

## Handout 2-2

### Financing and Funding Resources Applicable to Housing for People with Mental Illness

<b>Program</b>	<b>Source of Funds</b>	<b>Description</b>	<b>Eligible Uses</b>
Low Income Housing Tax Credit (LIHTC)	Internal Revenue Service (IRS)	Ten-year tax credit to owners of and investors in low-income rental housing projects.	Development
Historic Rehabilitation Tax Credit	Internal Revenue Service (IRS)	One year tax credit in connection with the qualified rehabilitation of a certified historic structure.	Development - Rehabilitation only
HOME Investment Partnership Program	US Dept. of Housing and Urban Development (HUD)	Funds to states, counties, or cities based on a formula. Funds may be used for rental housing construction or rehabilitation, first-time homebuyer assistance, rehabilitation loans for homeowners, and tenant-based rental assistance.	Development
HOME Investment Partnership Program – Tenant Based Rental Assistance (TBRA)	US Dept. of Housing and Urban Development (HUD)	Funds to states, counties, or cities based on a formula – may be used for rental subsidies for low and very low-income households who enter into a lease with a property owner. The subsidy covers the difference between 30 percent of adjusted family income and the payment standard or the gross rent for the unit. This is limited to up to two years.	Operating – Rental Subsidy
HOME Investment Partnership Program – First-Time Homebuyer	US Dept. of Housing and Urban Development (HUD)	Funds to states, counties, or cities based on a formula may be used for downpayment and closing cost assistance, gap financing, development subsidies, and loan guarantees.	Development Home-Purchase
Community Development Block Grant Program (CDBG)	US Dept. of Housing and Urban Development (HUD)	Flexible funds to states, counties or cities based on a formula to provide housing and services to low and moderate-income households. Among the eligible uses of funds are: housing rehabilitation or construction, purchase of land/buildings, public services.	Pre-Development Development Operating Services
Supportive Housing for Persons with Disabilities (Section 811)	US Dept. of Housing and Urban Development (HUD)	Capital advances to non-profit developers to finance the development construction, rehabilitation or acquisition with or without rehabilitation of structures to provide housing for people with disabilities. The program also provides rent subsidies to help make the housing affordable. Projects must have a supportive services plan, however, residents cannot be required to accept any supportive service as a condition of occupancy.	Development Operating – Rental Subsidy
Housing Choice Vouchers – Section 8 – Tenant Based Rental Assistance	US Dept. of Housing and Urban Development (HUD)	Rental subsidies for low and very low income households who enter into a lease with a property owner. The public housing authority pays the property owner the difference between 30 percent of adjusted family income and a PHA determined payment	Operating – Rental Subsidy

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		standard or the gross rent for the unit, whichever is lower.	
Housing Choice Vouchers – Section 8 – Project Based Rental Assistance	US Dept. of Housing and Urban Development (HUD)	A public housing authority (PHA) can attach up to 20 percent of its Housing Choice Voucher assistance to specific housing units if the owner agrees to either rehabilitate or construct the units, or the owner agrees to set-aside a portion of the units in an existing development. The PHA pays the owner the difference between 30 percent of family income and the gross rent for the unit.	Operating – Rental Subsidy
Housing Choice Vouchers – Section 8 – Homeownership	US Dept. of Housing and Urban Development (HUD)	A public housing authority (PHA) has the option of using Housing Choice Vouchers to provide assistance with monthly mortgage and homeownership expenses including down payment assistance.	Operating – Mortgage Subsidy
Housing Choice Vouchers – Mainstream Vouchers	US Dept. of Housing and Urban Development (HUD)	A public housing authority (PHA) may apply for an allocation of vouchers to enable families having a person with disabilities to lease affordable housing of their choice.	Operating – Rental Subsidy
McKinney-Vento Homeless Assistance Program – Supportive Housing Program	US Dept. of Housing and Urban Development (HUD)	States, units of local government, other governmental entities such as public housing agencies and private nonprofits may apply for funding for development, leasing, and/or supportive services for permanent housing for homeless persons with disabilities. Applications must be submitted through the local Continuum of Care.	Development Operating – Rental Subsidy Supportive Services
McKinney-Vento Homeless Assistance Program – Shelter Plus Care	US Dept. of Housing and Urban Development (HUD)	States, units of local government and public housing agencies may apply for rental assistance for hard-to-serve homeless persons with disabilities in connection with supportive services funded from sources outside the program.	Operating – Rental Subsidy
McKinney Vento Homeless Assistance Program – Section 8 SRO	US Dept. of Housing and Urban Development (HUD)	Provides rental assistance for homeless individuals in connection with the moderate rehabilitation of Single Room Occupancy (SRO) dwellings.	Operating – Rental Subsidy
Rental Housing Program (Section 515) (Very Limited Availability)	U.S. Dept. of Agriculture – Rural Development (USDA)	Low interest loans for new construction or substantial rehabilitation of rental housing for very low- to moderate-income households in rural areas.	Development
Multi-Family Housing – Rental Assistance Program (Section 521) (Very Limited Availability)	U.S. Dept. of Agriculture – Rural Development (USDA)	Residents of multi-family housing complexes built under the Rural Rental Housing Program (Section 515) are eligible to apply for the Rental Assistance Program under which a qualified applicant pays no more than 30% of his or her income for housing.	Operating – Rental Assistance

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Guaranteed Rural Rental Housing Direct Loan Program (Section 538)	U.S. Dept. of Agriculture – Rural Development (USDA)	Guarantee for loans made by private lenders for the construction of affordable housing in rural areas.	Development
Rural Housing Site Loans (Sections 523 & 524)	U.S. Dept. of Agriculture – Rural Development (USDA)	Provides financing for the purchase and development of affordable housing sites in rural areas for low- and moderate-income families. Loans are made to acquire and develop sites for housing to be constructed by the self-help method, or for site development to build a home for any low- or moderate-income family.	Development
Affordable Housing Program (AHP)	Federal Home Loan Bank (FHLB)	Funds for construction or rehabilitation of rental or sales housing for very low- to moderate-income households.	Development
Community Investment Program (CIP)	Federal Home Loan Bank (FHLB)	Loans for the development of housing affordable to low- to moderate-income households.	Development
Enterprise Community Loan Fund	Enterprise Community Partners	Loans to support acquisition and predevelopment costs.	Predevelopment
Enterprise Community Investment - Equity	Enterprise Community Investment	Syndication of Low Income Housing Tax Credits to raise equity for development.	Development
LISC - Grants	Local Initiative Support Corporation (LISC)	Grants for organizational development, strategic planning, and real estate development.	Predevelopment
LISC – Predevelopment/ Development Loans	Local Initiative Support Corporation (LISC)	Loans for predevelopment and acquisition, and “mini-permanent loans/revolving working capital and lines of credit for development of housing and community facilities.	Predevelopment Development
LISC – National Equity Fund (NEF)	Local Initiative Support Corporation (LISC)	Low Income Housing Tax Credit Syndicator to provide equity capital for multifamily housing projects for low and moderate-income households.	Development
State and Local Housing Trust Funds	Public revenue, typically Real Estate Transaction Fees	Funds established by cities, counties and states that permanently dedicate a source of public revenue to support the production and preservation of affordable housing.	Pre-Development Development Operations Services
Mortgage Revenue Bonds/Tax-Exempt Multifamily Housing Bond Programs (Housing Bonds)	Housing Finance Agencies	State and local governments sell tax-exempt bonds and use the proceeds for the first-time homebuyer programs & for the development of multi-family housing. In Pennsylvania, this is administered by the PA Housing Finance Agency (PHFA).	Development
State administered housing funds	State Department of Housing	Each state has a department that administers housing related funds, including both Federal sources (CDBG, HOME) and State funds earmarked for housing activities. In Pennsylvania, this is administered by the PA Housing Finance Agency (PHFA).	Development
State Tax Credits	State governments	Some states provide state corporate tax credits for specific public purposes	Development Services

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		such as affordable housing development, services to special needs populations, and economic development activities. In Pennsylvania, this is administered by the PA Department of Community and Economic Development (DCED)	
Tax Abatement Programs	State and Local governments	Some states and local governments provide real estate tax abatements for development in particular geographic areas or for particular purposes.	Operating
Redevelopment Bond Financing	Redevelopment Authorities	Housing and redevelopment authorities have the capacity to raise development funds for low- and moderate-income financing through bond financing.	Development
Community Development Bank Loans	Community Development Banks	Banks and thrift institutions with a primary mission of promoting community development	Development
Financial Institutions Financing/Grants	Financial Institutions – CRA Programs and Investments	Financial institutions often invest in affordable housing development as part of the Community Reinvestment Act (CRA) obligation.	Development
Private Philanthropy and Program Related Investments	Foundations – National and Local	Grants for development, operations, and services depending on the mission of the foundation	Development Operations Services
Private Philanthropy	Religious Community – national organizations, congregations	Grants for development, operations, and services depending on the mission of the organization.	Development Operations Services
Bank Deposits	Community Development Banks	Provide loans to residents of low- and moderate income communities	Development
Investors	Community Development Loan Funds	Provide loans targeted toward high-impact community development.	Development
Rental Income - Others	Tenants – residential or business	Rent paid by resident households or commercial/business tenants.	Operations Services
Payment in Lieu of Property Taxes	Local Government	Payment to local government below the actual real estate tax rate for properties that serve a public/charitable or community development purpose.	Operations
National Cooperative Bank	Investors	Assistance with creation and financing of cooperatives.	Development