



# **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](http://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.



# 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



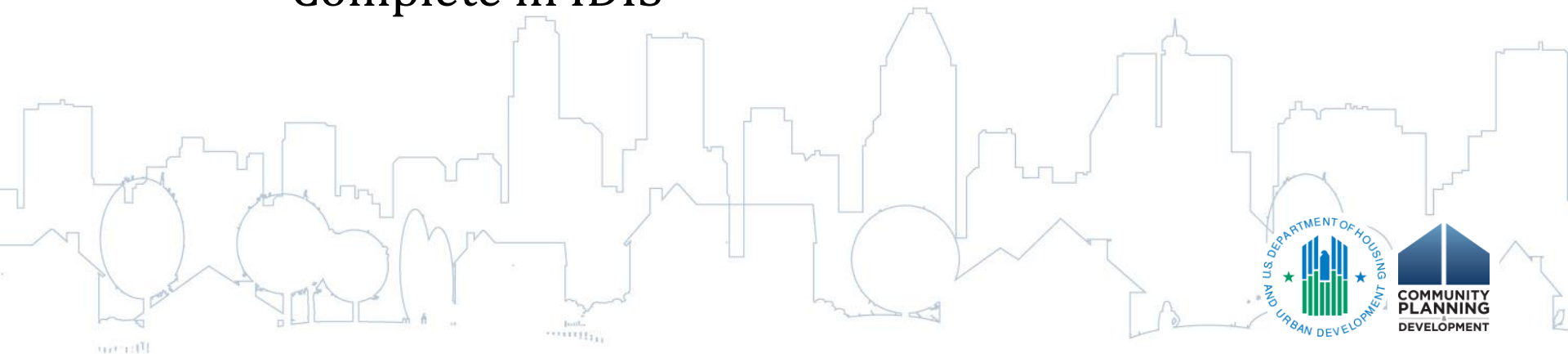
# HTF Allocation Plan

- 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](mailto: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



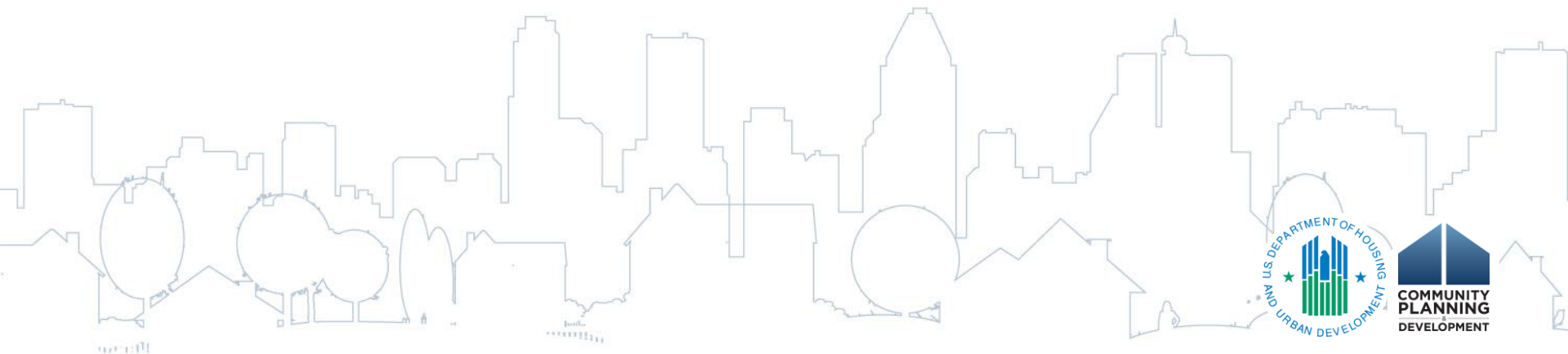
# Resources

- [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)







# Questions?



U.S. Department of Housing and Urban Development