed 3,018 units at a cost of $260,000,000.[307]

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304. Id., at 9.

305. Id., at 10.

306. Nebraska Investment Finance Authority, State of Nebraska, 1992 Annual Report, at 13.

307. NCSHA Catalogue, Vol. 1.

Home Improvement Loan Program: This program was established in 1982 to maintain the supply of decent, safe, and sanitary housing by offering below-market interest rate single and multifamily home improvement loans for low-and moderate-income families. Owner-occupied residential properties with up to four dwelling units are eligible for loans. An applicant's income must not exceed $32,500 to qualify. The loans range from $2,000 to as high as $15,000. Cumulative expenditures of the program prior to 1990 amounted to $12,491,000.[308]

Multifamily Program: This program utilizes the proceeds of tax-exempt and taxable bonds to finance loans for low-income rental housing projects. In project financed by tax-exempt bonds, at least 20 percent of the units in each project must be rented to persons with incomes at or below 50 percent of the median income for an area. In the case of projects financed by taxable bonds, at least 20 percent of the units must be rented to persons with incomes at or below 80 percent of the median income for an area. The remaining units in all projects must be rented to persons whose incomes do not exceed 150 percent of the area median income.[309]

Low-Income Housing Tax Credit (LIHTC) Program: NIFA administers the LIHTC program for the State of Nebraska. The LIHTC program offers a federal tax credit as an incentive toward the development of affordable rental housing for low-income households.[310]

NEVADA DEPARTMENT OF COMMERCE

The Housing Division of the Nevada Department of Commerce functions as the state agency in charge of creating funding sources to assist low- to moderate-income homebuyers in Nevada.

Major Programs

Single Family Mortgage Purchase Program: Through the sale of tax-exempt Mortgage Revenue Bonds, this program offers below-market interest rate, 30 year mortgage financing to low- and moderate-income first-time buyers of new or existing homes

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308. Id.

309. Id., Vol. 2.

310. Id.

which meet FHA/VA lending criteria and established price limits. In 1990, the program issued 1,232 loans totalling $92,056,918.[311]

Low-Income Housing Trust Fund: The Nevada Legislature authorized the Housing Division to administer the Low-Income Housing Trust Fund in 1989. The fund was created to pay for the rehabilitation or new construction of low-income housing projects. Initial funding came from a $290,000 contribution by the agency. In 1991, the Legislature approved an additional ten cent tax increase on real estate property transfers. The additional tax is credited to the fund. Matching federal funds are also provided by the HOME program.[312]

Multi-Unit Program: The Division sells tax-exempt bonds to finance multifamily rental housing projects for occupation by low- to moderate-income tenants. Project owners must commit to the rental of at least 40 percent of the units constructed to qualified tenants.[313]

Low-Income Housing Tax Credit (LIHTC) Program: The Division administers the LIHTC program for the State of Nevada. The LIHTC program provides tax incentives to developers who build low-income rental housing. By conforming to federal rent guidelines, developers use the tax credits to recover as much as 70 percent of their costs.[314]

General Reserve Trust Loan Program: This program was established to assist in financing small rental projects of two to fifty units that do not qualify for financing through bond proceeds. Financing is provided to owners or developers at a rate that is generally below-market.[315]

NEW HAMPSHIRE HOUSING FINANCE AUTHORITY

The New Hampshire Housing Finance Authority (NHHFA) is a body politic and corporate established under Chapter 204-C of the Revised Statutes Annotated of the State of New Hampshire. The law grants NHHFA the authority to sell bonds and use the proceeds to

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311. NCSHA Catalogue, Vol. 1.

312. Id., Vol. 2.

313. Id.

314. Id.

315. Id.

stimulate the construction and rehabilitation of housing for low- and moderate-income families in New Hampshire. NHHFA finances the purchase of housing for eligible buyers by purchasing mortgage loans from lending institutions with the proceeds of bonds. NHHFA is governed by a nine-member Board of Directors.[316]

Major Programs

Single Family Mortgage Program: Using the proceeds derived through the sale of tax-exempt Mortgage Revenue Bonds, NHHFA provides--through a network of participating mortgage lenders--low-interest permanent mortgage financing to eligible first-time homebuyers. NHHFA reports that more than 18,000 homebuyers have been served, thus far, under this program.[317]

Down Payment Assistance Program: NHHFA provides financing to qualified borrowers to cover part of the down payment and closing costs associated with first-time home purchases. NHHFA reports that this program has served more than 250 borrowers.[318]

Home Equity Conversion Program: The Home Equity Conversion Program helps eligible seniors convert the equity in their homes into current income. Under the program, borrowers utilize the income to meet living needs while remaining in their own homes.[319]

Home Of Your Own Program: Working with the State Division of Mental Health and Developmental Services, the New Hampshire Developmental Disabilities Council, and other organizers, NHHFA provides mortgage funding and other support to enable low-income persons with developmental disabilities to purchase homes.[320]

Section 8 Existing Housing: NHHFA administers the Section 8 Existing Housing Voucher and Certificate rental assistance programs in those areas of the State not serviced by a local housing authority.[321]

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316. New Hampshire Housing Finance Authority, State of New Hampshire, Annual Report FY 1992, at 8.

317. Id.

318. Id.

319. Id.

320. Id.

321. Id., at 10.

Section 8 New Construction: NHHFA oversees the continuing operation of approximately 60 New Construction/Substantial Rehabilitation projects throughout the State.[322]

80/20 Rental Projects: NHHFA financed five mixed-income rental projects in 1992. The agency continues to monitor 1,300 rental units financed under the 80/20 program.[323]

Rehabilitation Program: NHHFA manages the federal Rental Rehabilitation program throughout much of New Hampshire. Fifty-six units were rehabilitated under this program in 1992.[324]

Affordable Housing Trust Fund: The Affordable Housing Trust Fund was created in 1988. Since that time, 19 projects representing more than 200 housing units have been financed through the fund. Projects involving multifamily rentals, manufactured housing parks, special needs housing, and special homeownership initiatives have been assisted under this program. The program is funded with the proceeds of tax-exempt bonds and developers' fees from previous projects.[325]

Self-Financed Mortgages: NHHFA provides financial support to projects which are not easily supported by other means. As of 1992, $17.5 million in permanent mortgage financing to single family, multifamily, and special housing initiatives was provided under this program.[326]

Low-Income Housing Tax Credit (LIHTC) Program: NHHFA administers the LIHTC program throughout the State. The LIHTC program provides a federal tax credit as an incentive for the development of affordable rental housing for low-income households.[327]

Supportive Services: NHHFA provides supportive services statewide to serve the needs of low-income elderly tenants. The program was initiated in 1988 under a grant

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322. Id.

323. Id.

324. Id.

325. Id.

326. Id.

327. Id.

from the Robert Wood Johnson Foundation. The program offers various services to assist the elderly, including transportation services, assistance with shopping, and assistance with household chores.[328]

NEW JERSEY HOUSING AND MORTGAGE FINANCE AGENCY

The New Jersey Housing and Mortgage Finance Agency (NJHMFA) was established to promote safe and affordable housing by providing low-interest construction and permanent loans for single and multiple unit dwellings. NJHMFA raises its housing finance and operating funds through the sale of taxable and tax-exempt bonds to private investors. No tax dollars are used to fund NJHMFA operations. By statute, the membership of the governing body of NJHMFA consists of the Commissioner of Community Affairs, the State Treasurer, the Attorney General, the Commissioner of Banking, and three private members appointed by the Governor with the advice and consent of the Senate.[329]

Major Programs

Home Buyers Program: Under this program, NJHMFA offers fixed-rate, long-term mortgages at interest rates that are generally one to two percentage points below conventional financing. Loans with down payments as low as 5 percent are available to qualified first-time and urban homebuyers.[330]

Home Ownership for Performing Employees (HOPE) Program: The HOPE program encourages employers to sponsor employees seeking Home Buyers Program loans. By guaranteeing 20 percent of an employee's indebtedness, employers are able to reduce or eliminate the up-front down payment and amortizable closing costs of the employee.[331]

No Down Payment/No Closing Costs Mortgages: This program provides low- to moderate-income families 100 percent financing with no-down payment mortgages and amortization of certain closing costs. The funds are allocated to builders of selected subsidized housing in urban and non-urban areas for low- and moderate-income homebuyers.[332]

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328. Id.

329. New Jersey Housing and Mortgage Finance Agency, State of New Jersey, Annual Report 1990, at 1.

330. Id., at 10.

331. Id.

332. Id., at 11.

Key Real Estate Agent Program: This program provides New Jersey real estate agents and brokers with information on NJHMFA's homeownership financing programs and opportunities.[333]

Nonsubsidized Rental Housing Production Program: Through the sale of taxable and tax-exempt bonds NJHMFA provides private and nonprofit developers with below-market interest rate loans to construct, substantially rehabilitate, and permanently finance rental housing developments. In return for NJHMFA's financing, sponsors are required to reserve a certain portion of the units constructed for low- and moderate-income households.[334]

Low-Income Housing Tax Credit (LIHTC) Program: NJHMFA administers the allocation of federal low-income housing tax credits in New Jersey. The tax credits encourage developers to invest in the construction and maintenance of low-income apartments.[335]

Revolving Loan Program: NJHMFA offers construction and permanent loans at low interest rates to private and nonprofit developers to enhance the feasibility of small and medium-sized rental developments.[336]

Transitional Housing Program: The Transitional Housing Program offers financing out of a $4 million loan fund for the construction of transitional housing for the homeless. Social services are provided to help residents locate employment and permanent housing.[337]

Rental Repair Loan Program: Loans from this program are available for the repair and modernization of existing rental developments.[338]

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333. Id.

334. Id., at 10.

335. Id.

336. Id.

337. Id.

338. Id.

Boarding House Life Safety Improvement Loan Program: This program provides loans to boarding house owners for the installation of fire safety devices, including fire escapes and smoke detectors.[339]

Continuing Care Retirement Communities Program: NJHMFA provides below-market interest rate financing to construct and permanently finance the residential portions of continuing care retirement communities.[340]

Services for Independent Living Program: This program works with rental housing managers to create and implement customized supportive services to meet the needs of aging, in-place tenants. Services may include providing meals, daily living assistance, and transportation.[341]

NEW MEXICO MORTGAGE FINANCING AUTHORITY

The New Mexico Mortgage Financing Authority (MFA) was created by the New Mexico Legislature in 1975 as a public/private enterprise to make safe and decent housing available to New Mexican households with low- to moderate-incomes. MFA is a quasi-government independent body governed by a Board of Director composed of seven members from around the State. The state Attorney General, the Director of Financial Institutions, and the state Treasurer serve by virtue of their offices. The remaining four members are appointed by the Governor. No state tax dollars are appropriated to the agency; all MFA expenses are paid from its own operating revenues.[342]

Major Programs

Single Family Mortgage Loan Program: Through the sale of tax-exempt Mortgage Revenue Bonds, MFA provides below-market interest rate financing to low- and moderate-income first-time homebuyers. MFA purchases qualifying mortgage loans that are made through 34 participating lenders. Over 20,000 mortgage loans have been purchased since 1976.[343]

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339. Id.

340. Id., at 11.

341. Id.

342. New Mexico Finance Authority, State of New Mexico, Annual Report 1992, at 1.

343. Id.

HELP Program: MFA provides down payment and closing cost assistance to individuals of low and very low incomes who are seeking FHA mortgage loan financing under MFA's Single Family Mortgage Loan Program.[344]

Multifamily/Rental Housing Programs: Through the issuance of tax-exempt bonds, MFA provides financing for multifamily apartment construction to owners who have agreed to make a certain proportion of the apartments developed available to low- and moderate-income tenants. MFA has provided financing for 14 projects under this program.[345]

Nonprofit Incubator Program: MFA provides office space, equipment, administrative staff, and support services to start-up nonprofit organizations with housing related objectives.[346]

"Partners" Program: This program allows MFA to purchase zero-interest mortgage loans held by nonprofit organizations that provide housing to households with incomes at 50 percent or less of the area median income. Purchase of the mortgages by MFA supports nonprofit housing development by enabling the nonprofit organization to finance new affordable housing through the proceeds of the sale.[347]

Resolution Trust Corporation (RTC) Clearinghouse and Technical Assistance Program: MFA serves as the RTC Clearinghouse for the State of New Mexico. The RTC was established by Congress to address the liquidity problems of insolvent savings and loan institutions and is required to make qualifying residential properties available for low-income housing. MFA disseminates information on RTC properties to interested parties in New Mexico.[348]

Real Estate Training Program: The real estate agent training program developed and sponsored by MFA is offered to licensed real estate agents throughout the State. The program covers the importance of first-time homebuyers to the housing market.[349]

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344. Id.

345. Id.

346. Id., at 2.

347. Id.

348. Id.

349. Id.

Section 8 Assisted Housing: The MFA Section 8 program issues Federal Housing Administration Insured Section 8 Assisted Mortgage Revenue Bonds to provide permanent financing for multifamily housing projects. MFA is also the contract administrator for HUD's Housing Assistance Payment (HAP) contracts on subsidized tenant rents.[350]

NEW YORK STATE HOUSING FINANCE AGENCY

The New York State Housing Finance Agency (NYSHFA) was created as a corporate governmental agency constituted as a public benefit corporation in 1960 to finance the development of low- to middle-income housing through the sale of securities. Over the years, NYSHFA's mandate was expanded to include university facilities, nonprofit hospitals, nursing homes, municipal health facilities, and community-related projects.

The agency consists of four units: the Housing Project Financing Unit; the Housing Portfolio Management Unit; the Technical Services Unit; and the Affordable Housing Unit. The Housing Project Financing Unit processes project applications from initiation through bond and mortgage closings. The Portfolio Management Unit is geared toward maintaining the highest possible ratings for the agency's outstanding bonds. The Technical Services Unit conducts environmental impact studies and reviews construction progress and all plans submitted to the agency. The Affordable Housing Unit implements the Affordable Homeownership Development Program.

NYSHFA finances most of its activities through the issuance of notes and bonds. Moral obligation debt is not a debt or liability of the State. In the event of a deficiency in the debt service and capital reserve funds established by bond resolutions, the State is obliged to consider, annually, providing funds to restore the reserve funds to the required level. The State is not legally required to provide such funding.

NYSHFA policies are established by a panel of seven NYSHFA members. Three members serve by virtue of the positions they hold within the State Administration and four members are appointed from the private sector by the Governor. The board appoints an executive director to oversee the day-to-day administration of the agency.[351]

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350. Id.

351. New York State Housing Finance Agency, New York, Annual Report 1986, at 38.

Major Programs

General Housing Program, Nonprofit Housing Program, and Urban Rental Housing Program: These programs were utilized to finance rental units developed under limited-profit housing companies as well as cooperative housing undertaken by nonprofit mutual housing companies. In addition these programs were also used to finance special purpose accommodations for the elderly, the handicapped, children, and students at colleges and universities. These programs are no longer active in new financings--the agency has shifted its focus to project management.[352]

Revenue Bond Section 8 Assisted Program: This program was established to provide permanent financing for new construction and substantial rehabilitation of projects assisted under the Section 8 Housing Assistance Payments Program. Debt service on housing bonds for Section 8 subsidized projects are payable from all payments received for the mortgagor and the Housing Assistance Payments contract with HUD. In addition a debt service reserve fund is maintained for each project sponsored by this program.[353]

Federally-Insured Mortgage Programs: These programs provide construction or mortgage loans for projects whose mortgages are federally insured. Among the security provisions for bonds under this program is coverage in the form of a mortgage reserve fund for the 1 percent assignment fee and the loss of 30 days' interest should the mortgagor default and be assigned to the Federal Housing Administration.[354]

Construction Loan Note Program: This program was designed to operate in conjunction with the Government National Mortgage Association Special Assistance Program No. 25. Permanent financing was provided through the purchase of mortgages by GNMA. This program is no longer active.[355]

Secured Loan Rental Housing Program: This program provides eligible developers with the financing to construct or rehabilitate multifamily rental housing projects. Developers must make 20 percent of the units in a development available to tenants whose incomes do not exceed 50 percent of the area median income, or 40 percent of the units to tenants earning 60 percent of the median income. The program provides flexible financing that can be adapted to an individual project's needs--either through

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352. Id., at 17.

353. Id., at 18.

354. Id.

355. Id.

direct mortgage loans to a developer or indirectly through a loans-to-lenders structure where bond proceeds are loaned to qualified financial institutions.[356]

State University Construction: The New York State University system includes 34 campuses. NYSHFA has played a major role in financing the acquisition, construction, and rehabilitation of university facilities. This is NYSHFA's largest financing program.[357]

Hospital and Nursing Home Program: Under this program NYSHFA is authorized to provide assistance to nonprofit nursing homes and nonprofit housing corporations.[358]

Mental Hygiene Improvement Program: NYSHFA was authorized in 1963 to finance medical, educational, and support facilities for the care and treatment of patients with mental health problems.[359]

Health Facilities: NYSHFA was authorized in 1968 to finance the construction or rehabilitation of health facilities for cities or counties that constitute social service districts.[360]

Community Related Loans: Under this program, NYSHFA provides loans to nonprofit corporations for the construction of facilities for the treatment, training, and education of mentally retarded patients.[361]

NEW YORK STATE DIVISION OF HOUSING AND COMMUNITY RENEWAL

The loss of more than $7 billion in federal housing assistance by the State of New York between 1980 and 1988 led to the establishment of a highly prominent role for the New York State Division of Housing and Community Renewal (DHCR) in the field of assisted

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356. Id., at 20.

357. Id.

358. Id.

359. Id., at 22.

360. Id.

361. Id.

housing in New York. Throughout the 1980s, DHCR began to develop and administer new housing programs to assist not-for-profit organizations.[362]

Major Programs

Low-Income Housing Trust Fund Program: *The Housing Trust Fund Corporation was* created in 1985 as a public benefit corporation to administer the Low-Income Housing Trust Fund. The fund receives yearly appropriations to stimulate the development of affordable housing for low income persons by making improvements to under-utilized or vacant buildings. The fund provides grants and loans to subsidize the cost of existing housing rehabilitation.[363]

Housing Development Fund: Created in 1966, the Housing Development Fund is a $10 million revolving loan fund that provides interest-free advances to not-for-profit sponsors developing housing with private or government-aided mortgages. The fund allocated $2.7 million in loans in 1988.[364]

Rental Rehabilitation Program: Under this program HUD provides up to $5,000 per unit to subsidize up to 50 percent of the cost of moderate rehabilitation in low-income neighborhoods. The grants are accompanied with federal rental assistance funds to tenants. This program enables owners to repair their properties and tenants to afford their apartments.[365]

Neighborhood Preservation Companies Program: *This program was established in* 1977 to enable DHCR to contract the services of neighborhood nonprofit organizations that perform neighborhood preservation and community renewal activities. DHCR enters into one year contracts with eligible neighborhood preservation organizations. DHCR grants are limited to $100,000 per annum. The funds allocated under this program must be utilized for administrative and planning costs only.[366]

Neighborhood Redevelopment Demonstration Program: Recipients of NRDP awards are selected by the state Senate and Assembly. DHCR is responsible for approving workplans and monitoring the progress of each project. Program funds may be

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362. Division of Housing and Community Renewal, State of New York, Annual Report 1987-1988, page (iii).

363. Id., at 10.

364. Id., at 12.

365. Id., at 13.

366. Id., at 14.

expended for a broad range of neighborhood preservation activities including planning, administration, and project costs. The program allocated $5,574,200 to 132 organizations in 1988.[367]

Urban Initiatives: This program was established in 1980 to support community based nonprofit organizations involved in the acquisition, construction, upgrading, or demolition of housing for low-income tenants. In 1988, 53 awards were given out to qualified nonprofit organizations.[368]

Clinton Preservation Fund: This fund was established in 1985 to prevent residential and commercial displacement and promote low- and moderate-income housing development in the neighborhood of Clinton. The fund is supplemented with an appropriation of $2.5 million per year.[369]

Neighborhood Park Land Acquisition Program: DHCR administers this program in partnership with the New York State Office of Parks and Recreation. This program provides 75 percent of the cost of acquiring open land within or near densely populated areas. Funds are allocated to communities to acquire park land.[370]

Rural Preservation Program: Established in 1980, this program provides funds to local nonprofit housing organizations engaging in a variety of activities for the benefit of low- to moderate-income residents. Funds may be utilized for housing development, housing rehabilitation, housing management, tenant counseling, surveys and planning, commercial revitalization, and technical assistance.[371]

Rural Revitalization Program: Established in 1983, this program provides funds to housing organizations for the new construction or revitalization of rural housing for low- to moderate-income tenants. In 1988, the program allocated funds to 37 local organizations for the rehabilitation of communities.[372]

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367. Id., at 16.

368. Id., at 17.

369. Id., at 18.

370. Id.

371. Id., at 19.

372. Id., at 21.

Rural Rental Assistance Program: This program provides direct rent subsidies to multifamily housing owners providing housing for low-income families and elderly tenants. Only Farmers Home Administration-financed housing projects are eligible for participation in the program. The program makes monthly payments to the owner on behalf of qualified tenants.[373]

Rural Aging Services Partnership: This program began in 1980 as a model project funded by the federal Administration on Aging to improve elderly housing. The program is designed to improve the condition of elderly housing in rural areas by utilizing existing resources in an more efficient manner while simultaneously developing new initiatives to address gaps in housing services. Funds are allocated to Rural Preservation Companies who sponsor elderly housing projects.[374]

Special Needs Housing Demonstration Program: This program offers matching funds to nonprofit organizations for the reconstruction, rehabilitation, or improvement of single-room occupancy rental housing for mentally ill, homeless, and low-income tenants. Eligible projects must maintain their status as single-room occupancy housing for a period of seven years.[375]

H.E.L.P.: This program was created to provide homeless families with safe and decent transitional housing and on-site support services. Private sector organizations own, build, and operate the housing projects, while the government provides the financing and land. Units developed under the program include basic accommodations for a maximum of four persons per unit and are designed with security in mind. According to the program, the cost of newly-constructed housing stock is less than the cost of a welfare hotel.[376]

RESTORE: RESTORE funds may be utilized to pay for the cost of repairs necessary to eliminate hazardous conditions in homes owned by elderly recipients. Nonprofit and municipal sponsors must submit plans and details describing their individual programs and objectives. Homeowners eligible for assistance under any local RESTORE project must be 60 years of age or older. The cost of renovation must not exceed $5,000 per unit.[377]

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373. Id., at 22.

374. Id., at 23.

375. Id., at 24.

376. Id., at 25.

377. Id., at 28.

HOST: This is a demonstration program that provides grants to nonprofit organizations to plan and promote innovative elderly housing projects, including match-up homesharing, counseling, accessory apartments, home equity conversion, and supportive services housing packages. Grants are limited to $20,000. DHCR staff monitors contract compliance.[378]

Tenant Subsidies: DHCR administers two programs under the auspices of HUD: (1) the Section 8 Existing Housing Program; and (2) the Section 8 Moderate Rehabilitation Program.[379]

NORTH CAROLINA HOUSING FINANCE AGENCY

The North Carolina Housing Finance Agency (NCHFA) is a body politic and corporate constituting a public agency and self-supporting component unit of the State of North Carolina. Established by the General Assembly in 1973, NCHFA sells tax-exempt bonds, administers tax credit programs, and manages the State's Housing Trust Fund. NCHFA is authorized to purchase mortgage and construction loans to promote the financing of single family and multifamily housing for residents of the State earning low to moderate incomes.

The NCHFA is governed by a thirteen-member Board of Directors. The directors are appointed by the Governor and the General Assembly.[380]

Major Programs

First-time Buyer Program: NCHFA offers a range of programs to reduce the home purchase costs of low- to moderate-income families, including:[381]

(1) Low-cost home mortgages at below-market rate interest;

(2) Mortgage Credit Certificates that provide credit for up to 25 percent of the mortgage interest paid each year;

(3) Down payment assistance; and

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378. Id., at 29

379. Id., at 32.

380. North Carolina Housing Finance Agency, State of North Carolina, Report on Achievements, at 1.

381. Id.

(4) Employer-assisted down payment and closing cost assistance.

Home Ownership Challenge Fund: This fund supports local sponsors who develop affordable housing for families whose incomes are too low to qualify under other programs. The program provides moneys for mortgage funds and down payment assistance.[382]

Expanded Mortgage Program: This new program provides first-time homebuyers and lenders with more flexibility by including conventional mortgages and VA and FmHA-guaranteed mortgages, in addition to FHA-insured mortgages.[383]

Maxwell-Fuller Fund: This fund assists self-help housing programs through the issuance of self-help housing construction loans. The fund consists of private funds and matching NCHFA contributions.[384]

HOPE for Low-Income Buyers (HOPE 3): NCHFA obtained a grant under HUD's HOPE 3 program to develop a plan to enable low-income, first-time homebuyers to purchase government-owned housing.[385]

Rural Housing Initiatives: This program provides low-income buyers with a Mortgage Credit Certificate, a second mortgage from the Housing Trust Fund, and financing under the FmHA guaranteed loan program.[386]

Low-Income Housing Tax Credit (LIHTC) Program: The LIHTC program provides tax incentives to developers to build low-income rental housing. By conforming to federal rent guidelines, developers use the tax credits to recover 30 to 70 percent of their costs.[387]

Catalyst Program: NCHFA established the Catalyst Program to provide loans to nonprofit developers to pay for the front-end costs of producing rental housing.[388]

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382. Id.

383. Id.

384. Id.

385. Id., at 3.

386. Id.

387. Id.

388. Id., at 1.

Housing Management Programs: Under the category of housing management, the agency:[389]

(1) Administers HUD rental subsidy contracts for apartments occupied by families with very low incomes;

(2) Provides its own rent subsidies of $100 per month to qualified recipients;

(3) Monitors apartments previously financed by NCHFA; and

(4) Monitors approximately 1,000 rental units owned by the Resolution Trust Corporation.

Housing Trust Fund: The Housing Trust Fund was created by the General Assembly in 1987 to provide local governments, nonprofit organizations, and private developers with a resource to finance the construction and rehabilitation of housing for households with incomes less than 50 percent of the local median. The fund consists of state and federal appropriations and $27.5 million in oil overcharge funds.[390]

Elderly Housing Services: This program provides loans to pay for the predevelopment costs of building housing with support services for the elderly.[391]

Grants for "Aging in Place": NCHFA was awarded a grant of $75,000 from the Robert Wood Johnson Foundation to provide community services for the elderly in rent-assisted apartment developments.[392]

Deposits for the Homeless: This program consists of a revolving fund to provide loans to homeless persons to cover rental security and utility deposits.[393]

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389. Id., at 2.

390. Id.

391. Id., at 3.

392. Id.

393. Id.

NORTH DAKOTA HOUSING FINANCE AGENCY

The North Dakota Housing Finance Agency (NDHFA) was created in 1980 by an initiated measure. NDHFA is authorized to make mortgage and construction loans to housing sponsors; make loans to mortgage lenders; purchase mortgage loans from qualified lenders; and administer assistance and subsidies under programs of the federal government. As a self-supporting agency, NDHFA is authorized to issue bonds and notes to carry out its mandated duties. The bonds and notes issued by NDHFA are not an obligation of the State of North Dakota. The agency is governed by the NDHFA Advisory Board which is comprised of eight members.[394]

Major Programs

Single Family Program: The Single Family Program provides low-interest loans through participating lenders to low- and moderate-income first-time homebuyers in North Dakota. As of 1988, NDHFA financing enabled more than 5,000 families in North Dakota to purchase their first homes.[395]

Housing Assistance Program: NDHFA provides rental assistance to very low-income families through the federally-subsidized Section 8 Certificate and Voucher Programs.[396]

Moderate Rehabilitation (Mod-Rehab) Program: The Mod-Rehab program was designed to renovate substandard existing single and multifamily rental housing and provide rental subsidies to low-income, elderly, handicapped, and disabled residents.[397]

Low-Income Housing Tax Credit (LIHTC) Program: The LIHTC program uses federal tax credits as an incentive for developers to produce and preserve rental housing for low-income households. NDHFA reported minimal utilization of the program in 1988.[398]

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394. North Dakota Housing Finance Agency, State of North Dakota, 1988 Annual Report, at 14.

395. Id., at 6.

396. Id., at 7.

397. Id., at 8.

398. Id., at 9.

OHIO HOUSING FINANCE AGENCY

The Ohio Housing Finance Agency (OHFA) was created in 1983 by Amended Substitute House Bill No. 1, Chapter 175 of the Ohio Revised Code. OHFA works in cooperation with private industry and local communities to provide financing for the acquisition, construction, and rehabilitation of owner occupied, single and multifamily housing projects for low- to moderate-income households in Ohio. The powers of OHFA are vested in its nine member Board of Directors. The Director of the Ohio Department of Development serves as the ex-officio Chairperson of the Board. The Director of the Ohio Department of Commerce serves as an ex-officio member. The remaining seven public members of the Board are appointed by the Governor for six year terms.[399]

Major Programs

Mortgage Revenue Bond Program: The federal mortgage revenue bond program represents the foundation of OHFA's homeownership programs. By issuing tax-exempt bonds, OHFA reduces mortgage costs for first-time homebuyers who would otherwise be unable to purchase their own homes. In 1992, OHFA issued more than 3,000 loans with interest rates as low as 7 5/8 percent.[400]

Down Payment Assistance Program: The Down Payment Assistance Program was created in 1992 to address the problem of down payment and closing costs for first-time homebuyers. The program provides up to $2500 per qualified applicant to help with closing costs and down payment.[401]

Section 8 New Construction and Substantial Rehabilitation Programs: OHFA is the Contract Administrator for 199 Section 8 new or substantially rehabilitated housing projects. These projects consist of approximately 9,000 units of housing and provide shelter for more than 20,000 residents. OHFA is responsible for the disbursement of approximately $5 million in subsidy payments per month on behalf of low-income tenants.[402]

Low-Income Housing Tax Credit (LIHTC) Program: The LIHTC program was created by the federal Tax Reform Act of 1986 and allows owners of qualified housing projects to take a direct federal tax credit each year for a period of ten years. OHFA financially

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399. Ohio Housing Finance Agency, State of Ohio. 1992 Annual Report, at 22.

400. Id., at 7.

401. Id.

402. Id., at 8.

underwrites the applications for tax credits and annually reports specifics to the Internal Revenue Service.[403]

Seed Money Loan Program: Seed money loans are interest-bearing loans made to nonprofit applicants for low- and moderate-income housing developments. These loans, which are usually used to pay for property acquisition or predevelopment costs, generally range from $29,000 to $359,000 and typically run for 12 months. In 1992, OHFA made $634,700 in seed money loans which resulted in the development of 46 units.[404]

Development Loan Program: The Development Loan Program provides low-interest construction and interim development financing for new construction and rehabilitation of rental and homeownership housing. The loans are available to nonprofits and limited for-profit applicants. In 1992, OHFA closed 19 loans and funded $13.7 million in development loans. Funds for this program are provided through the State's unclaimed funds and through the federal HOME program.[405]

Multifamily Rental Development Program: This program began in 1983 and focuses on financing multifamily elderly housing through the issuance and sale of tax-exempt development bonds. In 1992, OHFA issued $2,300,000 in multifamily bonds, which resulted in the creation of 68 units.[406]

Loan Guarantee Program: Guarantees under this program can be applied to loans that provide for low- to moderate-income housing developments or for loans that finance the construction of housing for the elderly. Guarantees are for an amount equal to 20 percent of the loan or $500,000, whichever is less.[407]

Rental Housing Gap Financing Program: The funds of this program are directed to nonprofit organizations that develop housing for the elderly, large families, low- and very low-income households, homeless persons, and physically or mentally challenged individuals. In 1992, $750,000 was provided for the creation of 473 units under this program.[408]

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403. Id., at 9.

404. Id.

405. Id., at 10.

406. Id.

407. Id.

408. Id.

OKLAHOMA HOUSING FINANCE AGENCY

The Oklahoma Housing Finance Agency (OHFA) was created in 1976 as a state beneficial trust dedicated to addressing the critical housing needs of low-income families in Oklahoma. The business affairs of the agency are directed by a five member Board of Trustees. The members of the Board are appointed by the Governor for five year terms. The Governor also designates the Chairperson of the Board.[409]

Major Programs

Mortgage Revenue Bond Program: Since its inception in 1980, the program has issued 54 series of single and multifamily bonds and notes in an aggregate principal amount of $1,392,820,482. As of 1991, the program provided a total of 22,000 mortgage loans to first-time homebuyers. In addition, the agency has financed the construction or acquisition of 37 multifamily rental projects for low- to moderate-income tenants.[410]

Low-Income Housing Tax Credit (LIHTC) program: The federal LIHTC program was created by the Tax Reform Act of 1986 and amended by the Budget Reconciliation Act of 1989. The purpose of the program is to encourage and assist in the creation and preservation of affordable housing for low-income households by making a tax credit available to investors in low-income housing. The dollar-for-dollar tax liability reduction is available to investors for a period of ten years, provided that the project remains in compliance with the requirements of the program. Since 1987, a total of $9,130,639 was allocated by LIHTC the program, making more than 6,000 rental units available low-income tenants in Oklahoma.[411]

Section 8 Housing Subsidy Program: The Leasing Department of OHFA administers the federal Section 8 Program for the State of Oklahoma. In 1991, the program assisted 7,894 family units with incomes 50 percent below the median in the counties in which they live. Other programs under the Leasing Department include Certificates and Vouchers, Moderate Rehabilitation, Rental Rehabilitation, Substantial Rehabilitation, and New Construction.[412]

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409. Oklahoma housing Finance Agency, State of Oklahoma, Making Housing Happen, 1991 Annual Report, at 10.

410. Id., at 6

411. Id.

412. Id., at 7.

Homeless Program: OHFA sends out bulletins to more than 500 homeless providers throughout the Oklahoma to inform these organizations of the services and financial assistance available through its homeless program.[413]

Clearinghouse for the Resolution Trust Corporation: Since July 1990, OHFA has functioned as an information clearinghouse and state technical advisor to the federal Resolution Trust Corporation. OHFA disseminates property information to nonprofit organizations, public agencies, low- to moderate-income households, and eligible multifamily housing purchasers.[414]

Comprehensive Housing Affordability Strategy (CHAS): The CHAS is a comprehensive planning document required by Title I of the National Affordability Housing Act. Under the law, states are required to identify their housing needs and develop a five-year strategy to address those needs. Future federal funds are dependent on these documents.[415]

OREGON HOUSING AND COMMUNITY SERVICES DEPARTMENT

The Oregon Housing and Community Services Department (OHCSD) was established in August 1991 to function as an independent department within the State's executive branch. The mission of the newly created agency is to integrate the operations of a state housing finance agency and a state pass-through agency for the administration of federal anti-poverty assistance. The guiding philosophy of the department is "to work in partnership with community-based organizations to develop affordable housing, provide services that alleviate the causes of poverty, and empower Oregonians." The goal of OHCSD is to increase the capacity of developers, service providers, individuals, and families to more efficiently utilize scarce resources for the development of critically needed housing and to provide linkages to allow low-income Oregonians to achieve self-sufficiency. OHCSD is organized into three divisions: the Administrative Services Division; the Housing Division; and the Community Services Division.

OHCSD is governed by the State Housing Council. The Council is made up of seven members who are nominated by the governor for staggered terms. The members of the Council are subject to senate confirmation and serve on a voluntary basis. The powers and duties of the Council include: developing policies to increase the supply of housing for low-

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413. Id.

414. Id., at 8

415. Id.

income families and individuals; reviewing OHCSD loans and grants in excess of $100,000; advising the governor, the assembly, state agencies, and local governments on matters pertaining to housing; and adopting the rules necessary to administer and enforce the programs of the department.[416]

Major Programs

Architectural Consultation: OHCSD provides professional consultation to community development corporations and other nonprofit developers in the early development phase of new affordable housing projects where funds are unavailable to hire private consultants. The services include: surveys; site selection; cost estimation; conceptual architectural design; and feasibility analysis.[417]

Mobile Home Park Ombudsman Program: This program was established to help mobile home park tenants and landlords resolve problems and concerns pertaining to their living situations. The program offers various mediation and dispute resolution services as alternatives to litigation.[418]

Housing Trust Fund Program: This program was established by the 1991 legislature to provide $6.5 million in funds to expand the state's supply of housing for low- and very low-income families and individuals. Nonprofit and for-profit organizations are eligible to apply for funds which may be used for new housing construction, acquisition, or rehabilitation. Preference is given to projects which provide ancillary social services along with affordable housing.[419]

Housing Loan Guarantee Program: This program was established by the 1991 Legislature to provide loan guarantees to housing developers who construct new housing or acquire and rehabilitate existing structures for low- and very low-income families and individuals. Loan guarantees are authorized for up to 25 percent of the original principal balance of the loan. Preference is given to projects that make the longest possible commitments to utilize the units constructed for low-income housing and pledge to provide certain basic social services.[420]

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416. Oregon Housing and Community Services Department, State of Oregon, (Financial Statements section), 1992 Annual Report, at 8.

417. Id., at 8.

418. Id.

419. Id., at 10.

420. Id.

Low-Income Housing Tax Credit Program (LIHTC): OHCSD is the agency responsible for the administration of the federal LIHTC program in Oregon. The LIHTC program provides federal low-income tax credits to developers who construct, rehabilitate, or acquire qualified low-income rental housing.[421]

Oregon Lender's Tax Credit Program: This program provides a tax credit equal to 4 percent of the interest charged on a loan for affordable housing when a lender reduces the interest rate by 4 percent. Applications must demonstrate the benefit of the tax credit will result in lowered housing costs to low-income tenants.[422]

HELP Program: The HELP program is a loan/grant fund which provides financial assistance to projects that offer housing to very low-income families and individuals. Funds for the help program are provided by HUD under the Stewart B. McKinney Homeless Assistance Act.[423]

Mobile Home Park Purchase Program: This program provides technical and financial assistance to mobile home park tenants to purchase their parks. A loan of up to $20,000 is available to parks with a purchase association representing at least 51 percent of the units. The money is designated for initial costs such as appraisal fees and legal costs. The 1991 legislature granted OHCSD the authority to sell revenue bonds to finance park acquisitions.[424]

Opportunity Purchase Account: Pursuant to the provisions of a $2 million appropriation from Congress, OHCSD allocates equal amounts of the program's funds to Oregon's twenty-one local housing authorities for the acquisition of land for the future development of affordable housing. The program ensures that once the land is secured, any increase in the value of the lands will not affect the affordability of the housing to be constructed. This provides local housing authorities with additional time to develop plans for any given site.[425]

Oregon Rural Rehabilitation Loan Program: This program is supported by a $400,000 loan fund dedicated exclusively to the support of farmworker housing development.

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421. Id., at 11.

422. Id.

423. Id., at 12.

424. Id.

425. Id.

The program offers loans of up to $100,000 to commercial as well as nonprofit sponsors.[426]

Elderly and Disabled Housing Program: By issuing tax-exempt general obligation bonds, this program makes below-market interest rate permanent mortgage loans to developers for new construction, rehabilitation, and acquisition of rental housing for elderly and disabled tenants. Projects financed under the program include apartment units, congregate care units, residential care facilities, assisted living facilities for elderly persons, and group care facilities for mentally and physically disabled persons.[427]

Seed Money Advance Loan Program: This program provides loans to nonprofit and commercial sponsors to pay for recoverable preconstruction costs before construction loan proceeds become available.[428]

Mortgage Credit Certificate Program: This program offers certificates which qualify eligible homebuyers for a federal tax credit for interest paid on home loans. The credit provides the homebuyer with disposable income to qualify for a mortgage loan and apply to monthly mortgage payments. The annual tax credit, which is a dollar-for-dollar reduction in tax liability, is equal to 20 percent of the annual interest the homebuyer pays on a mortgage loan. The remaining 80 percent of the interest paid continues to be tax deductible. The credit is effective for the life of the loan.[429]

Single Family Mortgage Program: This program offers below-market interest rate mortgages from the proceeds of tax-exempt Mortgage Revenue Bonds. Participating lending institutions from around the state originate and approve mortgage loans at a rate of interest determined when the bonds are sold. The program makes initial costs more manageable to first-time homebuyers by offering long-term, thirty-year fixed-rate loans with a low down payment.[430]

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426. Id.

427. Id., at 13.

428. Id.

429. Id., at 14.

430. Id.

Multi-unit Rental Housing Loan Program: This program permits the OHCSD to issue tax-exempt bonds to finance the development of qualified low-income rental housing complexes.[431]

PENNSYLVANIA HOUSING FINANCE AGENCY

The Pennsylvania Housing Finance Agency (PHFA) was created in 1972 by the Pennsylvania General Assembly to fund home mortgage loans, prevent foreclosures, develop supportive services, and subsidize housing for low- to moderate-income families and individuals and those with special housing needs. In 1992, PHFA estimated that 2,400,000 residents--approximately 20 percent of the State's population--live in unsafe or inadequate housing.[432]

Major Programs

Single Family Homeownership Program: This program offers fixed-rate, below-market interest rate financing to low-income, first-time homebuyers. The program is funded out of the proceeds of the sale of tax-exempt Mortgage Revenue Bonds. The average annual income of borrowers in 1990 was $24,177.[433]

Closing Cost Assistance Program: This program provides subsidies of up to $2,500 to pay for front-end fees. The subsidy is forgiven after the family has lived in the house for five years.[434]

Homeowners' Emergency Mortgage Assistance Program: The Pennsylvania Legislature created a foreclosure abatement program in 1983. Since its inception, the program has been credited with saving the homes of 12,900 families. The program reports that over $22 million has been repaid by homeowners who have received assistance from the program.[435]

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431. Id., at 15.

432. Our First Twenty Years, Pennsylvania Housing Finance Agency, State of Pennsylvania, 1992 Annual Report, at 1.

433. NCSHA Catalogue, Vol. 1.

434. Id.

435. Id.

Housing Opportunities Make Economic Sense (HOMES) Program: The HOMES program was initiated in 1987 as a demonstration program to assist the homeless. The program provides developers of multifamily housing with permanent financing for the construction or rehabilitation of rental apartments for very low-income, low-income, and moderate-income families, the elderly, and the handicapped. As of 1990, 3,171 multifamily, single room occupancy, shared housing, and personal care units were financed under the program.[436]

Lower Income Homeownership Program: This program provides below-market interest rate financing, below-market rate origination fees, and closing cost assistance to low-income first-time homebuyers for the purchase of single-family homes. The loan is a thirty-year, fixed-rate mortgage with an interest rate of approximately 8 percent.[437]

Low-Income Housing Tax Credit (LIHTC) Program: PHFA administers the federal LIHTC program which provides tax incentives to developers for the development and preservation of low-income rental housing. Each dollar of the tax credit reduces the amount of income tax owed by the recipient by one dollar. The demand for tax credits in 1990 far exceeded the $15 million authorized by the U.S. Treasury for Pennsylvania.[438]

Multifamily Initiative Program: This program focuses on the development of very-low, low-, and moderate-income multifamily projects by combining the advantages of various PHFA programs.[439]

RHODE ISLAND HOUSING AND MORTGAGE FINANCE CORPORATION

The Rhode Island Housing and Mortgage Finance Corporation (RIHMFC) was created in 1973 by the Rhode Island General Assembly. The purpose of RIHMFC is to assist low- to moderate-income residents of Rhode Island who are unable to acquire or maintain affordable housing from the private sector without the benefit of public intervention or subsidy. RIHMFC is a self-sufficient public corporation that does not directly receive any tax dollars to finance its operations. Funding is derived primarily through the sale of tax-exempt and taxable bonds. RIHMFC is governed by a seven member Board of Commissioners.[440]

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436. Id.

437. Id.

438. Id., Vol. 2.

439. Id.

440. Rhode Island Housing and Mortgage Finance Corporation, State of Rhode Island, Financial Statements, June 30 1992, at 20.

Major Programs

First Homes: Qualified first-time buyers of housing that meet certain price guidelines are eligible to apply for assistance under this program, including low-interest mortgages, second mortgages, and equity rebate cash grants to help with purchase costs.[441]

Accessory Apartments: This program offers low-interest loans for qualified low- and moderate-income owners of single family homes to create a separate apartment unit in their homes.[442]

Buy It/Fix It: This program enables qualified buyers to combine the cost of buying or refinancing an older home and the cost of making substantial repairs into a single, low-interest mortgage.[443]

Home Equity Conversion Mortgages Program: This program provides reverse mortgages to qualified homeowners age 62 or older. The program allows homeowners to borrow against the value of their homes without repayment until they move, sell, or transfer the ownership of the property. This arrangement enables older homeowners to remain in and retain ownership of their homes, while using its equity to provide funds for repairs and living expenses.[444]

Home Repair Program: The Home Repair Program enables qualified single family homeowners to borrow up to $15,000 to pay for substantial, needed repairs.[445]

Mortgage Credit Certificate (MCC) Program: This program provides a tax credit to qualified first-time homebuyers. MCCs increase a buyer's monthly take-home pay by reducing their federal income taxes.[446]

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441. Rhode Island Housing and Mortgage Finance Corporation, State of Rhode Island, Opening More Doors For More People, 1992 Annual Report, at 22.

442. Id.

443. Id.

444. Id.

445. Id.

446. Id.

Rhode Island Builders Construction Loan Program: This program provides short-term construction financing to builders of presold, affordable single family homes.[447]

Construction Loan Program: This program offers low-interest loans of up to 100 percent to qualified nonprofit organizations or government authorities to build or rehabilitate affordable housing for sale or rent to low- and moderate-income households.[448]

Cooperative Housing Demonstration Program: This program offers funding packages to qualified nonprofit organizations to create cooperative housing. The funding package combines conventional financing with second mortgages, shared loans, predevelopment funds and repayment/replacement reserve guarantees.[449]

Rental Housing Production and Rehabilitation Program: This program provides financing to both nonprofit and for-profit organizations that build or renovate affordable multifamily rental housing.[450]

Low-Income Housing Tax Credits (LIHTC) Program: RIHMFC administers the federal LIHTC program in the State of Rhode Island. The program provides tax credits to nonprofit and commercial developers to stimulate the creation and preservation of affordable housing.[451]

Predevelopment Loans: This program provides short-term loans to qualified nonprofit developers to cover preclosing costs incurred in determining development feasibility and obtaining site control.[452]

Land Bank: This program provides low-cost, 100 percent financing to nonprofit sponsors, private developers, and government authorities to purchase or refinance undeveloped land for eventual use in building affordable housing for sale or rental.

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447. Id.

448. Id., at 20

449. Id.

450. Id.

451. Id.

452. Id.

Rhode Island Housing Development Corporation (RIHDC): The RIHDC is a subsidiary of RIHMFC that enters into joint ventures with nonprofit organizations, government authorities, and private entities to develop affordable rental housing and cooperative housing. RIHDC also protects the affordability of subsidized housing by acquiring units that may be at risk of converting to market rate.[453]

Rhode Island Housing Equity Pool: The equity pool is a $5 million limited partnership formed by the Rhode Island Housing Equity Corporation (a subsidiary of RIHMFC) and various private corporate investors to purchase Low-Income Housing Tax Credits from developers of affordable rental housing.[454]

Building IX: This program provides funding assistance for the renovation of a facility that provides emergency shelter, transitional housing, social services, and counseling for approximately 100 homeless families and individuals.[455]

Design Rhode Island: This program provides affordable housing design assistance--free of charge--to nonprofit developers. Homes built from these plans must be sold within a ceiling price established for each community.[456]

Emergency Housing Assistance: This program allocates funds through the various community action programs of the State to qualified households facing temporary housing problems.[457]

Employer Assisted Housing: This program provides technical support to private employers to combine their resources with existing RIHMFC programs to provide affordable housing for their employees.[458]

Housing Research Grants: This program issues grants to organizations to fund special studies or research projects related to affordable housing.[459]

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453. Id.

454. Id.

455. Id., at 21.

456. Id.

457. Id.

458. Id.

459. Id.

Lawyers Clearinghouse: This program (which is co-sponsored by the Rhode Island Bar Association) refers nonprofit affordable housing organizations in need of legal assistance to attorneys willing to provide pro bono legal services.[460]

Partners-In-Housing Awards: This program issues annual awards in recognition of achievements in affordable housing development.[461]

Research Agenda Program: This program compiles information with regard to affordable housing. The program also conducts special research projects.[462]

Statewide Housing Action Coalition: RIHMFC administers this coalition which is an alliance of organizations representing children, families, the elderly, the disabled, the homeless, and lower income households. The coalition supports legislation and policies beneficial to affordable housing.[463]

Foundations of Senior Health Program: This program links residents of RIHMFC rental developments with transportation, health care, and other support services.[464]

Technical Assistance Support Program: This program provides assistance to communities, individuals, and organization to strengthen their capacities to facilitate the development of affordable housing.[465]

SOUTH CAROLINA STATE HOUSING FINANCE AND DEVELOPMENT AUTHORITY

The South Carolina State Housing Finance and Development Authority (HFDA) administers the affordable housing finance and development programs for the State of South Carolina.[466]

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460. Id.

461. Id.

462. Id.

463. Id.

464. Id.

465. Id.

466. NCSHA Catalogue, Vol. 1.

Major Programs

Homeownership Mortgage Purchase Program: This program provides below-market interest rate mortgage financing to low- and moderate-income families and individuals for the purchase of new or existing single-family detached homes anywhere in the State. The mortgages have fixed rates and repayment can be for periods ranging from 15 to 30 years. In 1991, the program allocated $87,590,895 in loans to 1,591 homebuyers.[467]

Community Homeownership Opportunity Partnership Program: This program assists communities in making homeownership a possibility for local residents. In conjunction with community contributions, HFDA provides below-market interest rate financing to qualified borrowers in target neighborhoods. Securing municipal and Community Development Block Grant funding assistance is a major priority of the program. Community assistance may range from actual funding to sewer and site preparation.[468]

Homeownership Outreach Program: This program provides loans to very low- to moderate-income homebuyers in rural counties. The maximum income of households participating in the program must not exceed $25,700. The maximum price of a new or existing home must not exceed $75,000.[469]

Single Parent Homeownership Program: This programs offer fixed-rate interest mortgage loans to very to moderate-income single parents with at least one minor child. The maximum income of a one parent, one child household must not exceed $27,500. The maximum price of a new or existing home must not exceed $76,000.[470]

Hurricane Hugo Loan Program: This program was established to assist homeowners whose homes were destroyed during Hurricane Hugo. The program offers no down payment 8 percent interest rate loans to low- to moderate-income victims of Hurricane Hugo.[471]

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467. Id.

468. Id.

469. Id.

470. Id.

471. Id.

Moderate Rehabilitation Program: This program was developed as an extension to the Section 8 Certificate Program. The program was designed to address the need to make improvements to single-family and small scale multifamily rental properties that needed a moderate amount of rehabilitation work.[472]

Rental Rehabilitation Program: This program was designed to help support the rehabilitation of privately-owned real property to be used primarily for residential rental purposes for very low- to moderate-income tenants. The concept of the program centers around matching the funds of the owner and the local jurisdiction. The matching funds made available through participating local jurisdictions are derived from HUD funds awarded to the HFDA.[473]

SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY

The South Dakota Housing Development Authority (SDHDA) was created in 1973 by the South Dakota Legislature in response to the State's housing needs. The agency is administered by a seven member Board of Commissioners. SDHDA is a self-supporting nonprofit corporation which uses no state tax dollars. To fulfill its mission, SDHDA was authorized to issue tax-exempt bonds in principal amounts within federal limits specifically approved by the Governor. The amounts issued by SDHDA do not constitute a debt of the State of South Dakota. Bond proceeds are loaned to qualified borrowers at rates slightly above SDHDA's cost of funds. This enables SDHDA to finance housing at reduced costs while encouraging private sector participation in the provision of quality housing.[474]

Major Programs

Mortgage Revenue Bond Program: Using proceeds from the sale of tax-exempt Mortgage Revenue Bonds, SDHDA provides low-interest loans to first-time homebuyers. Proceeds from bond sales are used to purchase mortgages from participating lenders throughout the State. Since the first bond issue in 1974, SDHDA has funded over $1.3 billion in single family, owner occupied home loans in the State.[475]

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472. Id.

473. Id., Vol. 5.

474. South Dakota Housing Development Authority, Housing South Dakota, 1992 Annual Report, at 23.

475. Id., at 13.

Mortgage Assistance Program: SDHDA provides second mortgages for down payment and closing cost expenses through the Mortgage Assistance Program. In 1992, 444 borrowers received loans at either 3 percent or 5.5 percent, based on the borrower's income.[476]

Mortgage Assistance Grant Program: In 1992, SDHDA and the Home Federal Savings Bank received approval for the Federal Home Loan Bank of Des Moines to create this program. The program provides grants for down payment and closing costs to low-income homebuyers.[477]

FmHA Rural Housing Guaranteed Loan Program: In 1992, SDHDA began purchasing qualified mortgages under the 1991 Series B and C issues that are guaranteed under the FmHA Rural Housing Guaranteed Loan Program.[478]

Sweat Equity Down Payment Loan Program: Borrowers of new construction loans financed by SDHDA often require second mortgages to serve as FHA security escrow deposits when outside work cannot be completed during the fall and winter seasons. This program provides loans in the form of short-term no-interest mortgages on the condition that the loan is paid by July 31 of the following year.[479]

Cooperative Home Improvement Program: This program began in June 1991 with Northwest Bank, S.D. as a method of financing low-interest home addition, improvement, and repair loans. Partnerships have been established with other lenders from around the State to form similar arrangements. SDHDA invests interest-free funds with participating lenders in return for the leveraging of over three times that investment in home improvement loans to very low-, low-, and moderate-income families. Eligibility is based on the ability to repay, rather than the equity in the home. Loans are offered at interest rates of 1.9, 3.9, or 5.9 percent--depending on the borrower's income.[480]

Nonprofit Housing Development Program: This program provides seed money grants to nonprofit housing organizations to cover activities such as professional services, personnel and operating costs, equipment, and development costs. In 1992 the

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476. Id.

477. Id.

478. Id., at 14.

479. Id.

480. Id.

Habitat for Humanity Program received a grant of nearly $50,000 under the program.[481]

Emergency Shelter Grant Program: This program allocates federal Emergency Shelter Grant Program funds. Local government and nonprofit organizations are eligible to apply for annual grant allocations to meet the costs of emergency shelters serving the homeless.[482]

Federal Rental Rehabilitation Program: This program allocates federal funds for the rehabilitation of rental properties for low-income tenants.[483]

Low-Income Housing Tax Credit (LIHTC) Program: SDHDA allocates federal tax credits to low-income rental housing developers under the LIHTC program. The program provides incentives for developers to develop and maintain low-income housing rental developments.[484]

Section 8 New Construction Program: SDHDA continues to contract with HUD to provide rental subsidies under the Section 8 New Construction Program.[485]

TENNESSEE HOUSING DEVELOPMENT AGENCY

The Tennessee Housing Development Agency (THDA) was created by the Tennessee Legislature in 1973. The purpose of THDA is to improve the housing conditions of low- and moderate-income families and individuals in Tennessee. To carry out its purposes, THDA is authorized to raise funds through the issuance of bonds and notes. A financing proposal is submitted each fiscal year to the State Funding Board for approval. The Bond Finance Committee of the THDA Board of Directors then sells the bonds and notes on behalf of the Agency. The bonds of THDA are not general obligations of the State of Tennessee or its political subdivisions, and neither the taxing power, nor the faith and credit of the State are pledged for the payment of principal or interest on the bonds or notes.[486]

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481. Id., at 9.

482. Id.

483. Id.

484. Id.

485. Id.

486. Tennessee Housing Development Agency, State of Tennessee, Notes to Financial Statements June 30, 1992 and June 30, 1991, at 5.

Major Programs

Homeownership Program: The THDA Homeownership Program provides reduced-rate mortgage financing to qualified applicants in Tennessee through the issuance and sale of Mortgage Revenue Bonds. The key to the success of the THDA Homeownership Program lies in the participation of local lenders. The Homeownership Division relies on these lenders to offer and explain the details of the program to the applicants. In response to industry concerns and local statistics, the Board of Directors, in 1992, raised both the sales and the income limits of its basic mortgage program. In 1992, THDA was recognized as the agency having the lowest average income mortgage applicants of all state housing finance agencies. The average income of 1992 THDA borrowers was $21,309. The State's median income is $31,200.[487]

Technical Services: The research arm of THDA is known as the Technical Services Division. The Division oversees primary data collection on home sales, apartment rents, subsidized housing inventories, and housing additions. The Division was responsible for the preparation of the State's Comprehensive Housing Affordability Strategy (CHAS), which is a prerequisite to the release of HUD funds.[488]

HOUSE Program: During fiscal year 1991, THDA administered 62 state-funded contracts with nonprofit organizations and local governments, totalling $8,221,553. Owner-occupied rehabilitation and down payment/closing cost assistance are the most popular programs within the HOUSE program. The program also provides rental rehabilitation, new construction, special needs, and purchase assistance.[489]

Rental Housing Production: THDA administers two rental housing construction incentive programs for commercial, nonprofit, and local government developers: the Low-Income Housing Tax Credit (LIHTC) Program and the tax-exempt bond authority of the agency.[490]

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487. Tennessee Housing Development Agency, State of Tennessee, Affordable Housing: That's Our Business 1992, at 4.

488. Id., at 6.

489. Id., at 8.

490. Id., at 10.

TEXAS DEPARTMENT OF HOUSING AND COMMUNITY AFFAIRS

Through the use of the proceeds derived out of the issuance of tax-exempt Mortgage Revenue Bonds and other revenue sources the Texas Department of Housing and Community Affairs (TDHCA) administers the homeownership, rental assistance, and housing finance programs for the State of Texas.[491]

Major Programs

Local Initiative Focused Rate Mortgage Program: The purpose of this program is to encourage city and county governmental units to take an active role in providing the services needed for successful homeownership programs within their communities. The program provides reservations of low-interest home loans, funded out of the proceeds of tax-exempt Mortgage Revenue Bonds. Sixteen counties were chosen to participate in the program based on the low per capita income of residents in these jurisdictions. The loans to homebuyers are for 25 years at 6.69 percent interest. The home price limit is $40,000. Twenty-nine loans at an average of $39,014 were issued in 1991.[492]

Single Family Bond Program: This program was designed to assist families who are able to make monthly mortgage payments but are unable to qualify for a loan at the market interest rate. This program serves first-time homebuyers with incomes less than or equal to 115 percent of the area median income. The program is funded out of the proceeds of tax-exempt Mortgage Revenue Bonds, which represent limited obligations of TDHCA. Bond proceeds are allocated to mortgage lenders in the State who then channel the funds as below-market interest rate mortgages to qualified homebuyers. In 1990, the program allocated $576,351 in loans to twelve families.[493]

Mortgage Credit Certificate Program: This program provides financial assistance to eligible homebuyers through federal income tax credits which reduce the borrower's federal income tax liability, thereby increasing the borrower's qualifying income. The tax credit to the homebuyer is 20 percent of the annual interest paid on the mortgage, or $2,000 per year, whichever is less. The agency contracts with the local mortgage lender to make the credits available to eligible recipients.[494]

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491. NCSHA Catalogue, Vol. 1.

492. Id.

493. Id.

494. Id.

Low-Income Housing Tax Credit (LIHTC) Program: TDHCA administers the federal LIHTC program for the State of Texas. The LIHTC program provides developers with an incentive to construct and rehabilitate affordable rental housing for low-income residents. The program provides a dollar-for-dollar reduction in the federal tax liability for developers of low-income rental housing. In return for the tax credit, developers must agree to set aside a minimum number of units for low-income tenants.[495]

TDHCA/RTC Partnership Mortgage Program: The partnership is to maximize the use of properties held by the federal Resolution Trust Corporation and to facilitate the sale of such properties to low- to moderate-income residents of Texas. TDHCA utilizes reserved proceeds from the sale of tax-exempt Mortgage Revenue Bonds to make below-market interest rate loans to qualified buyers of RTC properties. In 1991 the program provided $28,282,376 in loans to 639 homebuyers of RTC properties.[496]

UTAH HOUSING FINANCE AGENCY

The Utah Housing Finance Agency (UHFA) was established in 1975 by the Utah Legislature to provide safe and decent affordable housing to low- and moderate-income households in Utah. UHFA is administered by a nine member Board of Directors comprised of state banking and treasury officials as well as representatives from the general public, real estate, the building trade, and mortgage lending.[497]

Major Programs

Mortgage Revenue Bond Homeownership Programs: Capital to support the agency's homeownership programs is raised through the issuance of tax-exempt and taxable Mortgage Revenue Bonds. These bonds are the sole obligation of UHFA, and do not represent a legal obligation of the State. The debt on all Mortgage Revenue Bonds is structured to be repaid from revenues recovered by the agency through the repayment of mortgage loans. Funds obtained through mortgage revenue bond sales are made available through participating lenders at below-market interest rates to eligible low- and moderate-income households in Utah. Every loan is insured by private mortgage insurance, FHA, or guaranteed by the Department of Veterans Affairs.[498]

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495. Id., Vol. 2.

496. Id., Vol. 5.

497. Utah Housing Finance Agency, Notes to Financial Statements 1991, at 21.

498. Utah Housing Finance Agency, 1991 Annual Report, at 4.

CHAMP Homeownership for Very Low-Income Utah Families: UHFA's Comprehensive Housing Assistance Mortgage Program (CHAMP) focuses on making homeownership possible for the those households within the lowest 25 percent of Utah wage earners. Established in 1991, CHAMP offers qualified households the following assistance package:[499]

(1) Deeply discounted mortgage rates--one full percent below UHFA's normal rate during the first year of the loan, gradually rising to a fixed rate after five years;

(2) $1,500 to cover the remaining down payment and closing cost balance after the payment of the first $500 by the homebuyer;

(3) One year free warranty protection on all appliances, heating, electrical, and plumbing systems;

(4) Loans of up to $2,500 at 3 percent interest for emergency home repairs;

(5) Waiver of certain fees such as commitment fee and the discount on the mortgage loan; and

(6) Counseling in personal finance and homeownership as a prerequisite to loan closing.

Section 8 Rent Subsidies Programs: The Section 8 program provides a rent subsidy from HUD to the owners of certain projects financed with UHFA below-market interest rate mortgage loans. Individuals earning less than 50 percent of the median income are given priority to reside in subsidized projects. As of 1991, 1,068 rental units for lower income tenants were created under the program.[500]

80/20 Program: Proceeds from the sale of tax-exempt bonds enables UHFA to offer below-market, fixed-rate loans for multifamily projects. At least 20 percent of the units must be made available to persons earning less than 80 percent of the area median income. As of 1991, UHFA financed 15 projects under the program, resulting in the creation of 1,273 units for low-income rental use.[501]

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499. Id., at 6.

500. Id., at 8.

501. Id.

Low-Income Housing Tax Credit (LIHTC) Program: Created by Congress in 1986, the LIHTC program replaced federal tax incentives designed to stimulate the development of low-income rental housing. In return for investment in the acquisition, rehabilitation, or construction of low-income rental housing, private owners are offered an annual tax credit against federal income taxes for a period of ten years. As of 1991, the UHFA LIHTC program assisted in the creation of 57 low-income housing projects.[502]

VERMONT HOUSING FINANCE AGENCY

The Vermont Housing Finance Agency (VHFA) was created in 1974 by the Vermont State Legislature. The purpose of the agency is to finance and promote affordable housing opportunities for low- and moderate-income households in Vermont without the use of state tax dollars. The sale of tax-exempt Mortgage Revenue Bonds enables VHFA to offer below-market, fixed-rate mortgage financing. VHFA began its mortgage purchase programs in 1976 with the first sale of single family insured mortgage bonds. Since that time, the purchase of mortgages originated by participating lenders has become the mainstay of the agency's homebuyer programs.[503]

Major Programs

Down Payment Assistance Program: The goal of VHFA's Down Payment Assistance Program is to eliminate or reduce one of the major obstacles faced by homebuyers in Vermont. Under the program VHFA finances, and the Vermont Home Mortgage Guarantee Board guarantees an amount equal to the anticipated closing costs of the borrower up to 100 percent of the purchase price.[504]

Mortgages for Vermonters (MOVE): In 1992, 604 homes were financed through the MOVE program, representing over $39 million in mortgage loans. The maximum purchase price of a newly built home under the program is $105,000. The maximum price of an existing dwelling is $95,000.[505]

Mortgage Plus Program: VHFA initiated its Mortgage Credit Certificate (MCC) program under the name "Mortgage Plus" in 1987. With an MCC, eligible borrowers may claim up to 25 percent of the annual interest paid as a tax credit. The remaining

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502. Id., at 10.

503. Vermont Housing Finance Agency, State of Vermont, 1992 Annual Report, at 28.

504. Id., at 7.

505. Id.

75 percent interest is claimed as an itemized deduction. An MCC provides dollar for dollar reduction in the amount of tax owed, compared to a deduction, which only reduces the amount of taxable income. In 1991, VHFA issued 317 MCCs, representing over $23 million in conventional mortgage loans.[506]

Homeownership Opportunities Using Shared Equity (HOUSE): In 1989, VHFA introduced a mortgage program to promote the development of housing that is kept perpetually affordable by nonprofit organizations and municipalities. Eligible homebuyers receive a stepped interest rate which begins at 6.2 percent and rises to 7.7 percent in four years. VHFA assists nonprofits and municipalities on a matching basis to help promote HOUSE and their special programs and projects. Under the program, HOUSE properties sold by a nonprofit of municipality remain affordable because the buyer shares any appreciated value with future buyers by agreeing to a limited resale price when the home is sold. In exchange, the buyer is able to purchase a home for $10,000 to $15,000 below what is available on the open market. The HOUSE program focuses on families earning less than 80 percent of the median income in the State of Vermont. Since its beginning, HOUSE has provided financing to 56 households that have purchased homes with the assistance of nonprofit organizations or municipalities.[507]

Mobile Home Assistance Program: VHFA developed this program in 1990 to provide eligible mobile homebuyers with 15 year loans at 6.95 percent for the purchase of mobile homes situated in eligible mobile home parks.[508]

The Rural Vermont Mortgage Program: This program was created in 1987 as a cooperative effort between VHFA and the FmHA. This program blends the funds available from VHFA with FmHA Rural Housing funds which carry interest rates as low as 1 percent. The mortgage loans are underwritten at a rate determined by the amount the borrower is able to afford. As of 1991, $1.6 million in first mortgage loans were originated through the program.[509]

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506. Id.

507. Id.

508. Id.

509. Id.

VIRGINIA HOUSING DEVELOPMENT AUTHORITY

The Virginia Housing Development Authority (VHDA) was created by the Virginia General Assembly in 1972 under the Virginia Housing Development Authority Act to finance the acquisition, construction, or rehabilitation of housing for intended for owner-occupancy by low- to moderate-income households. The mortgage loans are generally made out of the proceeds of the sale of tax-exempt notes and bonds on the national municipal bond market. Mortgage rates are determined by the cost of funds to VHDA. Debt is reconciled out of repayments received from the mortgage loans. The debt of VHDA does not represent an obligation of the Commonwealth of Virginia, and the Commonwealth is not liable for the repayment of the debt.

VHDA is governed by a nine-member Board of Commissioners. Two members serve as ex-officio members, and seven members are appointed by the Governor for staggered four-year terms.[510]

Major Programs

Mortgage Loans for Home Purchase Program: This program helps low- and moderate-income homebuyers purchase their first homes. The loans are fixed-rate, low-interest, thirty-year mortgages with low down payments.[511]

Single Family Affordable Housing Program: This program was designed to serve first-time homebuyers with low incomes. Priority is given to serving public housing tenants and households with very low incomes. Loans at 5 percent interest are targeted to very low-income homebuyers earning below 50 percent of the area median income, and loans above 5 percent interest are targeted to homebuyers earning below 70 percent of the area median income.[512]

Multifamily Loan Program: The Multifamily Loan Program provides below-market interest rate loans to developers of subsidized or moderately-priced unsubsidized rental units; provided that 20 percent of the units are rented to low-income families or elderly or disabled persons.[513]

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510. Virginia Housing Development Authority, State of Virginia, 1983 Annual Report, at 40.

511. NCSHA Catalogue, Vol. 1.

512. Id.

513. Id.

Low-Income Housing Tax Credit (LIHTC) Program: The LIHTC program provides incentives to developers in the form of federal tax credits in exchange for the development of low-income rental housing.[514]

Rental Rehabilitation Program: The Rental Rehabilitation Program assists in the moderate rehabilitation of existing low-cost rental housing. The program provides grants of up to 50 percent of the cost of rehabilitation. Federal Section 8 vouchers may also be provided to tenants occupying rehabilitated units.[515]

WASHINGTON STATE HOUSING FINANCE COMMISSION

The Washington State Housing Finance Commission (Commission) was created by the State Legislature in 1983 to administer financing programs for the development of affordable housing and cultural/social service facilities through the establishment of partnerships with lenders, developers, nonprofit organizations and government. The Commission is authorized to issue tax-exempt and taxable bonds, the proceeds of which may be used for the development or improvement of new or existing single or multifamily residential dwellings. The Commission is governed by a board consisting of eleven members appointed by the Governor.[516]

Major Programs

Mortgage Revenue Bond Program: The issuance of Mortgage Revenue Bonds is the foundation of the Commission's first-time homebuyer programs. By issuing tax-exempt revenue bonds, the Commission reduces mortgage costs for borrowers who might not otherwise be able to buy a home. A network of lenders originates mortgages for first-time buyers.[517]

House Key '92: This program, funded through a $69.3 million bond issue, was the result of a collaboration between the Commission and the Washington State Department of Community Development to provide nearly $13 million in assistance to families and individuals hindered by high down payment and closing costs. The program provides a below-market interest rate first mortgage to borrowers earning 80 percent or less of the area median income. The Department of Community

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514. Id., Vol. 2.

515. Id.

516. Washington State housing Finance Commission, State of Washington, Annual Report 1992, at 3.

517. Id., at 4.

Development then provides a silent second mortgage of up to $5,000 to cover a portion of the down payment and closing costs.[518]

Multifamily Bond Financing Program: This program provides low-interest mortgage financing to developers of multifamily housing projects. In 1992, more than $7 million was allocated under the program to finance low-income and special needs housing projects. An additional $18 million has been committed to finance future projects.[519]

Elderly Housing Program: The Elderly Housing Program was designed to help housing providers gain access to tax-exempt financing to develop living options for the elderly, including arrangement ranging from independent apartments to nursing homes. This program provides financing for elderly projects at reduced interest rates from the sale of tax-exempt bonds.[520]

Special Nonprofit Assistance Partnership (SNAP) Program: Under the SNAP program, $4 million in bonds were issued on behalf of a pool of eligible nonprofit projects. Commission involvement in the program helped lower costs, making the program accessible to projects of $50,000, and less. SNAP funds are used for the construction and rehabilitation of low-income and special needs housing.[521]

Washington Refinance Assistance Partnership (WRAP) Program: To increase access to tax-exempt finance for small multifamily projects, the Commission, in partnership with local lenders developed the WRAP program. The first WRAP project was financed in July 1992. The program refinanced a taxable loan on a facility for the mentally ill. The savings realized though the refinancing was then placed into vital services.[522]

Low-Income Housing Tax Credit (LIHTC) Program: The LIHTC program provides developers with an incentive to construct and rehabilitate affordable rental housing for low-income residents. The program provides a dollar-for-dollar reduction in the federal tax liability for developers of low-income rental housing. In return for the tax credit,

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518. Id., at 5.

519. Id., 6.

520. Id.

521. Id.

522. Id., at 7.

developers must agree to set aside a minimum number of units for low-income tenants.[523]

WEST VIRGINIA HOUSING DEVELOPMENT FUND

The West Virginia Housing Development Fund (WVHDF) was created as an independent housing agency in 1968 to increase and improve housing across the State. Over the years, the fund has issued hundreds of millions of dollars in bonds to provide homeownership opportunities to moderate- and low-income West Virginian families. In 1991, WVHDF described the State's housing problem as a lack of affordable, decent, safe, and sanitary housing for the increasing numbers of low- and very low-fixed-income families, elderly persons, and special needs households. WVHDF is governed by an eleven member Board of Directors that consists of four ex-officio members and seven members appointed from the private sector.[524]

Major Programs

Single Family Program: The WVHDF Single Family Program provides low-interest financing to qualified first-time homebuyers. Anticipating the Congressional sunset of Mortgage Revenue Bonds, the WVHDF, in 1992, produced the largest pool of low-interest mortgage capital in the history of the fund. The WVHDF was able to package a $162 million bond issue internally without the use of investment bankers. This allowed WVHDF to pass on the savings to first-time homebuyers in the form of 6.59 percent mortgage financing. More than 1,800 first-time homebuyers were served by the program in 1992.[525]

Down Payment and Closing Cost Program: Under this program, families are allowed to borrow up to $2,000 to cover the down payment and closing cost expenses associated with the purchase of a home. The program offers loans for terms of ten years at an interest rate of 5 percent. Payments and interest are deferred until the sixth year of the loan. The borrower then makes monthly payments until the tenth year. The loan is secured by a second deed of trust on the home.[526]

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523. Id., at 8.

524. West Virginia Housing Development Fund, State of West Virginia, Annual Report 1992, at 24.

525. Id., at 4.

526. Id., at 6.

Home Improvement Loan Program: This program was initiated on a limited scale in 1991 (expanded statewide in 1992) to provide low-interest home improvement loans to low- and moderate-income families. Loans of up to $15,000 are offered to families with gross incomes not exceeding $45,000. The interest rate of the loan is based on the income of the family and the median income of families within the county in which the residence is situated.[527]

Secondary Market Program: In an effort to expand mortgage services outside urban markets, the WVHDF became a buyer/seller of services of the Federal National Mortgage Association (FNMA). Upon establishing this relationship, WVHDF created a Secondary Market Program within the Loan Origination and Development Division. In its first year, the Secondary Market Program purchased and sold over $15.8 million in mortgage loans to FNMA.[528]

Construction Loan Incentive Program: This program offers construction loan funds in participation with the FmHA Section 515 Program for low- and moderate-income multifamily housing in designated rural areas. Over 170 garden-style apartments for families, the elderly, and special needs individuals were made available in 1992 under the program.[529]

Building Reutilization/Revitalization Program: This program was designed to stimulate the downtown and main street districts of West Virginia cities and communities by providing low-interest financing for the rehabilitation and reuse of old and unoccupied structures for commercial purposes or rental housing. Many of the buildings revitalized under the program house tenants that receive HUD Section 8 vouchers. Nearly $1 million was allocated under this program in 1992.[530]

Community Provider Financing Program: This program provides low-cost, short-term capital financing for the development of residential housing and day care centers for mentally impaired and developmentally disabled individuals. The program is a joint effort between WVHDF, the West Virginia Division of Health and Human Services, and various community providers which operate as nonprofit 501(c)(3) corporations licensed by the Division of Health and Human Services.[531]

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527. Id.

528. Id., 7.

529. Id., at 9.

530. Id., at 10.

531. Id.

Low-Income Assisted Mortgage Program (LAMP): LAMP creates a secondary mortgage market for community-based nonprofit organizations that provide housing for very low-income households. Nonprofit corporations generate mortgage loans through the construction, rehabilitation, and sale of rejuvenated homes to very low-income families. Through the use of local lenders and an innovative trust arrangement, LAMP allows nonprofit groups to turn most of the money they have tied up in existing mortgages into cash to build additional homes.[532]

Land Development Program: The Land Development Program was designed to provide financing to developers and nonprofit agencies for the development of raw land into housing sites for moderate- and low-income households.[533]

Revitalization of Existing Vulnerable Assets/Multifamily Projects (REVAMP): REVAMP sets aside funds along with private moneys to create a loan pool for the improvement and replacement of items in multifamily properties. The program is intended to help multifamily projects maintain their value, marketability, and physical asset. Loans require a 20 percent contribution from the owner and offer below-market interest rates for loan periods of up to twenty years.[534]

Special Needs Housing Programs: These programs focus on the housing needs of persons who require emergency care or are not able to live on their own due to physical or emotional disabilities. The elderly, the handicapped, the homeless, and the mentally impaired are assisted through the renovation, rehabilitation, or total conversion of buildings providing shelter for these tenants. Repairing leaks in roofs and windows, installing handicap access equipment, and installing indoor water and bath facilities are common projects carried out under these programs.[535]

WISCONSIN HOUSING AND ECONOMIC DEVELOPMENT AUTHORITY

The Wisconsin Housing and Economic Development Authority (WHEDA) was established by the Wisconsin Legislature in 1972 to help meet the housing needs of Wisconsin's low- and moderate-income households. Over the years, that mission has been expanded to include financing for farmers and economic development projects. WHEDA

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532. Id., 11.

533. Id., at 12.

534. Id.

535. Id., at 13.

finances most of its projects through the sale of federally tax-exempt bonds. Working through participating banks, savings and loans, mortgage bankers, and other sponsors, WHEDA provides low-cost financing for housing, farm, and business development. WHEDA also uses its earnings to make grants which support the improvement of housing for low- and moderate-income families, the elderly, and the disabled. As an independent authority, WHEDA receives no tax dollars for its bond supported programs. WHEDA's income is derived from interest on loans and investments, and from loan origination and service fees.[536]

Major Programs

The HOME Program: The HOME program provides low-interest loans to low-income Wisconsin homebuyers. New procedures developed in 1987 allowed WHEDA to expedite the buying process and allocate a larger share of the program's funds to low-income homebuyers. The establishment of a preference system allowed communities and nonprofit groups to gain first access to HOME funds for their program participants. As of 1987, nearly 19,000 homes were financed through the HOME program.[537]

Home Improvement Loans: WHEDA provides long-term, low-cost home improvement loans through its Housing and Neighborhood Conservation Program. Between 1979 and 1987, 9,300 home improvement loans were made through the program.[538]

Home Energy Loan Program (HELP): HELP was initiated in 1987 to provide low-interest energy improvement loans to low-income homeowners. The program combines WHEDA funds with oil overcharge refunds to offer loans with interest rates as low as 2 percent.[539]

Demonstration of Energy Efficient Rehabilitation (DEER) Program: The DEER program operates on a revolving fund which was created by using a portion of WHEDA's reserves. Project sponsors utilize DEER funds to renovate existing housing with an emphasis on bringing about energy efficiency improvements. The projects are then sold, and WHEDA's money is returned.[540]

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536. Wisconsin Housing and Economic Development Authority, State of Wisconsin, 1987 Annual Report, at 17.

537. Id., at 4.

538. Id.

539. Id.

540. Id.

Multifamily Housing: In 1987, WHEDA responded to cutbacks in federal multifamily housing assistance by using new combinations of WHEDA reserve funds, tax-exempt financing, other sources of funds to create 157 new rental units. During the same year, over $1 million was spent on improvements to over 200 multifamily projects to improve their physical condition. WHEDA also administers federal grant moneys under its multifamily programs to finance improvements to privately-owned rental properties.[541]

WYOMING COMMUNITY DEVELOPMENT AUTHORITY

The Wyoming Community Development Authority (WCDA) was created in 1975 to provide financing for housing needs within the State of Wyoming. WCDA is a body corporate operating as a state instrumentality and is not a political subdivision of the State. WCDA is authorized to issue bonds as necessary to provide sufficient funds for financing housing needs in an aggregate principal amount of not more than $1,834,455,000. The amounts issued by WCDA do not constitute a debt of the State of Wyoming. WCDA is governed by a Board of Directors consisting of ten members.[542]

Major Programs

Affordable Homeownership Program: The Wyoming Affordable Homeownership Program provides low-interest homeownership loans to households whose incomes fall below 80 percent of HUD's median income for families in Wyoming. In 1991, WCDA received the National Council of State Housing Finance Agencies' best new single family program award for the partnerships created in order to provide homeownership opportunities on a statewide basis.[543]

WCDA Mortgage Servicing Program: WCDA began servicing mortgage loans in 1991. The loan servicing program also offers mortgagors the opportunity of having their mortgages serviced from within the State by a Wyoming institution. In 1992, the program serviced approximately $130 million in loans.[544]

Farmers Home Administration Rural Housing Guaranteed Loan (FmHA) Program: In 1992, WCDA developed a partnership with FmHA to include the benefits of the FmHA

541. Id.

542. Wyoming Community Development Authority, Helping to Build Dreams, 1992 Annual Report, at 17.

543. Id., at 7.

544. Id.

New Rural Housing Guaranteed Loan Program with WCDA bond funds. The new program enhances the opportunities of rural families to purchase homes by reducing many of the upfront costs of mortgages.[545]

Section 8 Rental Assistance Program: WCDA administers the Section 8 Rental Assistance Program which provides rental assistance to very low-income renters and allows them to choose their place of residence.[546]

Low-Income Housing Tax Credit (LIHTC) Program: WCDA administers the LIHTC program which provides a federal tax credit as an incentive to owners and developers in exchange for the construction or rehabilitation of rental housing for low-income households.[547]

WCDA Community Development Block Grant Revolving Loan Fund for Housing Related Activities (CDBG): WCDA awards CDBG funds on a competitive basis to the counties, cities, and towns of Wyoming to enable the allocation of low-interest rehabilitation and maintenance loans to low-income homeowners and owners of low-income rental projects.[548]

Wyoming HOME Program: The HOME program was created under the National Affordable Housing Act of 1990 to expand the supply of rental housing for very low-income households. WCDA's HOME program has been approved by HUD. The HOME program is required to set aside 15 percent of its funds for nonprofit community housing development organizations that develop alternatives for special needs populations. The remaining funds are allocated to other sponsors on a competitive basis.[549]

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545. Id.

546. Id., at 9.

547. Id., at 10.

548. Id.

549. Id.

Chapter 4

CONCLUSION

Introduction

House Concurrent Resolution No. 477, H.D. 1, requested the Legislative Reference Bureau to conduct an interim review of the housing finance and development mechanisms utilized by the housing agencies of the fifty states. The Concurrent Resolution requests the Bureau to review the "state mechanisms for housing finance and other supports to the development of affordable housing via state housing finance agencies and other programs". The Concurrent Resolution notes that many state agencies have developed "innovative solutions" to the housing problems of their jurisdictions.

Specifically, the Concurrent Resolution requests the Bureau to identify:

(1) The function and purpose of the entity within each state's housing strategy;

(2) The specific mechanisms for housing finance, including bond issuance, mortgage financing, and loan guarantees;

(3) The role of the state entity in the housing development process; and

(4) The income level of the target populations served.

This chapter presents the findings and recommendations of the Bureau.

Hawaii's Innovative Programs

Hawaii's housing programs appear to be well within the mainstream of the programs of some of the most progressive housing agencies in the country. Although the previous chapter presents a wide array of unusual and seemingly innovative state housing programs, it is important to note that the most practical programs are those programs that focus on housing problems and issues that are relevant to the jurisdiction examined. In this respect, the programs of Hawaii's housing agencies are often recognized for their innovative concepts and characteristics. A few of the most innovative programs or housing solutions under the State's three principal public housing agencies are:

Act 15, Session Laws of Hawaii 1988: Under Act 15, the Housing Finance and Development Corporation was authorized, for a period of five years, to develop housing on behalf of the State without regard to statutes, ordinances, charter provisions, and rules of any agency relating to planning, zoning, construction standards for subdivisions, development and improvement of land and housing units.

State Low-Income Housing Tax Credit (LIHTC) Program: Although virtually every state in the country takes advantage of the federal LIHTC tax credits, Hawaii and the State of Missouri are possibly the only states that issue state LIHTC tax credits. In Hawaii, the federal and state tax credits may be used to obtain dollar-for-dollar reductions in tax liability by the developer for a period of ten years.

Rental Housing System: The Rental Housing System, which was created under the HFDC in 1988 is the only program of its kind in the nation. Under the program, multifamily projects are acquired or constructed by HFDC and financed with the proceeds of tax-exempt bonds. HFDC owns all projects under the system, and the bonds are payable from the net revenues of the entire system. The projects are financed under a single bond indenture and support each other, thereby reducing individual project risks.

Affordable Housing Development Authority: Both the Housing Finance and Development Corporation and the Hawaii Community Development Authority possess the authority to develop affordable housing on behalf of the State or with the assistance of eligible developers.

The Hale Kokua Homeless Pilot Project: This project under the Hawaii Housing Authority is unique to Hawaii. This project provides home expansion grants and other incentives to property owners who rent available units to homeless tenants.

Trends in Other States

Although they vary from state to state, the programs of most agencies can generally be classified into one of five basic functional categories: (1) homeownership programs; (2) rental housing programs; (3) special needs programs; (4) economic development programs; and (5) technical assistance programs. Most state housing finance agencies have programs that cover this broad spectrum of functions. Most programs are merely different variations of these basic program types.

Another factor that classifies state programs is the involvement of federal oversight. For example, although the Mortgage Revenue Bond, the Mortgage Credit Certificate, and the various HUD-subsidized programs of each state may differ in various in technical respects, the programs are basically similar in other areas. Technical details may be all that differentiate various types of programs from one state to another.

Innovative ideas may involve actions that implement technical as well as broad policy changes. While the technical differences within the programs of each agency are too numerous to identify individually, there are several observable trends among state housing agencies that warrant further discussion:

Nonprofit Partnerships: One obvious trend among other states is the heavy reliance placed on nonprofit community-based organization partnerships in the development of affordable housing. The National Association of Housing and Redevelopment Officials identifies nonprofit participation as one of the most solid trends among state housing agencies. A large majority of the agencies reviewed in the previous chapter administer programs which involve active nonprofit organization participation. Many state initiatives since 1980 have included direct funding for nonprofit organizations. Additional impetus for the formulation of state/nonprofit partnerships has been provided in certain states by national foundations which focus on helping nonprofit organizations carry out housing programs. The West Virginia Housing Development Fund's Low-Income Assisted Mortgage Program (LAMP) which creates a secondary mortgage market to provide liquidity for nonprofit agency mortgage capital has been recognized nationally as an innovative nonprofit partnership program.

Housing Trust Funds: Housing trust funds have been established in many states, including Hawaii. Although the concept of trust funds is not new, the innovative aspect of these programs is the source of funds earmarked for program financing. Dedicated funds allow programs to make longer term responses to housing problems by bypassing year-by-year legislative funding debates. Hawaii's Rental Housing Trust Fund utilizes legislative appropriations, contributions, loan repayments, and 25 percent of all conveyance taxes collected. Arizona utilizes unclaimed property deposits and interest. Illinois utilizes one-half of all real estate transfer fees. Nevada's program receives ten cents on every real estate transfer processed. Indiana's fund is financed by a twenty-year loan from the Public Depository Insurance Fund. Minnesota utilizes interest earnings on trust accounts kept by real estate brokers. Agencies in Missouri and Kentucky utilize agency reserves from previous activities. North Carolina's fund is financed by $27.5 million in oil overcharge funds.

Reverse Equity Mortgage Programs: Reverse equity mortgage programs have been established in Maine, Maryland, Montana, Rhode Island, and several other states. Although they are not entirely new, these programs generally enable low-income elderly homeowners to access accumulated equity in their homes without having to sell or move. Repayment is usually not required until the borrower sells the property or moves out of the residence. The innovative aspect of these programs is the different use restrictions placed on reverse equity funds.

Down Payment Assistance Programs: Down payment assistance programs have been established in many states, including Hawaii. These programs generally assist homebuyers in paying the initial costs associated with home mortgages. The preceding chapter presents numerous variations of these programs. While the concept is not entirely new, several states such as Alaska, Pennsylvania, and Kentucky appear to have innovative closing cost programs. New Jersey's Home Ownership for Performing Employees (HOPE) and No Down Payment/No Closing Cost programs appear to be unique.

Second Mortgage Programs: Second mortgage programs have been established in Colorado, Florida, Alaska, Kentucky, and several other states. These programs generally provide financing to borrowers who have a mortgage and need to make certain improvements to their properties. Many programs designate innovative uses for funds allocated under the terms of second mortgages.

Findings and Recommendations

Innovative programs and ideas are most often the outgrowth of local responses to local needs. The agencies faced with the task of addressing these needs are the most appropriate entities to develop, evaluate, and put forth such ideas. Indeed, the most practical ideas and housing solutions appear to be the result of ongoing, incremental programmatic innovation by state and local housing agencies. For example, many of the most innovative solutions involve the development of unique and mutually-beneficial partnerships between state housing agencies and local financial or nonprofit participants. Under the broad political and statutory authority given to most state housing finance agencies, innovative solutions to state and local housing problems are often administratively conceived and implemented.

While the programs of other states and localities may report impressive records of achievement in their jurisdictions, these initiatives may often experience limited success in the context of other states. The housing problems, and therefore the responses of state and local jurisdictions are diverse. Obviously, a program proposing actions and alternatives that are not germane to the problems of a particular locality will experience little success within that locality no matter how innovative and outstanding that program may seem.

The Bureau finds that while the innovative programs of other states may be attractive to emulate, the most effective programs are very often those that have been created in direct response to local problems and needs. The Legislature should consult with the appropriate housing agencies of the State prior to adapting the programs and solutions of other states to determine the actual need for and the practicality of undertaking such initiatives in Hawaii.

HOUSE OF REPRESENTATIVES
SEVENTEENTH LEGISLATURE, 1993
STATE OF HAWAII

H.C.R. NO. 477 H.D. 1

HOUSE CONCURRENT RESOLUTION

REQUESTING THE LEGISLATIVE REFERENCE BUREAU TO CONDUCT AN INTERIM STUDY OF THE HOUSING FINANCE AND DEVELOPMENT MECHANISMS AND PROGRAMS OF OTHER STATES.

WHEREAS, it has been clearly established that a critical housing shortage exists in this State for low- and moderate-income residents; and

WHEREAS, this condition has been further exacerbated by many adverse long-term economic factors such as interest rates for mortgages and construction loans, the high cost and lack of availability of residentially zoned land, the increase in carrying costs due to an exceptionally lengthy development process, and other state and local policy-related issues; and

WHEREAS, national studies have determined that state policy greatly impacts the development process and can aid or hinder the provision of affordable housing in many ways; and

WHEREAS, financing contributes significantly to housing costs during construction in the form of borrowing costs, and infrastructure and material costs; and

WHEREAS, many states have implemented innovative solutions to these problems which have included state and local development regulation reforms and development financing initiatives; now, therefore,

BE IT RESOLVED by the House of Representatives of the Seventeenth Legislature of the State of Hawaii, Regular Session of 1993, the Senate concurring, that the Legislative Reference Bureau is requested to conduct a study on state mechanisms for housing finance and other supports to the development of affordable housing via state housing finance agencies and other state programs and policies; and

BE IT FURTHER RESOLVED that this study examine each state's housing finance/development entity to determine the following:

(1) The function/purpose of the entity within the State's overall housing strategy;

(2) The specific mechanisms for housing finance, including bond issuance, mortgage financing and loan guarantees;

(3) The role of the state entity in the housing development process; and

(4) The income bracket(s) of the target populations served;

and

BE IT FURTHER RESOLVED, that the Legislative Reference Bureau is requested to submit a report of its findings and recommendations to the Legislature twenty days prior to the opening of the 1994 Legislative Session; and

BE IT FURTHER RESOLVED, that certified copies of this Resolution be transmitted to the Governor and to the Legislative Reference Bureau.

COMPLEXES ADMINISTERED BY THE HAWAII HOUSING AUTHORITY

MANAGEMENT AREA	PROJECT & LOCATION	NO. OF UNITS
UNIT I - OAHU 593 Units	Wahiawa Terrace — Palm St., Wahiawa	60
	Puuwai Momi — Kohomua St., Aiea***	260
	Hale Laulima — Waimano Home Rd., P.C.	36
	Maili I — Maliona St., Maili	20
	Maili II — Keliikipi St., Maili	24
	Nanakuli — Farrington Hwy., Nanakuli	36
	Waipahu I — Pupuole Pl., Waipahu	19
	Waipahu II — Pupupuhi St., Waipahu	20
	Kauhale Nani — N. Cane St., Wahiawa	50
	Salt Lake — Ala Ilima St., Honolulu	28
	Kupuna Home O Waialua** — Goodale Ave., Waialua	40
UNIT II - OAHU 704 Units	Kalihi Valley*** — Kalena Dr., Honolulu	400
	Hauiki* — Meyers St., Honolulu	46
	Puahala Homes* — Ahiahi Pl., Honolulu	128
	Waimanalo — Humuniki St., Waiamanalo	50
	Koolau Village — Kamau Pl., Kaneohe	80
UNIT III - OAHU 737 Units	Kamehameha Homes — Haka Dr., Honolulu	221
	Mayor Wright Homes*** — Kukui St., Honolulu	364
	Kaahumanu Homes — Kaiwiula St., Honolulu	152
UNIT IV - OAHU 1,153 Units	Makua Alii** — Kalakaua Ave., Honolulu	211
	Paoakalani** — Kalakaua Ave., Honolulu	151
	Kalakaua Homes*** — Kalakaua Ave., Honolulu	221
	Punchbowl Homes**,*** — Capt. Cook Ave., Honolulu	156
	Pumehana** — Kinau St., Honolulu	139
	Kalanihuia** — Aala St., Honolulu	151
	Makamae** — S. Kuakini St., Honolulu	124
UNIT V - OAHU 441 Units	Palolo Valley*** — Ahe St., Honolulu	118
	Palolo Homes I & II* — Ahe St., Honolulu	306
	Spencer House — Spencer St., Honolulu	17
UNIT VI - OAHU RENT SUBSIDY 3,007 Units	Sec. 8 Certificates — Islandwide	1,592
	Sec. 8 Vouchers — Islandwide	341
	Rent Supplement* — Islandwide	1,074
UNIT VII - EAST HAWAII 1,017 Units	Lanakila*** — Wailoa St., Hilo	230
	Punahele — Lokahi Pl., Hilo	30
	Pomaikai** — Ululani St., Hilo	20
	Hale Hauoli** — Koniaka Pl., Honokaa	40
	Lokahi* — Lokahi Cir., Hilo	30
	Pahala Kau** — Kou St., Pahala	24
	Hale Aloha Puna** — Keaau District	30
	Hale Olaloa** — Kamana St., Hilo	50
	Sec. 8 Certificates — Islandwide	49
	Sec. 8 Vouchers — Islandwide	14
	Rent Supplement* — Islandwide	500
UNIT VII - KAUAI 349 Units	Kapaa*** — Malu Rd., Kapaa	36
	Hale Hoolulu** — Ala Muku Pl., Kilauea	12
	Eleele — Ahe St., Eleele	24
	Hui O Hanamaulu — Laukona St., Hanamaulu	46
	Kalaheo — Puu Rd., Kalaheo	8
	Home Nani** — Moana & Laau Roads, Waimea	14
	Hale Nana Kai O Kea*** — Kawaihau Rd., Kapaa	38
	Hale Hoonanea** — Waialo Rd., Eleele	40
	Kekaha Ha'aheo — Iwipolena St., Kekaha	78
	Sec. 8 Vouchers — Islandwide	13
	Rent Supplement* — Islandwide	40
UNIT VII - MAUI 322 Units	David Malo Circle — Mill St., Lahaina	18
	Kahekili Terrace — Holowai Pl., Wailuku	82
	Piilani Terrace** — Wainee St., Lahaina	42
	Sec. 8 Certificates — Islandwide	107
	Sec. 8 Vouchers — Islandwide	13
	Rent Supplement* — Islandwide	60

PRIVATE MANAGEMENT	PROJECT & LOCATION	NO. OF UNITS
CHANEY BROOKS & CO. 1,158 Units	Kuhio Homes — Ahonui St., Honolulu	134
	Kuhio Park Terrace — Linapuni St. Honolulu	614
	Honokowai Kauhale — Lahaina, Maui	184
	Kamakea Vista — Kawaiahao St., Honolulu	226
PROFESSIONAL ISLAND MGMT. 270 Units	Waimaha/Sunflower — McArthur St., Waianae	130
	Kaneohe Apartments — Pahia Rd., Kaneohe	24
	Hookipa Kahaluu — Ahuimanu Rd., Kaneohe	56
	Uluwehi Apartments — Ala Akau St., Waianae	60
AALA REALTY & MGMT. 168 Units	Kaimalino — Kealakaa St., Kailua-Kona	40
	Kamaaina Hale — Kuakini Hwy., Kailua-Kona	128
MIKE SOHRIAKOFF REALTY 1,039 Units	Hale Hookipa** — Kealakekua, Kona	32
	Ka Hale Kahaluu — Makolea St., Kona	50
	Nani Olu** — Makolea St., Kona	32
	Kealakehe — Manawalea, Kailua-Kona	48
	Noelani I — Opelo Rd., Kamuela	19
	Noelani II — Opelo Rd., Kamuela	24
	Hale Po'ai — N. School St., Honolulu	206
	Lailani — Kealakehe St., Hawaii	200
	Ka Hale Mua(State) — Maunaloa, Moloka'i	32
	Ka Hale Mua(Federal) — Maunaloa, Moloka'i	25
	Laiola — Ihoiho Pl., Wahiawa	108
	Pohulani — Coral St., Honolulu	263
HOUSING MGMT. 12 Units	Waiaka — Waiaka Rd., Honolulu	8
	Banyan Tree — Poalima St., Waimanalo	12

SECTION 8 PRIVATELY OWNED	PROJECT & LOCATION	NO. OF UNITS
CHANEY BROOKS & CO.	Kapuna I** — N. School St., Honolulu	162
	Waipahu Hall Elderly** — Waipahu St., Waipahu	72
	Kaneohe Elderly** — Meli Pl., Kaneohe	44
	Haili Elderly** — Haili St., Hilo	36
MARK DEVELOPMENT	Kekaha Plantation Elderly** — Elepaio Rd., Kekaha	36
URBAN MGMT. CORP.	Keola Hoomalu** — Plantation Rd., Waianae	35

385 Units

* State-Aided Projects
**Elderly Projects
***HHA Area Offices

Appendix C

State of Hawaii
Housing Finance and Development Corporation

Administration

- Office of the Executive Director
- Housing Information Office
- Planning and Evaluation
- Financial Services
- Administrative Services Office

Board of Directors

Housing Finance

Developer
- Project commitments for single family mortgages
- Low interest construction and permanent loans for rental projects
- Project rental assistance
- Federal & state tax credits on rental projects
- Purchase of rental projects under a turn-key contract
- Mortgage insurance for rental projects

Consumer
- Low interest mortgages
- Below market rate apartment rentals
- Rental assistance
- Housing alteration loans for persons with physical disabilities

Housing Development

- HFDC may give a developer rights to develop HFDC-owned property
- HFDC may structure and manage a project
- HFDC may develop a project in partnership with another developer
- HFDC may purchase a project already in existence
- HFDC may purchase a specified housing project upon completion (Turn-Key)
- HFDC may act alone to develop a project
- HFDC may acquire and prepare land for development, then contract for housing construction (Master Developer)
- HFDC may assist developers in expediting the development approval process through the provisions of Act 15

Land Programs

- Helps convert leasehold property to fee-simple for residential single-family lots
- Helps renegotiate certain lease arrangements
- Assists or relocates displaced persons, businesses, farms, and non-profit organizations displaced by government agencies

Sales and Counseling

- Coordinates the sales of new units
- Repurchases homes with state buy-back provisions
- Resells homes purchased by the corporation
- Provides home buyer education classes
- Provides Hula Mae counseling services
- Assists HFDC home purchasers
- Provides property management staff support

Development Support

- Provides technical assistance in reviewing plans and construction budgets for development projects
- Manages contracts for housing maintenance and repair, and for special projects
- Performs inspections for all HFDC developments
- Investigates homeownership/neighborhood complaints

Appendix D

HFDC/Private partnership projects 1987 - 2000

HFDC Developed/Assisted Projects Planned or Underway

Oahu

	Location	Type	# Units	Status
1. Villages of Kapolei (partial)	Ewa	MPC		
– Malanai			296	C
– Village III Multifamily			88	C
– A'eloa			312	P
– Support infrastructure for Villages 4 – 8			3,785	I
9. Pawaa Rentals (w/C&C Hon.)	Honolulu	R	1,250	P
10. KCC/McKinley Rentals (w/HCDA)	Honolulu	R	520	P
11. Na Lei Hulu Kupuna	Kakaako	R(E)(t)	76	C
12. Kauhale Kakaako (w/HCDA)	Kakaako	R(r)	268	P
13. U.H. Manoa Faculty Housing	Manoa	SR	173	P
14. Wilikina Park	Wahiawa	R(E)(t)	64	P
15. Ka'olu Elderly Rentals	Waipahu	R(E)		
– Kamalu Elderly			109	C
– Ho'olulu Elderly			112	P
– Kanohona Elderly			110	P
– Ho'ola Elderly			110	P
19. Hale Mohalu	Pearl City	R(E)(r)	213	P
20. Waimanalo Self-help	Waimanalo	SH	40	P
21. Waiahole (lots only)	Waiahole	Lots	123	C
	Total Oahu		7,649	

Hawaii

	Location	Type	# Units	Status
22. Villages of La'i'opua (13 Villages)	Kealakehe	MPC	4,158	P
35. Hilo Maile Terrace	Hilo	R(E)(t)	24	C
36. Lincoln Courtside	Hilo	R(r)(t)	36	P
37. HCC Model Homes	Hilo	S	8	C
38. Piihonua Meadows	S.Hilo	S	37	C
39. Ke Kumu at Waikoloa	Waikoloa	R(r)(t)	48	P
40. Milolii Self-help (Phase III)	Milolii	SH	17	C
	Total Hawaii		4,328	

Maui

	Location	Type	# Units	Status
41. Lahaina Master Planned Comm. (14 Villages)	Lahaina	MPC	4,284	P
55. Lahaina Affordables	Lahaina	R(r)(t)	62	P
56. Waiehu Planned Community	Waiehu			
– Hale Mahaolu Ekolu (Waiehu A Elderly)		R(E)	42	C
– Waiehu A self-help		SH	14	C
– Waiehu B market lots		Lots	93	C
– Waiehu C single family homes		S	250	C
– Waiehu C multi-family rentals		R	25	P
61. Brook HollowApartments	Kihei	R(r)(t)	18	C
62. Niumalu	Hana	S/R	50	P
	Total Maui		4,838	

Kauai

	Location	Type	# Units	Status
63. Hanamaulu Mixed-use	Hanamaulu	S/R	400	P
64. Cliffside at Hanapepe	Hanapepe	S/Lots	163	C
65. Paanau	Koloa	R(r)(t)	60	C
	Total Kauai		623	

Statewide

			# Units	Status
66. Severely Disabled Mentally Ill (SDMI)			13	C
	Statewide Total		17,451	

C/I = 5,216 P = 12,235

HFDC Developed/Assisted Projects Completed

Oahu

	Location	Type	# Units	
1. Villages of Kapolei (partial)	Ewa	MPC		
–Kumu Iki		S	519	FY92(86)
2. Pohulani Elderly (w/HCDA)	Kakaako	R(E)(r)	262	FY92
3. Kamakee Vista (w/HCDA)	Kakaako	R(r)	225	FY92
4. Manana Garden	Pearl City	R(r)	72	
5. Hale Po'ai	Kalihi	R(E)	206	
6. Nakolea (acquisition)	Moiliili	R(r)	100	
7. Spencer House	Makiki	R	17	
8. Nani Pua II	Kaneohe	S	99	
9. Hokulele	Kaneohe	S	242	
10. La'iola (Wahiawa Elderly)	Wahiawa	R(E)	108	FY92
11. Leilehua Village	Wahiawa	S	43	FY92

12. Whitmore Circle	Wahiawa	R(E)(t)	44	
13. Holani at Makaha	Makaha	S	147	
14. Makaha Meadows East	Makaha	S	4	
Total Oahu			2,088	
Hawaii				
15. HCC Homes	Hilo	S	5	FY92(1)
16. Hilo Hale Ohana	Hilo	R(t)(r)	96	
17. Ka La Loa	Lalamilo	S	28	
18. Milolii Self-help (Phase I & II)	Milolii	SH	23	
19. La'ilani	North Kona	R(r)	200	
20. Teacher's Housing	Kau/Waimea	R	4	
21. Teacher's Housing	Halaula	S	9	FY92
22. Noelani II	Waiamea	R	24	
23. Pahala X	Pahala	S/Lots	32	
24. Papaaloa Elderly	Papaaloa	R(E)	10	
Total Hawaii			431	
Maui/Lanai/Molokai				
25. Kahului Town Terrace	Kahului	R(t)(r)	72	FY92
26. Waiehu Planned Commnity	Waiehu			
– Waiehu Handicapped		R	21	
– Waiehu Inc. A		S	163	
– Waiehu Inc. B		S	139	FY92
29. Honokowai Kauhale	Honokowai	R(r)	184	
30. Honokowai Villa	Honokowai	R(t)	56	
31. Iwiole Hale (Waialua Multi-family)	Lanai	R(t)	128	FY92(40)
32. Lanai Teachers' Housing	Lanai	R	9	
33. Kaluaaha Estates	Molokai	S	22	
Total Maui/Lanai/Molokai			794	
Kauai				
34. Komohana (Puhi)	Puhi	S	13	
35. Hanamaulu	Hanamaulu	S	18	
36. Hale Ohana II	Koloa	R(t)	18	
37. Cliffside at Hanapepe	Hanapepe	S/Lots	142	FY92
Total Kauai			191	
Statewide				
38. Severely Disabled Mentally Ill (SDMI)		R	12	FY92(10)
Statewide Total			3,516	FY92(1,137)

Symbols

MPC	Master Planned Communities
S	For sale units
R(E)	Rental project for elderly
R	Rental project for families, singles
R(H)	Rental project for handicapped
SH	Self-help project
(r)	Project with rental assistance
(t)	Project with tax credits
P	Project is in planning phase of development
C	Project has started unit construction
I	Project has started infrastructure construction
A	Project was an acquisition