

National Housing Trust Fund Essentials

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August 21, 2018

OCAH Affordable Housing Conference
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What is the National Housing Trust Fund?

- Created by the Housing and Economic Recovery Act of 2008 (HERA)
- Funding to come from a small assessment on the volume of business of FNMA and FHLMC
- Funding almost immediately suspended due to economic conditions; reinstated in 2015
- Funds from 2015 were allocated to States beginning in 2016
- Only states administer the Program
- State minimum is \$3 million

General Guidelines

- 10% of the funding goes to Administration
- At least 90% for Rental; OHFA uses all of its funds for Rental
- Serves exclusively 30% of AMI or Poverty Level, whichever greater
- If Program funds are \$1 Billion or more, can use 25% for 50% of AMI; funds have not reached that level yet
- For new construction and acquisition/rehabilitation
- States can use up to 1/3 of annual grant for operating costs of Projects

General Guidelines Cont.

- HUD must approve state's Annual Allocation Plan
- Rents are established by HUD based on 30% of AMI
- Affordability period is minimum 30 years, with required preference for longer affordability periods (OHFA gives points for 40 years)
- No Match requirement!!
- When used with other funds, HTF must get at least its pro-rata share of the units
- Also subject to HOME Program Maximum Per-Unit Subsidy Limits

Other Priorities

- Leverage
- Readiness to Proceed
- Energy Efficiency
- Priority Housing Needs (from Con Plan)
- Project-Based Rental Assistance
- Special Needs Populations and services for Special Needs
- Geographic Diversity

Awards

- Funds are awarded at one of the bi-monthly meetings of OHFA's Board of Trustees. Contact OHFA Staff for more information.
- Funds are awarded as 0% forgivable loans, forgiven at the end of the affordability period if HTF Rules are followed.
- No ongoing debt service!
- Can be combined with other sources such as HOME or Affordable Housing Tax Credits.

QUESTIONS?



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August 21 – 22, 2018