Fannie Mae’s Healthy Housing Rewards program
Restoring Neighborhoods Webinar
Bob Simpson, Vice President, Affordable and Green Financing
Two Paths to Healthy Housing Rewards

Does the property have health-promoting design features?

**Healthy Housing Rewards™ Healthy Design**

**Benefits:**
- Preferential Pricing
- Certification cost reimbursed

**To Qualify:**
- 60% of units restricted to tenants at 60% AMI
- Obtain Fitwel Certification

Are resident services provided for tenants at the property?

**Healthy Housing Rewards™ Enhanced Resident Services™**

**Benefits:**
- Preferential pricing
- Initial certification costs reimbursed

**To Qualify:**
- 60% of units restricted to tenants at 60% AMI
- Obtain CORES and ERS Certifications
- Underwrite resident services expenses
Program Beginnings

• Fitwel Certification created as a joint initiative between the Centers for Disease Control and Prevention (CDC) and the General Services Administration for office buildings.

• Center for Active Design expanded Fitwel to multifamily residential with the help of CDC and partnered with Fannie Mae to launch the Healthy Housing Rewards program.

Key Principles of Healthy Design

• Incentivize borrowers to incorporate design features and practices that improve air quality, encourage physical activity, and incorporate common space, community gardens, and playgrounds into newly constructed or rehabilitated affordable rental properties.

• Rely on Fitwel Certification process to evaluate properties for qualification in the Healthy Design program.
Jonathan Rose Companies’ Approach

• Significantly rehabbed existing property – over $18M in renovations

• Industry best practices to improve energy efficiency and indoor air quality

• Infrastructure for residents to socialize and be active - including fitness center, community garden, playground, walking paths, and a state of the art community center.

Healthy Housing Rewards Benefits

• Pricing discount of 15 bps

• Cost of Fitwel Certification covered by Fannie Mae
Future Growth Opportunities

- Resources for borrowers and outreach on how Healthy Design qualifying features can be integrated into the rehab of affordable properties
- Evaluating broader group of certifications and minimum certification requirements
Fannie Mae Healthy Housing Rewards™ Enhanced Resident Services™ (ERS)

Program Beginnings

• With MacArthur Foundation support, Stewards of Affordable Housing for the Future (SAHF) developed the Framework for Resident Services Coordination.

• Fannie Mae was seeing affordable housing deals with resident services – how can we better support organizations providing high quality services?

• Building on the Framework, Fannie Mae partners with SAHF to develop and launch Healthy Housing Rewards.

Key Principles of Enhanced Resident Services

• Support resident services for the life of the loan.

• Rely on Certified Organization for Resident Engagement & Services (CORES) Certification to identify high quality resident services providers and ERS Certification to evaluate and approve property specific services plan.
Healthy Housing Rewards Deal Spotlight
CommonBond Communities

Community Plaza and Galway Place in St. Paul and Coon Rapids, MN

Deal Overview
• $7.97M loan
• 16 year term, fixed rate
• M.TEB and Healthy Housing Rewards ERS execution
• 76 units at two properties
• Underwritten property expense includes coordinator salary

CommonBond’s Resident Services Approach
• 8 units are set aside for formerly homeless families; 100% of units affordable to tenants at 60% AMI
• Onsite service coordinator to provide intensive supportive services for formerly homeless families
• All residents are provided support to maintain stable resident tenancy

Healthy Housing Rewards Benefits
• Pricing discount of 30 bps provides funds towards service provision
• Interest rate savings equivalent to about $380,000 over life of loan
• Initial CORES and ERS Certification costs covered by Fannie Mae
Future Growth Opportunities

• Growing body of CORES Certified organizations that are eligible for Fannie Mae’s Healthy Housing Rewards financing

• Opportunity for borrowers with limited resident services experience to partner with third-party CORES Certified organizations to qualify for Healthy Housing Rewards

• Outreach with State Housing Finance Agencies

• Inclusion of CORES Certification into state Qualified Allocation Plans (QAPs)
  • Maryland and Virginia award preference points for organizations with CORES certification
Learn More

Fannie Mae Healthy Housing Rewards

https://fanniemae.com/multifamily/healthy-housing-rewards

Fitwel Certification
https://www.fitwel.org/

CORES Certification
https://coresonline.org/
Questions?

Bob Simpson  
Vice President  
Affordable and Green Financing  
bob_f_simpson@fanniemae.com

Rachel Cluett  
Manager  
Healthy Housing Rewards  
rachel_cluett@fanniemae.com

Follow me on twitter @bobsimpson42