

National Housing Trust Fund

Virginia Housing Alliance

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HTF: The Basics

Legal authority

- Enacted as part of GSE reform in HERA §1131, funding both Capital Magnet Fund and HTF with contributions from FannieMae and Freddie Mac
- Codified at 12 USC §4568
- HUD rules at 24 CFR Part 93



HTF: The Basics

Grantees, Funding & Planning

- State agencies are grantees; for-profit and non-profits may use funds for eligible activities
- Funding is by formula similar to HOME; \$3 million minimum
- Funds distributed under an allocation plan made part of Consolidated Plan



HTF: The Basics

Eligible Activities

- Production, preservation & rehabilitation of affordable rental housing
- Affordable first-time homeownership, limited to 10% of annual grant



HTF: The Basics

Eligible Uses

- Real property acquisition
- Site improvements and development hard costs
- Related soft costs
- Demolition
- Financing costs
- Relocation assistance
- Operating cost assistance for rental housing (including reserves)
- Reasonable administrative and planning costs



HTF: The Basics

Eligible forms of assistance:

- Equity investments
- Interest-bearing loans or advances
- Non-interest bearing loans or advances
- Interest subsidies
- Deferred payment loans
- Grants
- Other forms of assistance approved by HUD



HTF: The Basics

Income Targeting & Rents:

- When aggregate funding is < \$1 billion, 100% of funds must benefit ELI families, when > \$1 billion, 75% for ELI and 25% for VLI families
- Rents for HTF units are 30% AMI rents for ELI families and 50% AMI rents for VLI families
- Number of HTF units are based on proportion of HTF funding to all funding



HTF: The Basics

Regulatory Requirements:

- Standard civil rights rules
- PBV site & neighborhood standards
- Tenant protection and selection
- Uniform Relocation Act
- Lead paint
- Section 3
- NEPA-like standards, but state agency review only and no HUD NEPA review
See, Notice CPD-16-14



HTF & LIHTC

LIHTC Issues Unlikely:

- HTF loans or grants to LIHTC projects should constitute “federal assistance” for purposes of the 10 year rule
- HTF loans or grants to LIHTC projects should constitute “federal grants” and have no effect on basis



HTF: The Future?

- HTF funding is tied to purchases by GSEs; elimination or overhaul of GSE business model an ongoing possibility
- HTF funding may be suspended by FHFA in periods of instability
- Continued advocacy may result in a partially or fully appropriated program
- Appropriations may have collateral minor effects (reserves, environmental review)

