

# 2018

HOME | HOUSING CREDITS | HOUSING TRUST FUND

*application workshop*

 **ALABAMA HOUSING  
FINANCE AUTHORITY**

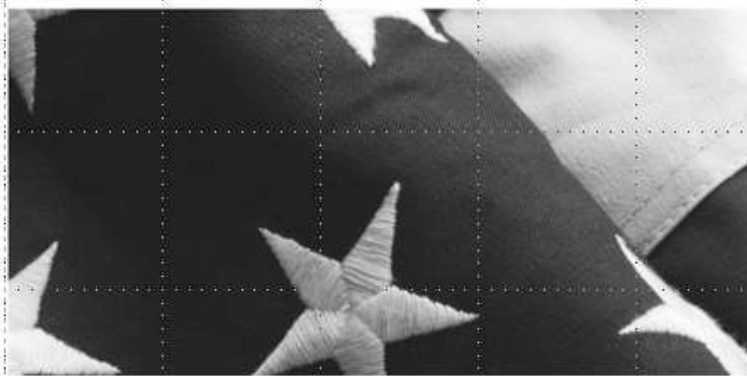
*Come on home, Alabama.*





# HOUSING TRUST FUND

ADMINISTERED IN ALABAMA BY AHFA



# National Housing Trust Fund

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- Federal program
- Became law as part of the Housing and Economic Recovery Act of 2008 (HERA).
- Goal is to increase and preserve decent, safe, and sanitary affordable housing for extremely low-income (ELI) and very low-income (VLI) households.
- 80% must be used for rental housing.
- 10% may be used for homeownership housing, and up to 10% for administration of the program.
- May be used for production or preservation of units.
- Must adhere to minimum affordability periods.

# AHFA National Housing Trust Fund

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- AHFA designated as State Grantee by the Governor on Oct. 20, 2015.
- Focus of the FY16 – FY17 Programs targets ELI veteran and homeless populations.
- AHFA amended the 5-year Consolidated and Annual Action Plans to include the HTF Plan and released for Citizen Participation.
- AHFA received HUD and the Governor's Approvals of the 2016 and 2017 HTF Allocation Plans.
- AHFA will accept applications on February 1, 2018 between 9:00 – 5:00pm CST.

# Eligible Activities

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## New Construction of Rental Housing

- *Single Family Homes*
- *Duplexes*
- *Group Care Facilities*
- *Multifamily Residential*

Must meet AHFA's Design Quality Standards and Construction Manual for construction of attached new construction rental units or single-family rental homes. A Deviation Request Form required for any variance from the DQS.

# Deviation Request Form

## Deviation Request Form

A fully completed version of this Deviation Request Form (DRF), along with all supporting documentation, must accompany each applicant/owner request for any deviation(s) from AHFA's 2018 Design Quality Standards and Construction Manual. The DRF will require AHFA's written approval and may be only submitted under the following scenarios:

- **Prior to submitting your application:** Please submit the DRF to AHFA at least thirty (30) days prior to each applicant's application submission.
- **During the construction period:** Each DRF must be approved by AHFA before any work commences or any deviation is made on the construction site.

All requested deviations will be subject to the appropriate fee(s) published at [www.ahfa.com/multifamily/multifamily-programs](http://www.ahfa.com/multifamily/multifamily-programs)

Please submit your DRF, along with all supporting documentation, via email to [ahfa.mf.general@ahfa.com](mailto:ahfa.mf.general@ahfa.com) and place "Deviation Request: Applicant's Project Name" in the subject line.

Date: 10/20/2017

Project Name: **Project Name** Project Application Number: **2018000**

Owner Name: **Owner Entity Name** Owner Address: **Address, City, State, Zip**

Owner Contact: **Contact Name** Contact Phone: **555-555-5555 x.555** Contact Email: **name@email.com**

Addendum	Section	Pg #	Specific Requirement (copy and paste text from DQS)	Requested Deviation (provide reason for request)	Approved /Denied

# Eligible Recipients

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Applications accepted from Organizations, Agencies or other entities

- Public Housing Agency, Non-Profit or For-Profit

Recipients must

1. Assure it will comply with HTF requirements from application throughout compliance period.
2. Demonstrate ability and financial capacity to undertake, comply and manage the activity.
3. Demonstrate familiarity with other programs which may be used in concert with HTF.
4. Demonstrate experience and capacity to conduct HTF activity through multifamily rental housing history.

Must be in good standing with AHFA and other state housing finance authorities, ADECA, HUD, and USDA Rural Development.

Must be determined credit worthy, financially sound and lawful.

# HTF Program Thresholds

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- Geographic Diversity – *to be used in metro and/or non-metro areas (rural)*
- Applicant Capacity –
  - *Undertake and complete construction*
  - *Financial capacity to complete development*
  - *Experienced development team*
- Affordability Period Duration – *30 years*
- Meet State Target Need - *ELI households*



# AHFA Housing Priorities & Scoring Criteria

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## Points Gained

- **Geographic Diversity**
  - Rural areas (5 pts)
  
- **Applicant Capacity**
  - Served homeless veterans and/or ELI veteran populations specifically (15 pts)
  - Served homeless and/or ELI populations (10 pts)
  
- **Rental Assistance**
  - Federal, state or local project-based and/or voucher(s) (25 pts)

# AHFA Housing Priorities & Scoring Criteria

## Points Gained

- Duration of Affordability Period
  - Demonstrate financial feasibility for 5 additional years (5 pts)
  
- Leveraging
  - Commitments from **non-federal** funding sources for development or operations:
    - 25 points: \$350,000+ per unit
    - 15 points: \$175,001 - \$350,000 per unit
    - 10 points: \$100,000 - \$175,000 per unit
  
- Limitation on Beneficiaries or Preferences
  - Target rental housing needs for homeless (or at risk) ELI veterans or veterans suffering from mental illness with incomes at or below the poverty line. (25 pts)

# AHFA Housing Priorities & Scoring Criteria

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## Points Lost

Incompatible uses adjacent to the site. (-2 pts each)

- Junk yard or dump
- Salvage yard
- Wastewater treatment facility
- Distribution facilities
- Electrical utility substations
- Railroads
- Adult video/theater/live entertainment
- Pig or chicken farm
- Processing plant
- Industrial
- Airport
- Prison or jail
- Solid waste disposal
- Other (not all inclusive)

# AHFA Housing Priorities & Scoring Criteria

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## Points Lost

Incompatible uses adjacent within .3 mile (-1 pt each)

- Junk yard or dump
- Salvage yard
- Wastewater treatment facility
- Prison or jail
- Pig or chicken farm
- Processing plant
- Airport
- Solid waste disposal
- Other (not all inclusive)

# AHFA Housing Priorities & Scoring Criteria

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## Tiebreakers

In the event of a tie between two or more applicants, the projects will be ranked in the following order:

1. Greatest amount of additional subsidy per unit
2. Proposed project closest to the nearest VA facility
3. Fewest missing documents and incomplete forms as determined by AHFA during the completeness review

# HTF Allocation & Awards

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- \$3,000,000 Allocation
- \$2,700,000\* to be awarded as forgivable grants (with compliance)
- \$300,000 Program Administration

\*no single applicant/recipient may receive more than \$1,350,000.

# HTF Subsidy Limits

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- Maximum HTF Subsidy limits per bedroom
  - 1 bedroom      \$ 58,333
  - 2 bedroom      \$116,666
  - 3 bedroom      \$175,000

# AHFA HTF Application

## Thresholds



➤ Environmental Clearance





# AHFA HTF Application Thresholds

- Applicant Capacity and Beneficiary Form
- Letter of Support from AL HUD Continuum of Care

Applicant Capacity and Beneficiary Form									
<p><small>Funding priority will be given to the applicants providing evidence of existing homelessness and/or extremely low income (ELI) or to a population and/or ELI population (see references). Funding priority will also be given for targeting the rental housing needs for ELI persons who are homeless (or at risk of homelessness) or suffer from mental illness, with income at or below the poverty line (which are in general). In order to receive funding priority, you must fully and accurately complete this form, provide a marketing plan that satisfies the requirements listed below and provide a letter of support from AL HUD Continuum of Care, if targeting veterans. <b>Note:</b> Expenses for the application of various-related activities should be in the project's budget. Such expenses should be included in separate cost-recovery budget.</small></p>									
<p><b>Project Name:</b> _____</p> <p><b>Project Address:</b> _____</p>									
<table border="0" style="width: 100%;"> <tr> <td style="text-align: center;"><b>Proposed Units</b></td> <td style="text-align: center;"><b>Targeted Population</b></td> <td></td> </tr> <tr> <td>Total # of Units in the Project: _____</td> <td>(Homeless/at risk of homelessness/mental illness) _____</td> <td rowspan="2" style="vertical-align: middle;">=</td> </tr> <tr> <td># of Targeted Units in the Project: _____</td> <td>(Low income (see reference)) _____</td> </tr> </table>		<b>Proposed Units</b>	<b>Targeted Population</b>		Total # of Units in the Project: _____	(Homeless/at risk of homelessness/mental illness) _____	=	# of Targeted Units in the Project: _____	(Low income (see reference)) _____
<b>Proposed Units</b>	<b>Targeted Population</b>								
Total # of Units in the Project: _____	(Homeless/at risk of homelessness/mental illness) _____	=							
# of Targeted Units in the Project: _____	(Low income (see reference)) _____								
<p><b>Reasoned Rationale</b></p> <p>of Support from AL HUD Continuum of Care (if targeting veterans) _____ <input type="checkbox"/> <b>HTF</b></p>									
<p><b>Owner's Certification</b></p>									
<p>I, the undersigned Owner for the above referenced project, hereby certify to the Alabama Housing Finance Authority (AHFA) that the above listed information and required documents included with this form are true and correct. I certify that as the owner of the above listed project, I will serve either homeless and/or ELI population (see references) or persons who are at risk of becoming homeless or who suffer from a mental illness and/or homeless and/or ELI population (see references). If I have agreed that, subsequent to this certification and prior to the final allocation of Housing Trust Funds (HTF), I will furnish AHFA with the real call and any other documentation requested by AHFA regarding the</p>									
<p><b>Print Name:</b> _____ <b>By:</b> _____</p> <p><b>Date:</b> _____ <b>His:</b> _____ (Signature)</p>									
<p><b>I. Marketing Plan Requirements</b></p> <p>In order for an applicant to receive points under the ZONE National Housing Trust Fund Allocation Plan, the applicant must provide a Marketing Plan (Plan). The Plan must contain the following items to qualify for the points:</p> <ol style="list-style-type: none"> <li>A. Provide specific data that qualifies the type of assistance or services you provided in your targeted population in the last calendar year. Include the number of individuals or families and the specific services you provided in the last calendar year.</li> <li>B. Identify the veterans homeless and ELI population residing consistently in your service area.</li> <li>C. Describe your strategy for addressing the housing problem associated with the targeted population.</li> <li>D. Describe your staff capacity, providing specific details relating to direct or related experience with service provision to the targeted.</li> <li>E. Include a list of established local and/or regional service providers that the owner has contacted, that serve the specific targeted             <ol style="list-style-type: none"> <li>1.) Service provider's name</li> <li>2.) Address</li> <li>3.) Phone number</li> <li>4.) Email address</li> <li>5.) Name of person contacted</li> <li>6.) Services Provided and Population Served</li> </ol> </li> <li>F. Include your plans to integrate HTF bill funding with other programs targeted to serving the targeted population, using mainstream resources for which program participants may be eligible.</li> <li>G. Estimate of the number of participants that you propose to assist within your targeted population.</li> </ol> <p><b>II. Barriers to Addressing the ELI and Veterans ELI Population</b></p> <ol style="list-style-type: none"> <li>A. <b>Addressing Transportation Barriers</b> - Describe your plan to address transportation barriers that exist, including barriers specific to physical or other impairments relating to your target population.</li> <li>B. <b>Addressing Other Barriers and Solutions</b> - Describe your plan to address other barriers and solutions such as the shortage of affordable housing, unemployment, and health care, specific to your targeted population.</li> </ol>									

# Marketing Plan Requirements

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- Evidence the type of assistance provided in previous calendar year.
- Identify the population needing assistance in service area.
- Describe strategy for addressing housing problems.
- List local/regional service providers.
- Plan to integrate HTF housing with other programs.
- Estimate the number to be served by project.

# Application Process

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- Only complete applications will be considered. Applicants with missing or incomplete application items will be notified and allowed a period in which the necessary items may be submitted.
- Application must evidence the project is an HTF eligible activity which meets basic occupancy and rent restrictions under HTF regulations. The rental housing units must be under common ownership, deed, financing and property management.
- Evidence financial feasibility.
- Demonstrate sustainability of 30-year affordability period.

# DMS Online Application

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- DMS Online Application information is available at [http://www.ahfa.com/multifamily/allocation\\_application\\_info/apply\\_for\\_funding.aspx](http://www.ahfa.com/multifamily/allocation_application_info/apply_for_funding.aspx)
- See AHFA DMS Authority Online Registration & Instructions
- Email questions or issues to [ahfa.mf.application@AHFA.com](mailto:ahfa.mf.application@AHFA.com)

# Obstacles to the Plan

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## Obstacles in addressing Veteran ELI and ELI Populations

- Transportation in Rural Areas
- Insufficient funding for resources and servicers
- Shortage of affordable permanent housing
- Job Loss
- Unemployment
- Lack of affordable health care

# Seeing the Opportunities

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Developments successful in reaching ELI populations require:

Determined and Proactive Stakeholders in providing...

- Additional funding sources, operating subsidies and available incentives.
- Partnerships with service providers.
- Help to remove regulatory and discriminatory barriers.
- A statement declaring that the recipient will comply with rent limits, determined to be no more than 30% of the area median income.

# AHFA HTF Compliance Monitoring

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HTF Compliance Certifications must include:

- # of Units by Income Group
  - ELI, VLI, Mod & Above-Mod
- Statement that all tenants meet the required income limits.
- Statement of compliance with rent limits no more than 30% AMI.
- All further guidance provided by HUD.

# AHFA HTF Year 1 Goals

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- Provide 15 homes for veterans in the ELI category.
- Decrease the number of unsheltered or homeless veterans by 15 by increasing the provision of services to them.
- Help veterans transition to permanent housing and independent living.
- Facilitate access for veterans and ELI to affordable housing units and prevent repetitive homelessness.
- Increase awareness of permanent housing and services for ELI veterans and ELI households.



# AHFA HTF Goal Monitoring

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AHFA will monitor HTF development for the following:

- Impact of HTF-funded projects that reached unsheltered and/or homeless veterans.
- # of ELI veteran households served.
- # of ELI veteran households with mental illness served.
- # of ELI households served
- Extent to which the HTF development met the HTF Plan goals.

# AHFA National Housing Trust Fund

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## Disclaimer

Program applicants and awardees are subject to AHFA Plans, commitments, and instructions, which may change at any time and without notice upon the amendment or revision of any governing statute, rule, regulation, or instructive policy. Any such change will immediately supersede and replace inconsistent and previously published or executed AHFA materials.



***Information contained in these slides is presented in excerpted/abbreviated form.***

***AHFA encourages potential applicants to review the complete application package including the HTF Plan in full context before applying for funds.***