

HISTORY/BACKGROUND OF SUBSIDIZED HOUSING COMMITTEE

- The Subsidized Housing Committee was developed shortly after the 2012 KCAA (Kansas County Appraiser's Association) annual conference where concerns were expressed regarding valuation issues and the wide variety of subsidized housing types that challenge each county.
- PVD has asked that the counties and PVD work together on addressing these valuation issues and gathering information so that PVD can possibly update its directives on the various types of subsidized housing.
- Some of the tax credit development programs and their applications in the market have evolved over the years. The counties were in need of guidance on how to handle these unique situations. The counties were also looking for opportunity in being consistent with the handling these types of valuations.

Committee's Recommendations for PVD

- Rents based on median of similar income-restricted properties in market area. In cases of no competing properties in market area, expanded geographic area for market extraction, actual rents, or developer pro forma rents (for proposed projects) can be applied
- Application of market-extracted vacancy rate is preferred based on similar income-restricted properties in market area, or use of expanded geographic area or actual vacancy rate can be applied in case of limited local data.
- Application of market-extracted expense ratio is preferred (with inclusion of replacement reserves as outlined by the (typical) Land Use Restriction Agreement). Expense ratio ranges may be included in recommended capitalization rate study.
- Capitalization rate based on outsourced study by third party. Capitalization rate needs to reflect typical replacement reserves for various property ages (investment grades) and be employable state-wide. Typical expense ratios could be included as part of the capitalization rate study in order to provide market-extracted expense ratio data for counties with limited or no market data available and as a test of reasonableness to actual expense ratios that may need to be applied.
- In the case of SECTION 515 properties, a built-up cap rate using Mortgage-Equity or Band of Investment methodology and applied to actual NOI may be preferred given the profit (NOI) restrictions. Actual SECTION 515 interest rate and loan terms may be used since allowed sales for this type of property are typically only with the assumption of the existing note.

PVD's Work on Committee's Recommendations

- Committee chair and PVD met with two different prospects on completing a capitalization rate study who are well-versed in subsidized housing
- One of the prospects did not think there was enough data on the sales of subsidized housing to put together market-extracted cap rates for all Investment Classes (A, B, C and D) and indicated they would not be able to perform a cap rate study with well-supported conclusions that could be applied state-wide
- The other prospect indicated that they look to conventional apartments for cap rate selection on subsidized housing properties and that their cap rate study would likely result in one cap rate for rural counties and one cap rate for urban counties. The second prospect referenced the Iowa model for assessment that looks at a state issued cap rate based on a band-of-investment that is applied to the subsidized housing properties actual NOI.
- As a result, PVD has opted against doing a state wide cap rate study
- PVD issued an RFP on 4/12/16 for a consultant to assist PVD in updating their subsidized housing guide
- The RFP Scope of Work
 - A three-prong approach:
 - 1) review the current methodology
 - 2) offer conclusions/analysis as to whether the current methodology is appropriate
 - 3) offer recommendations about a new model/course of action as appropriate.

GENERAL GUIDELINES – SUBSIDIZED HOUSING

General

- Know what type of Subsidized Housing Program you are dealing with. Also know that there can be multiple programs in place. For example, in Wichita there are Section 42s with HUD wrap around contract rents. There are also HUD Section 8 projects that were acquired and rehabbed using Section 42 housing tax credits (HTCs).
- Make sure that the housing subsidy is “project” based versus “tenant” based. “Tenant” based subsidies have nothing to do with the real estate value. Once the tenant leaves, so does the subsidy. For example, Wichita has Section 8 Vouchers in addition to Section 8 HUD projects. Section 8 Vouchers are “tenant” based, and the tenant can choose where to use that voucher.
- Know the resources to verify the type of subsidy in place – ie; Kansas Housing Resources Corp. for Section 42, HUD for 202s, 8s, etc.
- Affordable Housing Online is a good source and also gives an overview of the funding type. <http://affordablehousingonline.com/>
- Section 42 projects will have Declaration of Land Use Restrictive Covenants for a period of 15-years, along with an additional 15-year requirement. The project has to remain in the program for at least 15 years. The Declaration is typically filed in the Register of Deeds Office.

Cost Approach

- Know that the project costs for Section 42 projects indicated by Kansas Housing Resources Corp. are fairly accurate, include the site value and are typically higher than Marshall and Swift. Use the project costs indicated by KHRC if deriving a value after the deduction of the upfront value of the HTCs (Housing Tax Credits). Expect significant economic or functional depreciation/obsolescence via the Cost Approach.
- THE UPFRONT VALUE OF THE HTCs (Housing Tax Credits) will likely be equivalent to economic or functional obsolescence in the Cost Approach. See Example under Section 42 projects.

Income Approach

- Always use the Income Approach if historical figures are available or rents are known. Do not consider any value for the HTCs (Housing Tax Credits) in the Income Approach - they are intangible (non-realty), are gone 10 years after construction, and are what makes the project feasible to construct.

Rents:

- From at least the Wichita market, Rents for Section 42 may be slightly lower or could be around the same as market rent. It is not unusual, particularly in the HUD Section 8 elderly projects to see contract rents that are above market rent.
- Know that Section 42 tenants are completely responsible for paying their rent. For the other programs like Section 8, tenants only pay a portion of the rent based on income and the rest of the amount up to the contract amount is paid directly to the owner by the sponsor of the program.
- HUD projects typically have HAP (Housing Assistance Payment) contract rents. Estimates of the Contract Rents can be found on-line through the HUD portal or various websites like Affordable Housing Online is a good source and also gives an overview of the funding type. <http://affordablehousingonline.com/>

Vacancy:

- It is not uncommon for very low-income projects like Section 8 to have a lower than normal vacancy rate. Section 42 projects will typically have vacancy rates similar to a conventional project.

Expenses:

- Anticipate that Section 42 properties will have higher expenses than a conventional project – particularly for administrative/payroll costs due to the additional monitoring requirements for this project. Typically, a HUD project will have even higher expenses than a Section 42 or conventional project. See IREM example.
- Know that many of the cap rate resources do not include replacement reserves – ie; Realty Rates and IREM do not include replacement reserves. The market norm may be to exclude a replacement allowance (ie-brokers – for listings/sales, or sales of other subsidized projects)
- The property's Land Use Restriction Agreement will dictate whether or not to include replacement reserves.
- Some subsidized programs require payment of Replacement Reserves to a separate escrow account and have specific annual figures that are expensed out for all 15 or 30 years of the Land Use Restriction Agreement

Cap Rates:

- Know that cap rates may or may not be significantly different from a conventional project. For example in Wichita – two middle age Section 42 projects have cap rates very similar to conventional projects. An older Section 8 project has much higher cap rates due to location, functionality, etc. as would be expected for a conventional project with the same attributes.
- If your market (model) cap rates exclude a replacement allowance and your subject property has replacement allowances included as an expense, either the cap rate should be adjusted for replacement allowance OR the replacement allowance should be removed in order to be consistent with the market data.

Sales Benchmark Approach

- Kansas Housing Resources has listings of Section 42 projects. These are projects that are getting out of the Section 42 program after 15-years. This is part of the process and the price is based on a formula rather than an income. Very few of these projects sell. If they do not sell, they will be deregulated over a 3-year period and the restrictions removed.
- Webpage for Kansas Section 42 property sale listings (Includes date listed):
<http://www.kshousingcorp.org/SharedFiles/Download.aspx?pageid=164&mid=422&fileid=214>

IREM – Income and Expenses

The best source for an Income Approach to Value will always be the historical income and operating expenses. However, other resources can be considered absent this information.

The Institute of Real Estate Management (IREM) produces the Income-Expense Analysis: Conventional Apartments (which also includes a Section 42 category), in addition to Income-Expense Analysis: Federally Assisted Apartments. (note: Appraisal Institute members can download this resource for free.)

Below is a summary of the expenses for Wichita conventional projects, Region 7 Section 42 projects (no separate category for Wichita) and Wichita Federally Assisted projects.


Source:		2014 IREM Conventional Wichita-Low Rise Page 120 IREM	2014 IREM Section 42 Region 7 KS,NE,MO,IA Page 215 IREM	2014 IREM Fed. Assisted Wichita-Low Rise Page 86- 2014 IREM
Income:				
	Avg. Rent PSF	\$9.56	\$7.52	\$8.40
	Vacancy	6.10%	6.50%	4.40%
	Avg. EGI PSF	\$9.47	\$7.35	\$8.44
	Med Exp % of GPI	50.8%	52.0%	58.7%
	Med NOI % of GPI	38.1%	38.7%	50.7%
	Med Expenses PSF	\$5.37	\$3.93	\$5.77
	Med NOI \$/SQFT	\$3.34	\$3.01	\$4.70
*Note when using IREM - all calculations will not equal.				

Obviously every project is unique, but the IREM figures generally correspond with findings in the general Wichita market based on numerous fee appraisals of individual projects over the last 30 years and from projects appealed to BOTA.

Typical Findings in Wichita Market			
	Convtl	S42	HUD
Rents PSF:	Base	Sim. To Less	Higher -Mainly Eld.
Vacancy:	Base	Sim.	Less Than
Expenses % of EGI:	Base	Higher	More High.
NOI:	Base	Sim. To Less	Higher

Example of Affordable Housing Online

<http://affordablehousingonline.com/>



Market Overview

Sedgwick County is a county in [Kansas](#). The population of Sedgwick County, according to the 2010 Census, is 498,365. The total number of households in the county is 193,502. The average household size for Sedgwick County is 2.45. The total number of renter households in the county is 66,967 which means that 34.6% of households are renter households.

Sedgwick County's Federally assisted affordable rental housing stock includes properties financed through the following programs:

Program	Properties	Units
Section 8	22	1,269
LIHTC	63	3,202
RD 515	6	156
Section 202	15	560
Section 811	5	91
Public Housing	5	597
Total	98	5,257

Note: The total does not necessarily equal the sum of each program as some properties may participate in multiple funding programs.

The average number of units per property for affordable rentals in Sedgwick County is 53.60. The largest Federally assisted affordable rental community in the county is Inwood Crossings at 260 units and the smallest is Exchange at 1 unit(s). 18 apartment properties provide housing for seniors containing 624 units. Of the 5,257 units, 2,562 units include some form of rental assistance (like Section 8) to make rent more affordable for very low income families.

Cities with Federally Assisted Projects in Sedgwick County

City	Properties	Units
Wichita	72	4,310
Derby	4	278
Haysville	4	167
Mulvane	3	111
Maize	2	78
Valley Center	3	66
Clearwater	3	64
Goddard	2	38
Garden Plain	2	24
Cheney	1	12

Click to See All Projects in Wichita

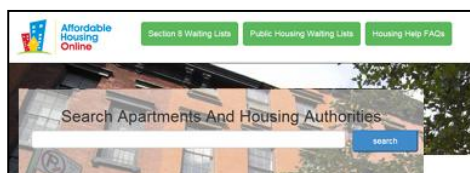
Steps to Get Here:

Go to

<http://affordablehousingonline.com/>

In Search Apartments and Housing Authorities:

Say Sedgwick or wherever and click Search.



Click County:

Affordable Housing and Housing Authorities in Sedgwick

Affordable Housing Markets that Match Sedgwick

Cities

City	County	State
Sedgwick	Harvey County	Kansas

Counties

County	State
Sedgwick County	Kansas

By clicking the City, it will further refine projects by type for that City.


Scroll down to Project Names and listing of type of project and whether or not is elderly (Sr).

Federally Assisted Units By Property

Name	Sec 8	Sec 811	Sec 202	LIHTC	RD 515	Sr
Alan And Marlene Zimmerman	-	-	-	-	-	-
Almond Tree Apartments	50	-	50	-	-	50
Broadmoor At Chelsea	-	-	-	240	-	-
Builder's Inc.	-	-	-	40	-	-
Buttonwood Tree Apartments	44	-	-	173	-	-

Example of Affordable Housing Online

<http://affordablehousingonline.com/>



Search City, State, County, or Zip

Section 8 Waiting ListsPublic Housing Waiting ListsHousing Help FA

Kansas / Sedgwick County / Wichita / Almond Tree Apartments

Almond Tree Apartments

339 Companyuntry Acres
Wichita, Sedgwick County, Kansas 67212

Funding Programs

Almond Tree Apartments was developed and operates with Federal housing financing. The property utilizes the Section 202 Federal housing program to make rent affordable to lower income tenants.

Section 202

The property was developed with funding through the HUD Section 202 program which provides funding for housing for seniors who are 62 or older. The program provided both capital financing to construct the property and operating subsidies that work as rental assistance like the Section 8 program. Almond Tree Apartments is among only 85th Section 202 properties in Kansas and 6,166th in the country.

Overview

Almond Tree Apartments is an affordable apartment community located in Wichita, Kansas which is located in Sedgwick County. The property is located in Kansas's 4th Congressional District served by Representative Mike Pompeo (R), Senator Jerry Moran (R) and Senator Pat Roberts (R).

Almond Tree Apartments is an apartment community containing 50 rental units. The property contains 38 bedrooms and based on typical apartment occupancy limits, Almond Tree Apartments is home to not more than 69¹ persons when fully occupied.

Rent Subsidies

Almond Tree Apartments provides rental subsidies to renters. The type of subsidy provided to apartment renters in Wichita, KS by this property is Section 202 Rental Assistance.

This subsidy allows the renter to pay 30% of his or her income for rent while the subsidy pays the difference. To qualify, a renter must earn 50% or less of the Area Median Income.

There is no minimum rent at this property for residents receiving a rent subsidy but in recent years, there has been discussions in Congress to implement a minimum rent in the Section 202 Program to reduce cost burden on the Federal budget.

Physical Inspection Scores

Almond Tree Apartments receives Federal funding from HUD through Section 202 and is subject to regular physical inspections to insure the property is providing a safe, clean living environment for its residents. These inspections are referred to as REAC inspections. They get their name from the division of HUD responsible for carrying out the inspections, the Real Estate Assessment Center.

The last REAC inspection for Almond Tree Apartments was completed on 8/15/2006 and the property received a score of 91.36. This score is considered passing by HUD. Since the property received a score of 91.36 the property's next REAC inspection should have occurred by 8/15/2011, however HUD has not included that inspection data in its latest data release.

Of all the properties in Kansas scored by REAC, Almond Tree Apartments scored higher than the average score of 83.38 and above the median score of 86.55.

Compared with all other HUD scored apartment communities in the United States, Almond Tree Apartments is higher than the national average of 81.01.

Since 2002 the property has had 2 REAC inspections with scores ranging from 91.36 to 91.64. The property's last score was passing.

Unit Mix

Almond Tree Apartments contains a mix of 50 assisted studio and one bedroom apartments for rent. There are 12 Studio and 38 One Bedroom apartments in this property. The unit mix is 24% Studio and 76% One Bedroom apartment rentals. The average bedroom size for Almond Tree Apartments is 0.76.

Kansas's 4th Congressional District

50 Total Units

50 Project Based Sec. 8 Units

50 Section 202 Units

50 Senior Units

134.6 % of Fair Market Rent

2/28/33 Project Based Sec. 8 Contract Expiration

Studio and One Unit Mix

91.36 Last REAC Score (Passing, 8/15/2006)

0.76 Average Bedroom Size

[Find More in Wichita](#)
Search Nearby Affordable Housing

[Find More in Sedgwick County](#)
Search Nearby Affordable Housing

† These counts are estimates based on the data available from HUD. [Learn More About Our Data](#)

Steps to Get Here:

See previous Steps, Click on Wichita

Scroll to Bottom of Page. Double Click on Specific Property.

Federally Assisted Units By Property						
Name	Sec 8	Sec 811	Sec 202	LIHTC	RD 515	Sr
Alan And Marlene Zimmerman	-	-	-	-	-	-
Almond Tree Apartments	50	-	50	-	-	50
Broadmoor At Chelsea	-	-	-	240	-	-
Builder's Inc.	-	-	-	40	-	-
Buttonwood Tree Apartments	44	-	-	173	-	-

Almond Tree has 50 units, all of which are Section 202 elderly units with a Section 8 Contract or HAP Contract.

The contract rents are estimated to be around 134.6 above the fair market rents for the Wichita area.

Section 42 Projects

Kansas Housing Resources Corporation (<http://www.kshousingcorp.org/>)

*KHRC has been responsible for monitoring the program since the first tax credits were issued in 1987.

Specific Areas of Information:

Low Income Housing Tax Credit Program Overview (<http://www.kshousingcorp.org/lihtc.aspx>)

Example: Current Average Rate per Credit is \$0.77 on the dollar; agree to keep rents affordable for 30 years, etc. Fred Bentley of KHRC indicates that Kansas is closer to \$0.95 on the dollar.

LIHTC Directory: (<http://www.kshousingcorp.org/1forms-and-publications.aspx>)

Example: From the Wichita MSA list, Richmond Place received HTC in 2007, and was a new construction for special needs. All of the units are low-income housing tax credits.

<i>Development</i>	<i>Address</i>	<i>Year</i>	<i>Program(s)</i>	<i>Type</i>	<i>Units</i>				<i>Occup.</i>	<i>Status</i>
					<i>Total</i>	<i>HTC</i>	<i>HOME</i>	<i>Market</i>		
Market Street Studios	833 S Market	1998	HTC HOME FDIC	Acq/Rehab	23	23	6	0	Family	C
Richmond Place	10th Street North & Richmond	2007	HTC	NewConst	20	20	0	0	Special Nee	C
Ridge View Apartments	7003 W 34th St	2003	HTC	NewConst	88	66	0	22	Family	C
Riverfront Residences	1555 W 23rd	1990	HTC	NewConst	52	52	0	0	Elderly	C

LIHTC Project Costs & Allocations: (<http://www.kshousingcorp.org/1forms-and-publications.aspx>)

Example: From the 2007 HTC Allocation List, the Richmond Place received HTC's of \$148,132 over 10-years. The project costs including site were \$1,879,635. Note that some of the older projects don't include project costs. Sometimes, the allocation costs will fall on the previous or prior year list.

<i>Development</i>	<i>Developer</i>	<i>Development Data</i>	
Richmond Place	Mark Cox and KETCH	New Const	<i>HTC Amount:</i> \$148,132
10th Street North & Richmond	Ron Pasmore (316) 383-8700	Special Needs	<i>Projected Cost:</i> \$1,879,635
City Wichita	1006 East Waterman	<i>HTC Units</i> 20	
County Sedgwick	Wichita, KS 67211	<i>Mkt Units</i> 0	

Historical Income and Expenses is the key for valuing these types of properties. However, from the information above, Richmond Place will receive \$148,132 over 10-years (\$1,481,320). When the project was constructed tax credits were selling for around \$0.90 on the dollar per KHRC or the present value of the proceeds is \$1,333,188 (\$1,481,320*.90). In most cases, these funds are gone by the start of the project and were used to defray the costs of construction. This amount reflects the functional/economic depreciation in the Cost Approach using actual project costs and the remaining project costs of \$546,447 (\$1,879,635-\$1,333,188) will likely be similar to the value produced by an Income Approach. The owner/tax representative should be questioned as to the amount the tax credits were sold for and to verify they were sold upfront.

Navigating Kansas Housing Resources Corp. Site

**KANSAS HOUSING**
RESOURCES CORPORATION *Bringing Kansas Home*

enter search terms

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LIHTC

- CHDOs
- Cities and Counties
- Contractors
- Developers
- HOME
- LIHTC**
- PAB Allocation
- Lenders
- MFG Housing Installers
- Realtors
- NonProfits
- Moderate Income Housing
- Asset Management

What is LIHTC?



As part of the Tax Reform Act of 1986, the United States Congress created the Low-Income Housing Tax Credit (LIHTC) Program to promote the development of affordable rental housing for low-income individuals and families. To date, it has been the most successful rental housing production program in the nation, creating thousands of residences with very affordable rents.

Properties for Sale

Click on the sign below to display the list of properties for sale under the Qualified Contract procedures



The Low-Income Housing Tax Credit Program at Year 25: A Current Look at Its Performance



Reznick Group

The Low-Income Housing Tax Credit Program at Year 25: A Current Look at Its Performance.

This Reznick Group Report examines the 2008 – 2010 performance of low-income housing tax credit properties.

[Download the PDF.](#)

Contact

Fred Bentley
Rental Housing Director
Ph: (785) 217-2029
Fax: (785) 232-8084

Forms and Publications

[View Qualified Allocation Plans, annual allocations, applications, and other important documents.](#)

Eligibility Requirements

Find out which types of developments are **eligible** for tax credits.

Energy Raters

For qualified Energy Raters through Ratings Alliance click [here](#) for the RESNET directory.

Additional Resources

Find additional information on fair housing regulations and accessibility standards.

Affordable Rents

In exchange for the financing provided through the credit, owners agree to keep rents affordable over a 30-year period for families with incomes at or below 60 percent of the local median income.

Debt Reduction

Financial institutions, such as banks, insurance companies and government-sponsored enterprises make equity investments in exchange for receiving the tax credits. Equity from the sale of tax credits reduces the amount of debt financing that the property owner incurs. This process reduces the property's monthly debt service, lowers the operating costs, and makes it economically feasible to operate the property at below-market rents.

KHRC's Role

KHRC administers the LIHTC program on behalf of the State of Kansas. The Corporation allocates credits based upon selection criteria and application ranking procedures set forth in KHRC's housing allocation plan. In addition, KHRC monitors tax credit properties during the compliance period to ensure that rents and residents' incomes do not exceed program limits, and that properties are well-maintained. KHRC has authority to allocate approximately \$60 million of ten year credits each year.

How Does the Program Work?

Owners of tax credit properties are eligible to take the federal tax credit each year for 10 years, provided the property continues to operate in compliance with federal guidelines. Excluding land, the annual amount of the tax credit is approximately 9% of the qualified cost of building or rehabilitating the property.

Credit Value

The property owner typically sells the tax credits to a corporation or group of investors. Currently the average rate per credit is 77 cents on the dollar. The proceeds provide equity in the development, which reduces the amount of debt required to build the property, and therefore reduces the monthly debt service and the amount of rent income that is required.

Examples of \$42 for Sale



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MFG Housing Installers

Realtors

NonProfits

Moderate Income Housing

Asset Management

Forms and Publications

File Name	Size(KB)	Modified
Architectural & Construction Forms	2872	
CEP Annual Allocations	211	
HTC Allocation Documents	84	
HTC Allocation Plans	13090	
HTC Allocation Policies	0	
HTC Annual Allocations	629	
HTC Applications	3031	
HTC Quarterly Reports	28	
List of Rental Developments	440	
Market Study Guide	377	
Presentations	12612	
Qualified Contract Procedure	443	
TCAP Annual Allocations	256	

13 object(s)

Example of Restricted Use Doc.

Allocations by Year/Project Costs

List of Section 42 Projects - Gives Year Qualified Fee Appraisers

Properties for Sale, Calculation of Price Occurred in 2010, Mostly replaced HTC's

611 S. Kansas Avenue, Suite 300 Topeka, KS 66603-3803 Voice:785-217-2001 Fax:785-232-8084 TTY:800-766-3777

Contact Us | Site Map | Printable View | © 2008 - 2016 KHRC | Powered by MojoPortal

HUD Projects (Sections 8, 202, etc.)

U.S. Dept. of Housing and Urban Develop - <http://portal.hud.gov/hudportal/HUD>)

Specific Areas of Information:

Database of HUD Apartments: (<http://www.hud.gov/apps/section8/index.cfm>)

Gives confirmation that a project is a government subsidized project or “project based” subsidy.

 WEDNESDAY, MAY 04, 2016



HUD.GOV

U.S. Department of Housing and Urban Development

Secretary Julián Castro

HUD.gov

HUD > Affordable Apartment Search

Affordable Apartment Search

Kansas

The following properties meet your search criteria:

City: WICHITA

State: KANSAS

Found 32 entries, displaying records 1 - 20 of 32.

 New search

 Next page

Contact	Property	Type	Number of bedrooms				
			1	2	3	4	5+
Weigand-Omega Management Inc. Phone: (316) 263-2215 chanson@weigandomega.com	ALMOND TREE APARTMENTS 339 COUNTRY ACRES WICHITA, KS 67212-6144 Phone: (316) 722-5336	Elderly	x				
ConAm Management Corporation Phone: 316-681-1700 manager.buttonwoodtree@conam.net	BUTTONWOOD TREE APTS 9211 E HARRY ST WICHITA, KS 67207-5097 Phone: (316)681-1700	Family	x	x			
YOUNG MANAGEMENT CORP. Phone: (913) 947-3131 JLundgren@ymcorp.com	CALVARY TOWERS 2600 N GROVE WICHITA, KS 67219-4651 Phone: 316-684-0247	Elderly	x				
MENNONITE HOUSING REHABILITATION SERVICES, INC. Phone: (316) 942-4848	CENTRAL PARK RESIDENCES 3850 Newell St WICHITA, KS 67203-5082 Phone: 316-942-4848	Elderly	x				
MENNONITE HOUSING REHABILITATION	FINCH HOLLOW	Elderly	x				

More Specific Data – Download the Multifamily Assistance and Section 8 Contracts Database
http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/exp/mfhdiscl

The best resource to establish the contract rent is always the rent roll. However, the HUD portals include a downloadable database with good specific project information. The database is located below.

The screenshot shows the HUD.GOV website header with the date Wednesday, May 04, 2016, and the Secretary Julián Castro. The main navigation bar includes links like HOME, PRESS ROOM, AUDIENCES, STATE INFO, PROGRAM OFFICES, TOPIC AREAS, ABOUT HUD, RESOURCES, and CONTACT US. A secondary navigation bar lists various housing programs. The breadcrumb trail indicates the path: HUD > Program Offices > Housing > Multifamily > EXP > Assistance & Section 8 Contracts Database.

Download the Multifamily Assistance and Section 8 Contracts Database

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DISCLAIMER

The information regarding the Multifamily Assistance and Section 8 contracts, and properties is being furnished for the convenience of interested parties. The information has been compiled from multiple data sources within FHA or its contractors. This information does not purport to be complete or all inclusive. No representation or warranty, express or implied, as to any of the information contained in these files is made by HUD, FHA or any of their respective contractors, representatives or agents, or any officer, Director, employee, or any of the above. **Please read all of the instructions before using the Download utility.**

The Multifamily Assistance and Section 8 Contracts database is a replacement of the previously named Section 8 Expiring database. The contents and the structure of the file have been enhanced, so please also review the Data Element Dictionary (DED).

Based on numerous requests for this data we plan on updating the contents of this file monthly. Please read the **INSTRUCTIONS**.

File	File Format	File Size
Database (as of 4/1/2016)	Microsoft Access 2002 - 2003, * for Windows XP, database (within a MS Windows XP * self- extracting ** compressed file.)	8.08 MB

Federal Housing Administration

Insuring More Than 40 Million Mortgages Since 1934

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Making Home Affordable

MAKING HOME AFFORDABLE.gov

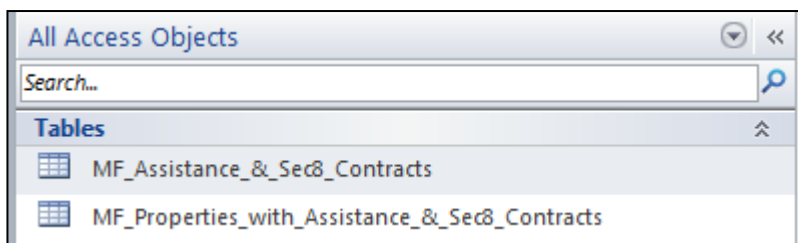
Help for America's Homeowners

[LEARN MORE](#)

Avoiding Foreclosure

Whether you're in foreclosure now or worried about it in the future, we have information that can help.

There are two tables in Access – which can be filtered, or copied over into excel and linked with project_id.



For example, for Sedgwick County, all of the projects are contained in a single excel spreadsheet. For Regular Division BOTAs cases, the following spreadsheet is included in the trial exhibit for the project under appeal (example is below). Note in the example, this is a 202 project with an Housing Assistance Plan for 50 units with 12 studio units.

As noted in the Instructions of the Portal – For each contract, the overall average ratio of gross contract rent is displayed. The ratio is a guide only, as FMRs (Fair Market Rents) are determined by county and metro areas and rents change frequently. Again, the rent roll is the best source to determine the HAP (Housing Assistance Payment) contract rents, however, this portal does provide an “estimate” of what contract rents are. For example, the HAP contract rents on the studios below are actually \$633 per month versus the estimated amount of \$623 per month.

HUD Property Overview

Source:

http://portal.hud.gov/hudportal/HUD?src=/program_offices/housing/mfh/exp/mfhdisc

Property Name	Address	City	State	
ALMOND TREE APARTMENTS	339 COUNTRY ACRES	WICHITA	KS	
property_phone_number	Zip Code	County	property_id	
(316) 722-5336	67212	Sedgwick	800007125	
Project Units	Contract Units	Ownership Eff. Date		
50	50	10/28/1985		
Contract Terms (mo)	BeginDate	End Date		
240	3/1/2013	2/28/2033		
StudioUnits	1BR	2BR	3BR	4BR
12	38	0	0	0
Studio FMR Rent	1BR Rent	2BR Rent	3BR Rent	4 BR Rn
\$439	\$544	\$0	\$0	\$0
Rent to FRM Ratio	Estimated Rent to FMR	Description		
141.9814958	Between 141% & 160% FMR			
Adjusted Rents:				
Studio FMR Rent	1BR Rent	2BR Rent	3BR Rent	4 BR Rn
\$623	\$772	\$0	\$0	\$0

Estimated Contract Rents with FMR Adjustment:

Project Mix	Rent	Units	Yearly Inc.
Studios	\$623	12	\$89,712
1-BRs	\$772	38	\$352,032
2-BRs	\$0	0	\$0
3-BRs	\$0	0	\$0
4-BRs	\$0	0	\$0
Rents:			\$441,744

Program Data:

Category name	Co. Type	Contract Type	Program Name	Group Cd
Subsidized - Previously 202/8 Non-Profit		HAP	202/8 NC	202
is_insured_ind	is_202_811_ind	performance_based_ind		
N	N	Y		

IOWA EXAMPLE

Source: <https://tax.iowa.gov/property-tax-credits-and-exemptions#section>

SECTION 42 - REPORTING FORM - 2016 ASSESSMENT						
PROPERTY NAME:						
PROPERTY ADDRESS:						
PARCEL IDENTIFICATION:						
PERSON COMPLETING FORM:				TELEPHONE		
PREPARER'S E-MAIL ADDRESS:						
	Reporting Period 2013	Reporting Period 2014	Reporting Period 2015	Normalized	Comments / Notes	Expense Ratio
INCOME						
Potential Gross Apartment Income					Actual Rent Roll	
Other				#DIV/0!	Average	
POTENTIAL GROSS INCOME	\$0	\$0	\$0	#DIV/0!		100.000
Vacancy & Collection loss						
Vacancy	\$0	\$0	\$0	\$0	Average	
Uncollected Rent (1)	\$0	\$0	\$0	\$0	Average	
Other	\$0	\$0	\$0	\$0	Average	
TOTAL VACANCY & COLL. LOSS	\$0	\$0	\$0	\$0		#DIV/0!
Miscellaneous Income						
Interest Income	\$0	\$0	\$0	\$0	Average	
Garage/Parking Income	\$0	\$0	\$0	\$0	Average	
Storage Income	\$0	\$0	\$0	\$0	Average	
Late Fees (2)	\$0	\$0	\$0	\$0	Average	
Laundry Income	\$0	\$0	\$0	\$0	Average	
Security Deposit Forfeits	\$0	\$0	\$0	\$0	Average	
Application Fees	\$0	\$0	\$0	\$0	Average	
	\$0	\$0	\$0	\$0	Average	
Miscellaneous Income (3)	\$0	\$0	\$0	\$0	Average	
Other	\$0	\$0	\$0	\$0	Average	
TOTAL MISCELLANEOUS INCOME	\$0	\$0	\$0	\$0		100.000
EFFECTIVE GROSS INCOME	\$0	\$0	\$0	#DIV/0!		100.000
EXPENSES*						
Administrative						
Marketing / Advertising/Signage	\$0	\$0	\$0	\$0	Average	
Telephone/Answering Service/Pagers	\$0	\$0	\$0	\$0	Average	
Bank Charges	\$0	\$0	\$0	\$0	Average	
Office Supplies/Equip/Postage	\$0	\$0	\$0	\$0	Average	
Computers / Fax / Copiers	\$0	\$0	\$0	\$0	Average	
Dues & Subscriptions	\$0	\$0	\$0	\$0	Average	
Licenses / Fees / Permits	\$0	\$0	\$0	\$0	Average	
Mileage/Automobile/Vehicle/Travel	\$0	\$0	\$0	\$0	Average	
Credit / Tenant Investigation Fees	\$0	\$0	\$0	\$0	Average	
Collection Expenses	\$0	\$0	\$0	\$0	Average	
Accounting / Auditing	\$0	\$0	\$0	\$0	Average	
Training and Compliance Training	\$0	\$0	\$0	\$0	Average	
Leasing Fees	\$0	\$0	\$0	\$0	Average	
IFA Compliance Fees	\$0	\$0	\$0	\$0	Average	
Misc Expense (4)	\$0	\$0	\$0	\$0	Average	
Other	\$0	\$0	\$0	\$0	Average	
TOTAL ADMINISTRATIVE EXPENSES	\$0	\$0	\$0	\$0		#DIV/0!

IOWA EXAMPLE (CONTINUED)

Management						
Management Fee	\$0	\$0	\$0	\$0	Average	
Asset Management Fee	\$0	\$0	\$0	\$0	Average	
Manager/Asst Mgr On-site	\$0	\$0	\$0	\$0	Average	
Managers/Employees Unit Discount	\$0	\$0	\$0	\$0	Average	
Maintenance Employee Expense	\$0	\$0	\$0	\$0	Average	
Contract Labor	\$0	\$0	\$0	\$0	Average	
Employee Benefits	\$0	\$0	\$0	\$0	Average	
Payroll Taxes/Processing	\$0	\$0	\$0	\$0	Average	
Other	\$0	\$0	\$0	\$0	Average	
TOTAL MGMT/PAYROLL EXPENSE	\$0	\$0	\$0	\$0		#DIV/0!
Services						
Trash Removal	\$0	\$0	\$0	\$0	Average	
Snow Removal	\$0	\$0	\$0	\$0	Average	
Exterminating	\$0	\$0	\$0	\$0	Average	
Security/Fire Monitoring	\$0	\$0	\$0	\$0	Average	
IFA Supportive Services	\$0	\$0	\$0	\$0	Average	
Other	\$0	\$0	\$0	\$0	Average	
TOTAL SERVICES EXPENSES	\$0	\$0	\$0	\$0		#DIV/0!
Repairs & Maintenance						
Heating / HVAC Repairs (5)	\$0	\$0	\$0	\$0	Average	
Maintenance Supplies	\$0	\$0	\$0	\$0	Average	
Cleaning and Cleaning Supplies (6)	\$0	\$0	\$0	\$0	Average	
Repairs/Maintenance (7)	\$0	\$0	\$0	\$0	Average	
Carpet Cleaning	\$0	\$0	\$0	\$0	Average	
Painting / Decorating	\$0	\$0	\$0	\$0	Average	
Pool Repair / Supplies / Equipment	\$0	\$0	\$0	\$0	Average	
Landscape/ Mow ing	\$0	\$0	\$0	\$0	Average	
Laundry Maintenance	\$0	\$0	\$0	\$0	Average	
Other	\$0	\$0	\$0	\$0	Average	
TOTAL REPAIRS & MAINT. EXPENSE	\$0	\$0	\$0	\$0		#DIV/0!
Utilities						
Electricity	\$0	\$0	\$0	\$0	Average	
Gas	\$0	\$0	\$0	\$0	Average	
Water / Sewer	\$0	\$0	\$0	\$0	Average	
Other	\$0	\$0	\$0	\$0	Average	
TOTAL UTILITIES EXPENSE	\$0	\$0	\$0	\$0		#DIV/0!
Insurance						
Property Insurance	\$0	\$0	\$0	\$0	Average	
Other	\$0	\$0	\$0	\$0	Average	
TOTAL INSURANCE EXPENSE	\$0	\$0	\$0	\$0		#DIV/0!
Reserves For Replacement						
Payment to reserve account	\$0	\$0	\$0	\$0	Average	
Other	\$0	\$0	\$0	\$0	Average	
TOTAL RESERVES EXPENSE	\$0	\$0	\$0	\$0		#DIV/0!
Real Estate Taxes						
Property Taxes	\$0	\$0	\$0	\$0	Average	
Special Assessment Taxes	\$0	\$0	\$0	\$0	Average	
Other	\$0	\$0	\$0	\$0	Average	
TOTAL REAL ESTATE TAXES	\$0	\$0	\$0	\$0		#DIV/0!
TOTAL EXPENSES	\$0	\$0	\$0	\$0		#DIV/0!

IOWA EXAMPLE (CONTINUED)

NET OPERATING INCOME	\$0	\$0	\$0	#DIV/0!		
		CAPITALIZATION RATE:		0.0000		
		INDICATED VALUE:		#DIV/0!		
Notes to Statement:						
<u>THIS REPORT IS TO BE FILED WITH THE LOCAL ASSESSOR BY MARCH 1 OF EACH YEAR.</u>						
<u>As of January 1, 2015, property owners have a one-time, irrevocable election to withdraw from the Section 42 program and special valuation methodology. Once withdrawn, the property will be classed and assessed as multi-residential unless it fails to meet the other requirements of Iowa Code section 441.21 (13).</u>						
<u>A \$500 PENALTY IS IMPOSED FOR FAILURE TO NOTIFY THE ASSESSOR WHEN A PROPERTY IS WITHDRAWN FROM SECTION 42 PROGRAM.</u>						
<u>THIS NOTIFICATION MUST ALSO BE PROVIDED BY MARCH 1 OF THE ASSESSMENT YEAR.</u>						
(1) Uncollected rent includes collection loss, bad debt and uncollectibles. It should also include any past rent collection income.						
(2) Late Fees include NSF charges and late rent payment fees.						
(3) Misc Income also includes vending income, utility reimbursements and clubhouse income.						
(4) Misc Expenses also includes entertainment and uniforms.						
(5) Heating/HVAC repairs also includes air conditioning repairs.						
(6) Cleaning and Cleaning Supplies include apartment and common area cleaning expenses.						
(7) Repairs include carpentry, plumbing, electrical, roof repairs (not replacement), repairs to boilers and water heaters (not replacement appliance repairs (not replacement), and exterior repairs.						
*Expenses should not include capitalized items including replacement of roofs, parking lots, boilers, water heaters, appliances, or other items typically capitalized. Expenses should also not include principal payments on debt, nor interest payments. Expenses must reflect actual and not proforma expenses unless property does not have three years of history. If other than actual expenses please indicate expenses used with a hidden comment in Reporting Period cells at the top of this report.						
I, _____ hereby certify that the information submitted in this report is accurate and complete. I further certify that there are no depreciable expenses include in the expense categories within this report.						
Signed _____			Date _____			
General Partner or Title _____						
(If filed electronically, please print this report, sign and mail copy to Assessor as a supplement to electronic filing)						

57-014 (12/15)

IOWA EXAMPLE – CAP RATE METHODOLOGY (BAND OF INVESTMENT)

Ch 71, p.2

IAC

d. Capitalization rate. The overall capitalization rate to be used in applying the direct capitalization method for a Section 42 property is developed through the band-of-investment technique. The capitalization rate will be calculated annually by the Iowa department of revenue and distributed to all Iowa assessors by March 1. The capitalization rate is a composite rate weighted by the proportions of total property investment represented by debt and equity. The capital structure weights equity at 80 percent and debt at 20 percent unless actual market capital structure can be verified to the assessor. The yield, or market rate of return, for equity is calculated using the capital asset pricing model (CAPM). The yield for debt is equivalent to the average yield on 25-year Treasury bonds referred to as the Treasury long-term average rate. An example of the band-of-investment technique to be utilized is as follows:

	% to Total	Yield	Composite
Equity	80%	11.05%	8.84%
Debt	20%	5.94%	1.19%
	100%		10.03%

e. Capital asset pricing model. The capital asset pricing model (CAPM) is utilized to develop the equity rate. The formula is:

$$Re = B(Rm - Rf) + Rf$$

Where:

- Re = return on equity
- B = beta
- Rm = return on the market
- Rf = risk-free rate of return
- Rm - Rf = market-risk premium

The beta is assumed to be 1 which indicates the risk level to be consistent with the market as a whole. The risk-free rate is calculated by finding the average of the three-month and six-month Treasury bill. The return on the market is calculated by taking the average of the return on the market for the Merrill Lynch Universe and Standard and Poor's 500 or by reference to other published secondary sources.

f. Properties under construction. For Section 42 properties under construction, the assessor may value the property by applying the percentage of completion to the replacement cost new (RCN) as calculated from the Iowa Real Property Appraisal Manual and adding the fair market value of the land. Alternatively, projected income and expense data may be utilized if available.

g. Negative or minimal NOI. If the Section 42 property shows a negative or minimal net operating income (NOI), the indicator of value as set forth in these rules shall not be utilized.

h. Eligibility withdrawn. The property owner shall notify the assessor when property is withdrawn from Section 42 eligibility under the Internal Revenue Code. The notification must be provided by March 1 of the assessment year or the owner is subject to a penalty of \$500.

This rule is intended to implement Iowa Code sections 421.17, 428.4, 441.21 as amended by 2004 Iowa Acts, Senate File 2296, and 476.1D(10).

KCAA SUBSIDIZED HOUSING QUESTIONNAIRE

How can PVD improve the existing Subsidized Housing Valuation Guide?

If a state-wide cap rate were put in place for subsidized housing (Section 42 properties for example), should the counties be allowed to use their own cap rate study indications for apartments, or should all counties use the state's standard cap rate?

Suggestions?
