

MSHDA Recovery

From: Tony Wong [tony@arcmi.org] **Sent:** Mon 4/13/2009 2:08 PM
To: MSHDA Recovery
Cc:
Subject: Question about MSHDA Recovery
Attachments:

With the recently enacted Stimulus Bill, people with disabilities now have the same Section 504 rights and protections as they have in other "federal financial assistance" programs.

Congress enacted a "housing credit exchange program." HFAs are authorized to "exchange" 100% of unused 2007 and 2008 LIHTC and 40% of their 2009 allocation to developers. In return, HFAs will receive 85 cents on the dollar.

Congress allocated HOME funds to HFAs to fill gaps in tax credit deals. Developers will have to apply for these funds and these HOME funds will fill "gap financing" for tax credit developments. Housing developers must show that the use of such funds will increase the total funds available for the construction or rehabilitation of the affordable housing.

Funds from these two programs must be used and allocated in accordance with the HFA's allocation plans. While these plans in the past did not require compliance with Section 504, that is no longer the case. Before MSHDA uses any of these funds, the allocation plan must be amended so that developers know they must comply with Section 504.

24. C.F.R. section 8.22 requires that at least five percent of the units be fully accessible to people with physical disabilities and another two percent for people with visual and hearing impairments. Not only must these units be accessible, but they must be targeted to people who require these accessible features.

Any HFA accepting these funds MUST reopen their allocation plans to make sure they require AT LEAST FIVE PERCENT of the new construction must be fully accessible. MSHDA should change its allocation plan to target a large portion of these funds to the lowest-income people - people at the SSI income level/18% of the average median income.

What is MSHDA doing to require that developers (for housing developments from 2007-2009) comply with Section 504? When will MSHDA reopen its QAP to include the 504 requirements?

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