



Preservation Clinic Generic Agenda

*This generic agenda provides basic information about how a Preservation Clinic is structured.
The timing will vary by location.*

AGENDA AT A GLANCE		
1. Opening Plenary Session		
2. The Preservation Process		
3. Group Activity - Set Your Goals		
4. Designing a Recapitalization		
5. HUD Multifamily Housing Programs Policy Update		
6. Lunch (1 hour)		
7. Afternoon Electives (3 hours)		
Workshops	Project Consultations	Resource Tables
Section 236 Workshop Section 202 Direct Loans Workshop Section 8 Workshop	For owners of Section 202 and Section 236 projects	See list below.
8. Closing		
9. Adjourn		



Agenda Details

1. Opening Plenary Session

- HUD Welcome
- Review clinic logistics, agenda, and goals

2. The Preservation Process

Overview of 5 Steps of the Preservation Process

1. Know Your Property
2. Set Your Preservation Goals
3. Choose Your Preservation Options
4. Apply for Financing and HUD Approval
5. Secure Long-Term Stability

3. Group Activity

Set Your Goals – Facilitator-led small group discussion about participants’ preservation goals

4. Designing a Recapitalization

This session is based on Step 3 of the Preservation Process – Choose Your Preservation Options. The goal of this session is to teach owners and their teams what they need to know in order to effectively design and manage a successful recapitalization strategy. This includes a discussion of the specific meaning of the term “recapitalization,” as well as the key issues that you need to address when designing a recapitalization strategy. The presentation summarizes the specific information owners need to know about their properties in order to determine the best options for addressing the properties’ needs. Topics include how to determine the costs involved with recapitalization; “soft” and “hard” debt; an overview of financing options, primarily Low-Income Housing Tax Credits (LIHTC); and determining if the owners need additional partners to achieve a recapitalization transaction.

5. HUD Multifamily Housing Programs Policy Update

This informative presentation will provide highlights of preservation initiatives of the Office of Multifamily Housing Programs.

6. LUNCH

7. Afternoon Electives

Project Consultations

Owners of Section 236 and 202 Direct Loan properties will be offered individual or small group consultations with a HUD representative and/or preservation Subject Matter Expert. Owners should identify themselves at check-in to set up an appointment. Each consultation is scheduled for 20 minutes.

Workshops

Workshops include presentations that will provide information about regulations and requirements unique to the preservation of Section 236, Section 202, and Section 8 resources. You will want to choose 1 or 2 of these workshops. Each workshop is scheduled for 50 minutes.



- **Preservation of Section 236 Properties: Key Concepts**
Owners of Section 236 Loan properties need to be aware of the opportunities that HUD provides for preservation of their properties, including requirements for tools such as prepayment and refinancing properties. At this workshop, we will review the applicable HUD guidance in place to help you understand how to move ahead with your project team to ensure a successful recapitalization. This will include details and advice on IRP decoupling, prepayment, the potential for vouchers for unassisted residents, and how to deal with a Flexible Subsidy balloon note.
- **Preservation of Section 202 Direct Loan Properties: Key Concepts**
Owners of Section 202 Direct Loan properties need to be aware of the opportunities HUD provides for preservation of their properties, including requirements for tools such as prepayment and refinancing properties. At this workshop, we will review the applicable HUD guidance for preservation of Section 202 properties, helping you understand how to move ahead with your project team to ensure a successful recapitalization. We will also discuss the sale of a Section 202 property and the potential subordination of a Section 202 loan.
- **Understanding How to Maximize Your Section 8 Contract**
Participants will review the basics of the Section 8 Renewal Guide, and learn how the Guide applies to Section 8 contracts (regardless of underlying financing). We will cover the mechanics of annual rent increases, 5-year rent adjustments (Options 1 and 2), “exception” contracts (Option 4), and how HUD will generally allow an increase in rents through either the “Mark-up-to-Market” (MU2M) or “Mark-up-to-Budget” (MU2B) process. We will review how a mark-up would benefit a refinancing. If a property is eligible for more than one option, the resulting tradeoffs will be examined.

Resource Tables

Resource Tables are small group discussions to learn about specific topics to help you implement your preservation plan. These drop-in tables that you will visit between other afternoon electives are staffed by subject matter experts, local organizations, and government representatives.

- **How to Use the Recapitalization Excel Tools**
At this table, you will be able to translate your preservation vision into numbers. This session will demonstrate the specialized calculators in the Microsoft Excel Tools: a first mortgage sizing calculator, a tax credit equity calculator, and a sources and uses of funds calculator. Participants will view the tools “live” on a screen and will see how the results change when key inputs are varied.
- **Tenant Protection Vouchers, Project-Based Vouchers, and RAD 2**
Participants will meet with staff from the HUD Office of Public and Indian Housing (PIH) and the Office of Recapitalization to discuss how Tenant Protection Vouchers (TPVs), Project-Based Vouchers (PBVs), and RAD 2 might be a good fit for your preservation strategy. The programmatic requirements will be reviewed for each option and you may ask project-specific questions about the process for each subsidy. This table is a must for properties with Rent Supplement or RAP contracts, and for those with maturing loans and unassisted tenants who might benefit from a new subsidy.
- **HUD Community Planning and Development Funding (HOME, CDBG, NHTF)**
Learn about other HUD resources available for gap financing for your preservation projects. This table will focus on HOME Investment Partnerships Program (HOME) and Community Development Block Grant (CDBG) funding, and will be hosted by a representative from the local HUD Office of



Community Planning and Development (CPD). Explore how the new National Housing Trust Fund (NHTF) (available starting in 2016) may be able to support preservation projects.

- **Federal Housing Administration Financing Basics**

This table will describe the major financing options that are available from HUD's Federal Housing Administration (FHA) for recapitalizing an affordable multifamily property. Participants will learn about the key characteristics of 223(f) and 221(d) financing, and the pros and cons of each option.

- **Energy and Water Efficiency**

Energy and water efficiency improvements are critical elements of any preservation effort. Learn about local practices, online tools, and financing resources.

- **Section 8 Contract Renewal**

Ask the experts about integrating Section 8 contract renewal into your preservation strategy.

- **Demonstration of the HUD Exchange Website**

Learn about online resources and access to information to support the preservation of multifamily affordable housing.

8. Closing

9. Adjourn

Clinic handouts can be accessed electronically at: <https://www.hudexchange.info/training-events/courses/hud-multifamily-affordable-housing-preservation-clinics/>

For follow up questions after the Clinic,
please contact HUD at:

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Section202@hud.gov