

APPENDIX A NHTF RENTAL REQUIREMENTS

Eligible to Apply: Non-profit and For-profit entities.

Eligible Activities: New Construction
Adaptive Reuse
Acquisition/Rehabilitation
Gut Rehabilitation

Cap per project: ~\$2,300,000.00

Total Available: ~\$2,300,000.00

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

A Developer may not have an Open NHTF rental project: The developer listed on the application may not have an open NHTF project at the date of application submittal. This means that any existing funded NHTF project(s) the developer is associated with must have submitted its final draw with approved completion documentation.

Developers will only be awarded NHTF funds for up to one (1) NHTF project per funding round, which also includes the LIHTC round.

All NHTF-assisted Units shall be rented to households with incomes at or below 30% of the Area Median Income (AMI). A link to the AMI levels by county is on the IFA website.

All NHTF-assisted Units must rent at or below the NHTF Rent Limits; the total housing expense (Monthly Rent + Utility Allowance) must not exceed the NHTF Rent Limit. If a unit receives Federal or State project-based rental subsidy, and the tenant paid portion is not more than 30% of the tenant's adjusted income, the maximum rent is the rent allowable under the Federal or State project-based rental subsidy program.

NHTF-assisted Units must remain affordable for 30 years. Long-term affordability for rental activities must be secured by covenants and deed restrictions.

The maximum amount of NHTF assistance per rental Unit is the NHTF Maximum Per-Unit Subsidy Limit found on the IFA website. The maximum amount of NHTF assistance per Project may be up to \$2,300,000. The minimum amount of NHTF available this round is \$1,000.

Guidance provided by HUD concerning utility allowances for NHTF-assisted Units requires that IFA approve the utility allowance for any NHTF-assisted Unit that is not required to utilize a utility allowance from another federal source. NHTF does allow the use of utility allowances provided by a local PHA, HUD Utility Schedule Model (HUSM) or any other allowable utility method by HUD. A NHTF utility allowance shall be approved prior to issuance of the NHTF Contract.

The NHTF Applicant shall obtain a Final Title Guaranty Owner Certificate on the real estate of the Project from the IFA's Iowa Title Guaranty Division. The Ownership Entity shall obtain, at a minimum, a Final Title Guaranty Certificate with an amount of coverage that is not less than the value of the land and pre-existing improvements, if any, combined with the total Hard Construction Costs of the Project. All draws must go through Iowa Title Guaranty.

An Applicant, or anyone on the Applicant's behalf, shall not contact any IFA staff or Board members in order to unduly influence IFA's determination related to the award of NHTF funds. If it has been determined by IFA that a staff member or Board member has been improperly contracted by the Applicant or a party on behalf of the Applicant, then IFA will reject the Application.

Once the application has been submitted, IFA NHTF Team will review the application. If necessary, IFA will send a deficiency email to the contact person listed in the application, requesting information to supplement or clarify data. The deficiency email will indicate the due date for the deficiency response.

Compliance with HUD Environmental Noise Requirements (24 CFR Part 51, Subpart B). Applicants shall take into consideration the noise criteria and standards in the environmental review process (24 CFR Part 51, Subpart B) and consider corrective actions when noise sensitive land development is proposed in noise exposed areas. Noise Abatement and Control: The requirements set out in Section 51.104(a) are designed to ensure that noise sensitive projects do not have an interior noise level that exceeds the 45 decibels (dB) level established as a goal in Section 51.10 (a)(9). Complete the IFA form included in Exhibit NH-23 – NHTF Requirements and if a noise sensitive condition exists for the project, a noise assessment that meets HUD federal requirements must be included in your application.

Floodplain and wetland. NHTF does not allow a Project to be located within a flood hazard area or a wetland. Include a FEMA FIRMette map to indicate that the Project site will not be within a flood hazard area and a wetland map showing the project site will not be within a wetland.

If a NEW construction project is funded, the project will also need to provide in the SHPO Packet an archeological desk review, at the time of the SHPO submittal. This is mentioned so that if a project is funded there may be additional time and funds required to get the archeological desk review completed. A project may want to include this in the Phase I request from the consultant. Further guidance will be provided if a new construction project is awarded funding.

National Standards for the Physical Inspection of Real Estate (NSPIRE):

The NSPIRE final rule (published May11, 2023) establishes a new approach to defining and assessing housing quality called the National Standards for the Physical Inspection of Real Estate (NSPIRE). The purpose of NSPIRE is to strengthen HUD's physical condition standards and improve HUD oversight through the alignment and consolidation of the inspection regulations used to evaluate "HUD housing," as defined in 24 CFR 5.701(c), across multiple programs. Implementation of NSPIRE ensures that residents of HUD housing live in safe, habitable dwellings, and the items and components located inside, outside, and within the units of HUD housing are functionally adequate, operable, and free of health and safety hazards.

Housing Opportunity Through Modernization Act (HOTMA)

On July 29, 2016, the Housing Opportunity through Modernization Act of 2016 (HOTMA) was signed into law. HOTMA makes numerous amendments to Sections 3, 8, and 16 of the United States Housing Act of 1937, including changes to income calculations and review. HUD finalized HOTMA rulemaking in 2023 to put Sections 102, 103, and 104 into effect through revisions to HUD's regulations found in 24 CFR Part 5 and 24 CFR Part 891. HOTMA will be enforced starting January 1, 2027.

Build America, Buy America (BABA)

The Grantee must comply with the requirements of the Build America, Buy America (BABA) Act, 41 USC 8301 note, and all applicable rules and notices, as may be amended, if applicable to the Grantee's infrastructure project. Pursuant to HUD's Notice, "Public Interest Phased Implementation Waiver for FY 2022 and 2023 of Build America, Buy America provisions as Applied to Recipients of HUD Federal Financial Assistance" (88 FR 17001), any funds obligated by HUD on or after the applicable listed effective dates (August 23, 2024), are subject to BABA requirements, unless excepted by a waiver.