



IOWA FINANCE
AUTHORITY

National Housing Trust Fund 2023

March 16, 2023 9:00 AM

NATIONAL HOUSING TRUST FUND

Webinar Conduct

This session will be recorded and posted to our website.

If you have a question during the webinar, please submit your question in the Q & A, the answers will appear in the Q & A located on the NHTF web starting next Friday, March 24, 2023.

Only those questions responded to in writing can be relied on as the policy of the agency. Please do NOT contact HOME staff directly.

Please email questions to: nationalhousingtrustfund@iowafinance.com and we will respond after the event.

Please turn off your microphone and camera during the presentation

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NATIONAL HOUSING TRUST FUND

WELCOME

Justin Knudson
Federal Team Lead

Allocation Plan:

Eligible Activities:

Targeted Tenants:

**Development of
New
Permanent
Housing:**

Iowa's NHTF Allocation Plan:

- New Construction
- Gut Rehabilitation
- Adaptive Reuse
- Extremely Low-Income Households earning at or below 30% AMI
- Iowa places emphasis on permanent supportive housing embracing Housing First practices for homeless households or affordable rental housing for persons in recovery from substance use disorders through a Recovery Housing model.

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APPLICATION

ELECTRONIC
APPLICATION

DEFICIENCY
PROCESS

SCORING

Scoring criteria includes: Targeted Populations (Families Experiencing Homelessness and Persons in Recovery from Substance Use Disorders through a Recovery Housing Model), Fully Accessible Units, Project-Based Rental Assistance, CDC Social Vulnerability Index, Leverage, Local Support, IFA Iowa Title Guaranty Certificate, Zoning, Nonprofit Ownership, and NHTF Subsidy Per Unit

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Application

The 2023 ONLINE Application will be available on March 17, 2023, at 8:00 AM. The Application can be accessed from IFA's website on the NHTF webpage.

The approved application appendix and exhibit forms are provided and must be submitted within the application. These forms cannot be substituted by any other forms. Other forms will not be accepted.

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Application Estimated Schedule

NOTE: IFA reserves the right to revise the application schedule at any time.

March 16,
2023

■ **MANDATORY.** NHTF Applicant Webinar for anyone wishing to submit an application(at least one representative from the Applicant Organization MUST view the Webinar in order to be eligible to apply for NHTF funds.)

March 17,
2023

■ NHTF applications will be available on IFA's HOME Program web page.

June 16,
2023

■ NHTF applications due to IFA by 4:00 p.m.

July 21,
2023

■ Deficiency Notice sent to Applicant organization.

August
11, 2023

■ Response to Deficiency Notice due to IFA.

Oct 11,
2023

■ Presentation of award recommendations to IFA Board of Directors.



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All required documents and exhibits must be uploaded within the application. NO forms or information will be accepted by IFA outside of the application or after the application deadline.

Applications are due at 4:00 PM on June 16, 2023. Do not wait until the last minute to finish and submit your application.

If you have technical difficulties or questions or concerns about the online application, please contact: carol.wells@iowafinance.com

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Allocation Plan

- The needs of extremely low-income renters, those with incomes below 30% of Area Median Income (AMI), are a high priority for IFA and mandatory for the NHTF.
- IFA's highest priority in awarding HTF funds will be proposed projects to be owned by an **Experienced Nonprofit Entity that will provide permanent supportive housing embracing Housing First practices for homeless households or persons in recovery from substance use disorders through a Recovery Housing model.**

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Allocation Plan

- An “Experienced Nonprofit Entity” is defined as a 501(c)(3) nonprofit organization with experience providing housing or supportive services to extremely low-income households in the proposed project’s market area.
- Applications will be evaluated in accordance with need and scoring criteria that emphasize other State priorities as outlined in the Annual Action Plan.

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- The National Housing Trust Fund (NHTF) is an affordable housing production program aimed at **increasing** and preserving the supply of affordable housing for extremely low-income households earning **no more than 30% of the area median income**, including homeless families.
- NHTF is a federal block grant program administered by states. IFA's NHTF funding allocation for 2023 is approximately \$3 million.

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2023 Overview

Funds Distribution - Approximately \$3 Million allocation to the State – Not yet appropriated by HUD.

IFA reserves the right to withhold NHTF if there is a disaster or emergency need within the State of Iowa. IFA also reserves the right to negotiate awards.

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Maximum Amount Per Application

2022 HOME/NHTF Maximum Per Unit Subsidy Omaha Field Office

PJs	HCP	0 Bedroom	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom
Base		\$66,564	\$76,305	\$92,789	\$120,039	\$131,765
Iowa	240%	\$159,753.60	\$183,132	\$222,693.60	\$288,093.60	\$316,236.00

* Effective as of March 17, 2022

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Eligible Applicants

For-profit corporations or partnerships

Nonprofit 501 (c) organizations

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Three Eligible Activities

New Construction

Adaptive Reuse:

defined as the conversion of an existing structure from a non-housing use to a housing use in which the existing building had not provided residential housing space for a minimum of three years prior to the date of HTF application submission

Gut rehabilitation:

defined as extensive alteration work to an existing structure including the reconfiguration of space of over 50 percent of the total building area or of an entire occupancy classification within the building

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Forms of Assistance

Forgivable Loans

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All units designated as NHTF

100% of the NHTF units must have income at or below 30% of area median income (AMI) per the county the project is located.

[Housing Trust Fund Income Limits - HUD Exchange](#)

The NHTF units must maintain and serve tenants that have income at or below 30% AMI and must be maintained throughout the entire affordability period of 30 years.

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Income Restrictions Apply

Once a project's construction is complete and all units have been initially occupied, the project will be handed over to IFA's long-term compliance team, where the tenant's income will be verified for eligibility during the affordability period.

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Unit Rent Restrictions

The project must use HUD's NHTF rents, released by HUD annually

[Housing Trust Fund Rent Limits - HUD Exchange](#)

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Unit Rent Restrictions

Extremely Low-Income Tenants: The HTF rent plus utilities of an extremely low-income tenant shall not exceed 30 percent of the income of a family whose annual income equals 30 percent of the median income for the geographic area, as determined by HUD, with adjustments for the number of bedrooms in the unit.

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Unit Rent Restrictions

The maximum rent allowable under NHTF, if the unit receives Federal or State project-based rental subsidy, the tenant pays as a contribution toward rent not more than 30 percent of the tenant's adjusted income, the maximum rent is the rent allowable under the Federal or State project-based rental subsidy program

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Unit Rent Restrictions

This original rent is the floor rent for your project, meaning that rents cannot go below this original rent but can be increased if HUD's rent increases. A project cannot increase rents until the tenants' leases are ready for renewal and then the project must follow the law to timing of notices to tenants if rents will be increased.

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Cross-Cutting Regulations

Including but not limited to the following:

- Environmental Review
- Americans with Disabilities Act and Section 504
- Section 3
- Debarred, Suspended or Ineligible Contractors
- Site and Neighborhood Standards (new construction)
- Lead Based Paint

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Cross-Cutting Requirements

Including but not limited to the following (continued):

- Energy Efficiency Standards
- Affirmative Fair Housing Marketing Plan (AFHMP)
- Nondiscrimination and Equal Opportunity
- Violence Against Women Act
- Fair Housing Act

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Threshold Items

- Compliance with IFA programs
- Financial Feasibility (project and developer)
- Need
- Impact on Local Housing
- Complete Application
- Flood Zone
- Repayment/Forfeit Funds
- Site Control
- Zoning

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Threshold Items

- Impact of Proposed Activity
- Capacity (developer and team members)
- Minimum NHTF Subsidy (\$1,000 per unit)
- Radon
- Local Support
- NHTF Certification
- Pro Rata or Fair Share
- Ineligible Applicant
- Site and Neighborhood Standard

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Threshold Items

- NHTF Income Limits
- Gap Financing
- Subsidy Layering
- Property Standards
- Handicapped Accessibility Requirements
- Lead Based Paint Requirements (if applicable)
- Noise Abatement and Control
- Project Timeline
- Eligible Applicant
- Eligible Activity

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Threshold Items

- Per Unit Dollar Limits
- Award Limit
- Purpose and IFA's Consolidate Plan approved by HUD
- Capacity

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Scoring Items

- Targeted Populations
- Fully Accessible Units
- Utilization of Project-Based Assistance
- CDC Social Vulnerability Index
- Leverage
- Local Support
- IFA Iowa Title Guaranty Certificate
- Zoning
- Nonprofit Ownership
- HTF Subsidy Per Unit

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Tiebreakers

In the event that the final scores of more than one application are identical, IFA will use the following tiebreakers:

- a. Project in a community that has not received an HTF awarded project located in that community for the longest period of time.

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Tiebreakers (continued)

- b. Project is targeting Families Experiencing Homelessness through a Housing First permanent supportive housing model and has been awarded points accordingly under the Targeted Population scoring criterion
- c. Application requesting the least amount of HTF subsidy per unit
- d. Board Discretion

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Financial Feasibility (Underwriting Appendix D)

The applicant must demonstrate that the project is financially feasible and viable **using the least amount** of NHTF funds.

IFA may adjust the amount of NHTF award based upon the underwriting.

The applicant must supply sufficient information to allow IFA to determine whether the project is financially feasible during the construction phase and the affordability period of the project.

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Financial Feasibility (Underwriting Appendix D)

Escalation of Income & Operating Expenses
minimum spread of one percent (1%) required between
the income and expense escalators

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Reserves

Replacement Reserve -

Initial deposit of \$700 per unit will be required to establish the replacement reserve account at construction completion.

Annual deposits of \$350 per unit will be required throughout the compliance period

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Reserves

Operating Reserve -

The project must establish an operating reserve account within one year of construction completion. The initial operating reserve is an eligible NHTF project cost and may be established with NHTF funding. The calculation for the minimum operating reserve is Gross monthly rent amount for all units x 3 months.

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Financing Commitment

For all projects proposing private construction and permanent financing, a letter of intent from the lending institution on their letterhead is required. This letter must clearly state the term of the permanent loan, how the interest rate will be indexed and the current rate at the time of the letter, the amortization period, fees, any prepayment penalties, anticipated security interest in the Property and lien position. The letter of intent must extend at least 6 months beyond the Application date due at IFA.

THANK YOU

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