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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
• 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
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](http://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.
• 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
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))
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))
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
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
• 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
• 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
• 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](http://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)