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Housing Trust Fund Allocation Plan Training for Grantees

April 27, 2016



U.S. Department of Housing and Urban Development

Video



[160421 8586 Welcome Remarks 01](#)



What is a Housing Trust Fund Allocation Plan?

- Develop annually and submit to HUD
 - Submitted with annual action plan
- Contains HTF application requirements and selection criteria
 - Distribution of funds
 - Eligible activities to address needs
 - Recipient and project selection criteria
- Grantees fund projects based on housing priorities and eligibility criteria



Agenda

- Formula allocations
- State notification to HUD
- Citizen Participation
- Consolidated plan
- Annual action plan
- HTF allocation plan
- Submission
- Other



Background

- Housing Trust Fund
 - Created by section 1131 of HERA (2008)
 - Provides formula grants to States to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low-income and very low-income households, including homeless families
 - Interim Rule published January 30, 2015
 - codified at 24 CFR Part 93



Background

- HTF grantees are States, which include:
 - 50 states
 - District of Columbia
 - Commonwealth of Puerto Rico
 - Insular Areas
 - American Samoa
 - Guam
 - Commonwealth of the Northern Mariana Islands
 - U.S. Virgin Islands



Formula Allocations

- HTF funds are not appropriated
 - From Fannie Mae and Freddie Mac
- Funds are not made available to HUD until 60 days after the end of their fiscal year
- HUD will publish formula allocations in the Federal Register
 - \$3m minimum allocation for 50 states & DC
- Allocations will also be posted to HUD Exchange (hudexchange.info/htf)



State Notification to HUD

- State must notify HUD of its intent to become an HTF grantee
 - Only required for FY 2016
 - Must provide contact information
- State may designate a qualified instrumentality to be the grantee
 - State housing finance agency, etc.
- HUD has received notifications from all 50 states, DC, and Puerto Rico
- www.hudexchange.info/htf - list of grantees



Poll Question #1- Citizen Participation

For the FY2016 program year, has your state conducted the citizen participation (CP) process and included HTF?

- a. My state already conducted the CP process and DID include HTF.
- b. My state already conducted the CP process and DID NOT include HTF, a separate CP process for HTF will be conducted.
- c. My state is currently conducting the CP process and DID include HTF.
- d. I don't know.



Citizen Participation

- HTF grantees must comply with citizen participation requirements at § 91.115
 - Must follow their citizen participation plans
- Difficult in 2016 because there are no previous allocations to use as estimates
- Can conduct citizen participation for HTF along with CDBG, HOME, etc.



Consolidated Plan

- HTF must be included in the affordable housing section of the strategic plan included in the consolidated plan
- If not, the grantee must amend the affordable housing section of the strategic plan to include:
 - Specific objectives & proposed accomplishments for HTF measured over specific period of time
 - The number of ELI families provided w/ affordable housing from HTF over a specific period of time



Annual Action Plan

- Grantees must include HTF in annual action plan or amend plan to include HTF in:
 - Executive summary (§ 91.320(b))
 - Available resources (§ 91.320(c))
 - Activities / method of distribution (§ 91.320(d))



Annual Action Plan

- Grantees must include HTF in annual action plan or amend plan to include HTF in:
 - Outcome measures (§ 91.320(e))
 - Geographic distribution (§ 91.320(f))
 - Affordable housing goals (§ 91.320(g))



Annual Action Plan

- Grantees must include HTF in annual action plan or amend plan to include HTF in:
 - Homeless & special needs activities (§ 91.320(h))
 - Barriers to affordable housing (§ 91.320(i))
 - Other actions (§ 91.320(j))

HTF Allocation Plan

- Part of the annual action plan
- HTF Allocation Plan requirements
§91.320(k)(5)
- Distribution of HTF funds
 - Subgrantees and/or recipients- §93.2 definition
 - Subgrantees
 - Local government
 - State agency
 - Recipients-
 - For profit or non-profit
 - Capacity



Poll Question #2

Recipients or subgrantees

For the FY2016 program year, how does your state plan to distribute HTF funds?

- a. My state will distribute HTF funds through grants to subgrantees.
- b. My state will select applications submitted by eligible recipients.
- c. Both a and b
- d. Undecided.



HTF Allocation Plan

- Application requirements & selection criteria for HTF funds
 - Required funding priorities (§ 91.30(k)(5)(i):
 - Geographic diversity
 - Applicant capacity
 - Project based rental assistance
 - Duration of affordability period
 - Priority housing needs of the State
 - Leveraging



HTF Allocation Plan

- Allocation plan requirements
 - Description of eligible activities (§93.200)
 - HTF Funds can be used for **acquisition, rehabilitation, or new construction** of housing for:
 - Rent
 - First-Time Homebuyers
 - certification of compliance with HTF requirements



HTF Allocation Plan

- Allocation plan requirements
 - Description of eligibility requirements for recipients
 - Performance goals and benchmarks- §91.315(b)(2)
 - Complete in IDIS



HTF Allocation Plan

- Allocation plan requirements
 - Maximum Per-Unit Subsidy Limits- \$93,300
 - Grantees establish limits annually that are:
 - Reasonable, based on actual costs of developing non-luxury housing in the area,
 - Adjusted for # of bedrooms and geographic location of project
 - Subsidy limits are for development costs
 - Do not limit operating cost assistance or operating cost reserves



HTF Allocation Plan

- Allocation plan requirements
 - Rehabilitation Standards- 93.301(b)(1).
 - Grantee must establish standards in sufficient detail to determine required work, methods, and materials
 - Also, health and safety, major systems, LBP, accessibility and disaster mitigation
 - Must include specific UPCS inspectable items specified by HUD



HTF Allocation Plan

- Allocation plan requirements
 - If grantee will provide assistance to first time homebuyers:
 - Resale / recapture provisions
 - Affordable homeownership limits
 - Set Limitation on beneficiaries or preferences
 - Must be in consolidated plan
 - Refinancing existing debt- eligible project cost §93.201(b)(1)
 - Must be in consolidated plan



Poll Question #3

Type of Activity

For the FY2016 program year, what housing activity does your state plan to undertake?

- a. My state plans to undertake rental housing activities only.
- b. My state plans to undertake both rental and homeownership housing activities.
- c. Undecided.
- d. I don't know.



Special Considerations

- District of Columbia and Insular Areas
 - These places are included in the definition of State for HTF (§ 93.2)
 - Consolidated plan regulations (24 CFR Part 91) consider these places local governments
 - HTF allocation plans must include same information required for States



Allocation Plan Submission

- HUD Notice CPD 16-01 - Guidance on submitting FY 2016 consolidated & annual action plans includes HTF
- Submitted as part of the annual action plan
 - May be submitted after annual action plan
 - May not be submitted until formula allocations are published
- Must be submitted no later than 8/16/2016



Allocation Plan Submission

- eCon Planning Suite (IDIS) will not include HTF in 2016
 - The following screens must be revised for HTF:
 - SP-10 Geographic Priorities
 - SP-45 Goals
 - AP-20 Annual Goals and Objectives
 - AP-50 Geographic Distribution
 - AP-55 Affordable Housing
 - “Template” on the HTF website



Allocation Plan Submission

- Grantee sends HTF allocation plan by email to:
 - CPD Field Office Director
 - OAHP at HTF@hud.gov
 - Microsoft Word or PDF file attachment
- Both the Field Office and OAHP will review 2016 HTF allocation plans
- 45-day review period



Poll Question #4

Special Needs

For the FY2016 program year, is your state planning to target HTF funds to projects that serve special needs population (e.g. homeless, elderly, veterans, etc.)?

- My state is planning on using HTF funds to serve special needs population.
- My state is NOT planning on using HTF funds to serve special needs population.
- Undecided.
- I don't know.



HTF & IDIS

- IDIS is currently being enhanced to accommodate HTF
- The project is expected to be completed in August 2016
- No eCon Planning Suite for HTF until after the first year's HTF allocation plans are due
 - Expected to be used for allocation plans for future years' HTF grants



HTF & IDIS

- HTF grantees will use IDIS to:
 - Set up HTF activities
 - Subgrant funds to subgrantees
 - Commit funds to activities (non-FIFO)
 - Drawdown funds (non-FIFO)
 - Enter completion information
 - Location / Costs / Beneficiaries



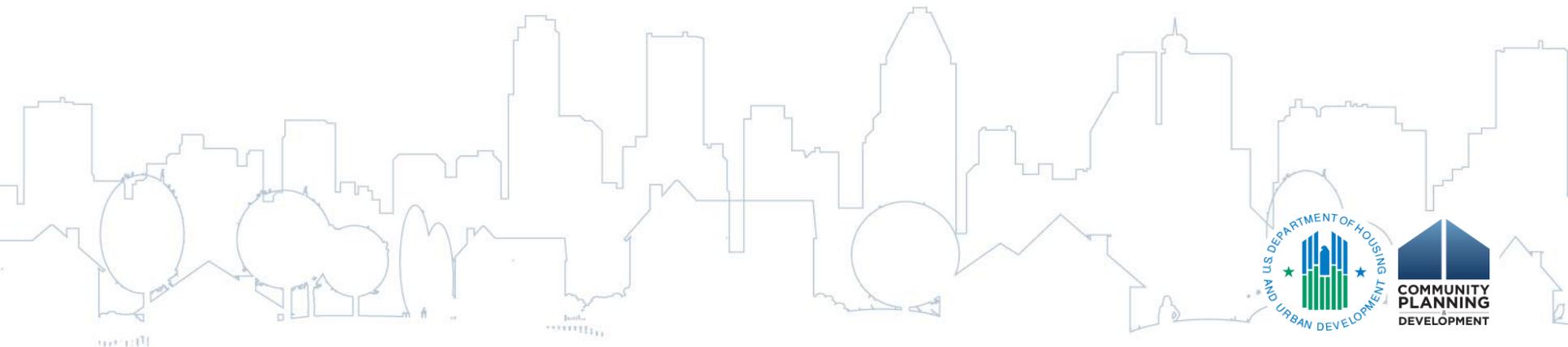
Resources

- www.hudexchange.info/htf
- Law and interim rule
- Comparison chart: HOME vs. HTF
- Comparison chart: proposed vs. interim rule
- HTF allocation plan notice
- Terminology chart
- HTF FAQs
- HTF summary



Upcoming Guidance

- Maximum per unit development subsidy (FAQ)
- Rehabilitation standards (Notice and FAQ)
- Operating cost assistance/reserve (FAQ)
- Environmental requirements (Notice)
- Rent affordability to ELI families (TA Guide)





Questions?



U.S. Department of Housing and Urban Development