Section 202
Overview
Section 202 Authority

- 12 U.S.C. § 1701q
  - Designed to enable elderly persons to live with dignity and independence by expanding the supply of supportive housing that accommodates the special needs of elderly persons and provides a range of services.

- 24 C.F.R. part 891
- Housing Handbook 4571.3, “Section 202 Supportive Housing for the Elderly”
Eligibility

- **Occupancy**
  - Very low-income households which include at least one person 62 years of age or older.

- **Eligible Owners**
  - Created by Sponsor
  - Private, nonprofit organization (501(c)(3))
  - Sole Asset
  - Mixed Finance - single-asset, for-profit limited partnership of which a private nonprofit organization is the sole general partner
### Program Features

<table>
<thead>
<tr>
<th>Feature</th>
<th>Details</th>
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<tbody>
<tr>
<td>Development and operation of supportive rental housing for very-low-income persons aged 62 years or older</td>
<td>• Cannot be used for assisted living or have infirmaries, nursing stations, or spaces for overnight care</td>
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<td>Project rental subsidies in the form of a PRAC</td>
<td>• Subsidizes the difference between tenant contribution and HUD-approved operating expenses • Can be used to fund supportive services</td>
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<td>Capital Advance funds bear no interest and repayment is not required when the housing remains available for occupancy by very-low-income elderly persons for at least 40 years.</td>
<td>• Non-recourse and forgivable Note secured by a Mortgage; Regulatory and Use Agreement required</td>
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Future of the 202 Program

- Section 202 NOFA (April 2019)
  - Up to $50 million in funding available – approx. 30 awards
  - Focus on aging in place and leveraging capital
  - Deadline 8/24/2019
- RAD for PRAC
  - **DRAFT** - Section IV of RAD Notice, RAD-4
  - Conversion of PRAC to either PBV or PBRA
  - Capital Advance obligations released and can seek new financing
  - New Use Agreement in first position