Multifamily Housing Update

NAHMA
March 2024

USDA Rural Development
U.S. DEPARTMENT OF AGRICULTURE

MFH Leadership Introduction

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MFH FY24 Priorities

MFH is focusing on three main areas of work for Fiscal Year 2024:

1. Program Delivery

2. Accountability

3. Communication

MFH Fiscal Year 2024 Budget

Program	FY23 Appropriations	FY24 President's Budget	FY24 Appropriation
Section 515	$70M (PL)	$200M (PL)	$60M (PL)
Section 514/516 (FLH)	$30M (BA)	$68M (BA)	$12.72M (BA)
MPR	$49M (BA)	$106M (BA)	$34M (BA)
Section 538	$400M	$400M	$400M
Rental Assistance	$1.487B	$1.650B	$1.608B
Voucher Program	$48M	$38M	$48M

Funding Opportunities Update / Spending Plan FY24

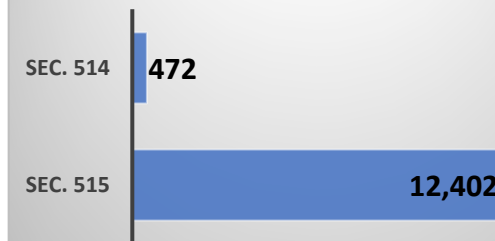| Program / Opportunity	Use	NOSA / NOFA Schedule
Section 514 / 516 Farm Labor Housing	Off-FLH Repair	In Process / Concurrence (est. March 2024 Publication)
	Off-FLH NC	In Process / Concurrence (est. April 2024 Publication)
	On-Farm NC	GovDelivery Suspended Pending FY24 Appropriation
Multifamily Preservation and Revitalization (MPR)	Preservation, All Tools	Drafting (est. May 2024 Publication)
Section 538 Guaranteed Loan Program	NC / Preservation	Open, rolling
Section 515 Direct Loan	S2NP / TBD	No NOFA / NOSA / GovDelivery Scheduled
Technical Assistance	FLH & NP Transfer	In Process (est. delivery is to be determined)

Portfolio Overview by Project

Data as of December 19, 2023

Program	Projects	Average Age	Total Units	RA Units	HUD Sec 8 units
Sec. 515	12,402	36	388,567	295,774	20,956
Sec. 514	472	25	16,630	12,257	0
TOTAL	**12,874**		**405,197**	**308,031**	**20,956**

Program	Rental Code	Projects	Average Age	Total Units	RA Units	HUD Sec 8 units
Sec. 515	Family	7,725	36.3	247,696	183,649	14,030
	Elderly	4,406	35.0	130,530	104,511	6,083
	Other	271	34.1	10,341	7,614	843
Sec. 514	Family	458	20.8	16,586	12,225	0
	Other	14	19.6	44	32	0
TOTAL		**12,874**	**29**	**405,197**	**308,031**	**20,956**

Projects by Program

- SEC. 514 — 472
- SEC. 515 — 12,402

Projects by Region

- SOUTH-SEC 515 — 4,847
- MW-SEC 515 — 3,990
- NE-SEC 515 — 1,980
- WEST-SEC 515 — 1,585
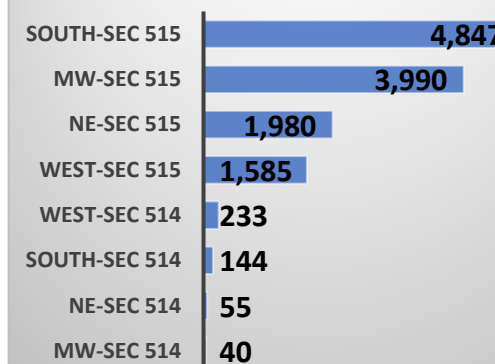- WEST-SEC 514 — 233
- SOUTH-SEC 514 — 144
- NE-SEC 514 — 55
- MW-SEC 514 — 40

Sec. 515 Multi-Family Housing projects :

- Family and Elderly housing
- Congregate housing
- Group homes
- Rural cooperative housing

Sec. 514/516 Farm Labor Housing projects:

- Off-farm labor housing
- On-farm labor housing

Mission Risk – Program Exit National Dataset (added)
Data as of September 2023 (this dataset is updated quarterly)

Section 514 and 515

Estimated Program Exit Year Range	Sec 514 Projects	Sec 514 Units	Sec 515 Projects	Sec 515 Units	Cumulative Unit Total	TOTAL Projects	Sec 514 %	Sec 515 %
Prior to 2024	14	337	118	2,703	3,040	132	3.00%	0.90%
2025-2029	52	1,020	1,031	29,413	33,473	1,083	11.20%	8.30%
2030-2034	62	1,946	2,609	76,058	111,477	2,671	13.30%	21.00%
2035-2039	118	4,236	3,234	97,064	212,777	3,352	25.30%	26.00%
2040-2044	122	4,411	3,339	108,217	325,405	3,461	26.20%	26.90%
2045-2049	66	2,821	1,529	55,391	383,617	1,595	14.20%	12.30%
2050-2056	32	1,873	562	20,147	405,637	594	6.90%	4.50%
Totals	466	16,644	12,422	388,993	405,637	12,888		

- Many loans are coming to their natural maturity date in the next 10-20 years.

Program Exit by Year Range
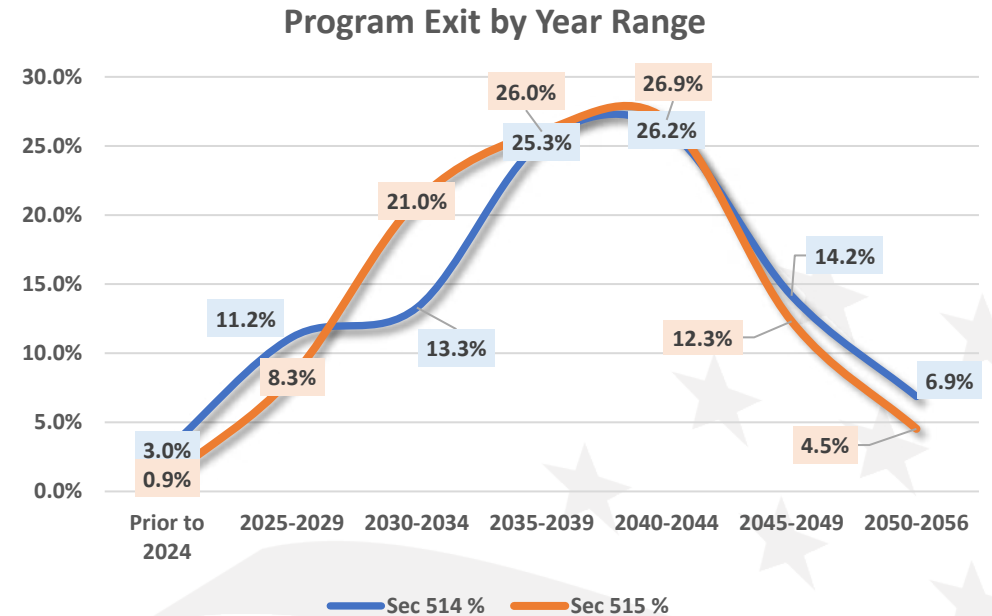
Policy Development

- Decoupling Authority provided in Fiscal Year 2024
- Provided, That amounts made available under this heading shall be available for renewal of rental assistance agreements for a maximum of 1,000 units where the Secretary determines that a maturing loan for a project cannot reasonably be restructured with another USDA loan or modification and the project was operating with rental assistance under section 521 of the Housing Act of 1949: Provided further, That the Secretary may enter into rental assistance contracts in maturing properties with existing rental assistance agreements not withstanding any provision of section 521 of the Housing Act of 1949, for a term of at least 10 years but not more than 20 years: Provided further, That any agreement to enter into a rental assistance contract under section 521 of the Housing Act of 1949 for a maturing property shall obligate the owner to continue to maintain the project as decent, safe, and sanitary housing and to operate the development in accordance with the Housing Act of 1949, except that rents shall be based on current Fair Market Rents as established by the Department of Housing and Urban Development pursuant to 24 CFR 888 Subpart A, 42 U.S.C. 1437f and 3535d, to determine the maximum initial rent and adjusted annually by the Operating Cost Adjustment Factor pursuant to 24 CFR 888 Subpart B, unless the Agency determines that the project's budget based needs require a higher rent, in which case the Agency may approve a budget-based rent level.

Policy Development

- Housing Opportunity Through Modernization Act (HOTMA)
  - UL published March 4, 2024, and Stakeholder Memorandum released March 8, 2024
  - Handbook, Form, & system updates in process – target completion October 1, 2024

- Insurance Modernization - Final Rule target publication October 1, 2024

- Proposed Voucher Rule 7 CFR 3561

- Multifamily Housing Passbook Savings Rate issued on November 28, 2023

- 2024 Management Fees published and effective 1/1/2024
  - Will provide a survey in spring 2024 to assist with setting 2025 Management Fees

- Violence Against Women Act (VAWA) Upcoming Training/Guidance
  - We are looking to provide external stakeholder training/guidance in FY24

- Annual Occupancy Report published February 20, 2024

- MFH Reserve Account Administration (surplus cash and 3rd party debt) – Final Rule target publication April 15, 2024

- 3560 Handbook updates related to the 2022 Technical Corrections & RA program Final Rule

Blueprint for a Renter Bill of Rights

- As part of the Biden-Harris Blueprint for a Renter Bill of Rights, several tools are being developed for stakeholders and tenants
  - Tenant Grievance FAQ
  - Tenant Rights and Responsibilities
  - Smoke Alarm – Proposed Rule comment period closes March 8, 2024
  - 30 Day Notice & Required Disclosures for Notification of Nonpayment of Rent - Final Rule
  - Set-Aside Unit Preferences at Properties with Other Funding Sources – UL issued December 11, 2023
  - Tenant Roundtable

MFH Field Operations Division – Regional Directors

Eric Siebens

Midwest Regional Director

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Donna O'Brien

Northeast Regional Director

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Byron Waters

Southern Regional Director

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Becki Meyer

Western Regional Director

Becki.Meyer@usda.gov

Physical Inspections

- **Multifamily Physical Inspection Pilot Program - (MPIPP) - Completed**
  - Completed 1,075 physical inspections
  - The protocol used professionally trained inspectors conducting inspections using the Mortgage Bankers' Association (MBA) Inspection form
  - Pilot proved to be a successful model

- **Multifamily Physical Inspection Program - (MPIPP) Contract in place**
  - Will be conducting 2,997 property inspections between now and August 2024.
  - There have been approximately 450 inspections completed
  - Reports are communicated to the Field Specialist and provided to the borrower/management agent for further follow up

Review of Unused Rental Assistance (RA)

- The Agency performs a review of Unused RA at a minimum, semi-annually.
  - Report is based on RA that has not been assigned for 6 months or more (12 months or more for Farm Labor Housing (FLH) properties)
  - Report includes properties with 2 or more units of RA that have not been used in 6 months (12 months for FLH)

- **The goal is to redistribute unused RA to overburdened tenants in the portfolio, giving priority to those tenants paying a higher percentage of their income towards rent.**

- If you receive a letter from your assigned servicing official and you request an informal meeting, please be prepared to discuss your plan to utilize the RA within the next 1-3 months. This could include items such as the waiting list showing applicants in need of RA and ready to move-in, evidence that rental units are ready to rent, preparation of a Servicing Workout plan, etc.

Field Operations Division
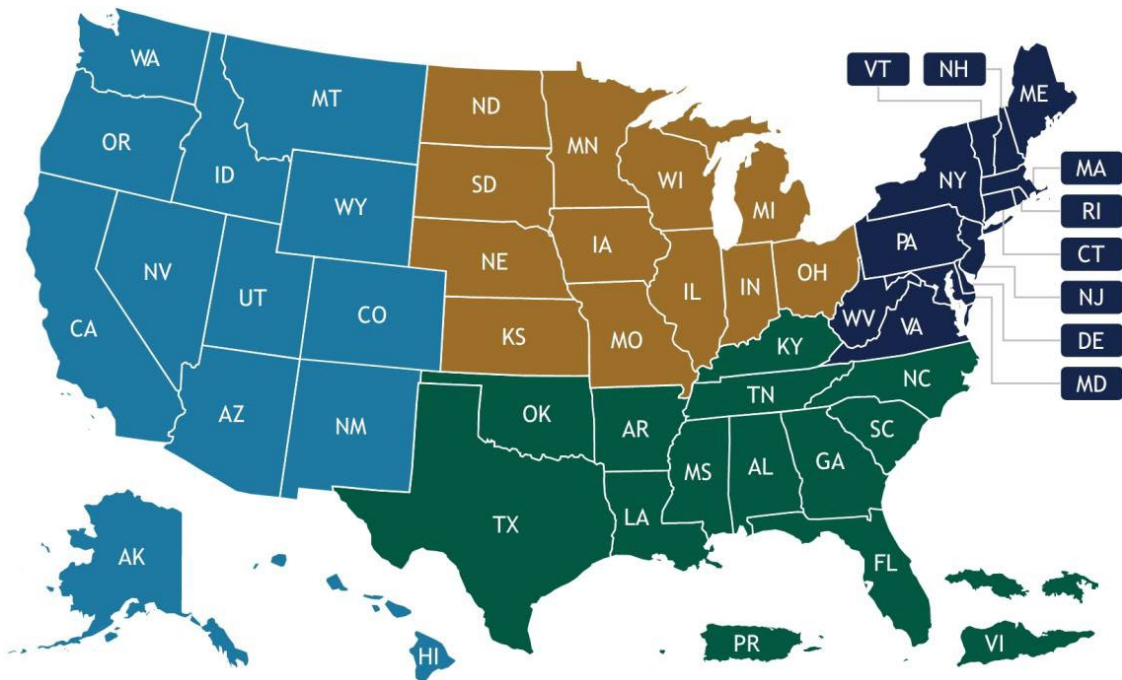
The four regions and the contact information for each region follows:

Western Region
MFHFODWest@usda.gov
AK, AZ, CA, CO, HI, ID, MT, NM, NV, OR, UT, WA, WY

Midwest Region
MFHFODMidwest@usda.gov
IA, IL, IN, KS, MI, MN, MO, ND, NE, OH, SD, WI

Southern Region
MFHFODSouth@usda.gov
AL, AR, FL, GA, KY, LA, MS, NC, OK, PR, SC, TN, TX, VI

Northeast Region
MFHFODNortheast@usda.gov
CT, DE, MA, MD, ME, NH, NJ, NY, PA, RI, VA, VT, WV

MINC Help Services

Point of Contact	Servicing Office (SO)	Field Operations Division (FOD)	RD Help Desk (RD-HD)
Main Phone Line:	1-866-600-7984	1-800-292-8293	1-800-457-3642
Email(s):	RD.SO.MFH@usda.gov	MFHFODMidwest@usda.gov MFHFODNortheast@usda.gov MFHFODSouth@usda.gov MFHFODWest@usda.gov	RD.HD@usda.gov
Type of Services Provided:	Account Inquiry Help	Program Guidance	Technical Support

Can Assist With:	• Payments or Tenant Certification Transmission Issues
	• Rental Assistance Checks
	• Navigating through MINC
	• Late Fees and Overages Waivers
	• PAD/EFT
	• Account Status or Delinquencies
	• Accessing/Releasing Project Worksheets (PWS)
	• Correcting Social Security Numbers
		• MFH Program Questions
		   • Project Budgets (3560-7)
		   • Annual Reports (3560-7 & 3560-10)
		   • Rental Assistance Obligations
		   • Policy and Regulatory Guidance
			• Technical Issues Related to eAuthentication Set-up/Access
			• Tech support for the MINC forms (*when user is unable to access the form, type within the form, or error messages received when submitting*)

Tenant Certifications:	SO Specialists can help with submitting Tenant Certification forms within the system.	FOD Regional Specialists can advise on required documentation needed for Tenant Certification submissions.	

RD Website Enhancements

➢ The Rural Development website for Multifamily Housing Program has been updated to include a "Tools & Resources section"

[Multifamily Housing Programs | Rural Development (usda.gov)](#)

Tools and Resources

Multifamily Housing has produced a series of resources for our stakeholders, owners, managers, and tenants. These resource links include MFH tools, announcements, and stakeholder training opportunities. We encourage you to contact us if you have any questions or if you desire further information or assistance.

MFH Proposed Budget training for Stakeholders	**FY23 MFH Income Limits effective 7/13/2023**
Best Practices regarding Denial of Admission in USDA MFH Programs	**MFH program Treatment of Financial Benefits from Solar Programs Participation**

MFH Contact Information

➢ Central Phone Number
  • 800-292-8293

➢ MFH Website
  • Direct Web Address: https://www.rd.usda.gov/multifamily
  • MFH Organizational Structure is located on the bottom of the site and is updated bi-weekly
  • A sortable list of Servicing Specialists for specific properties is located on the site

GovDelivery

What is GovDelivery?

GovDelivery is a marketing platform and communications cloud custom-built for government. It allows USDA Rural Development Multifamily Housing to easily provide program updates to our partners across the country via email.

We will be using **GovDelivery** for all general Multifamily Housing updates.

To ensure you are receiving these updates, please sign-up for GovDelivery at https://public.govdelivery.com/accounts/USDARD/subscriber/new?email=&commit=Sign+Up

Questions?

Thank you!

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