

APPENDIX D

LEVERAGE CONTRIBUTION INFORMATION

NHTF Leverage

By establishing the NHTF, Congress intended to establish a program that will complement existing Federal, State, and Local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low- and very low-income households, including homeless families. As a part of an awarded NHTF project, many non-federal sources of funds and qualified non-cash contributions can be counted as leverage and utilized to assist in the development budget. There is not a required leverage contribution for any NHTF applicant.

IFA does, however, reserve the right to make award decisions (i.e. provide points for leverage) such that the State may further enhance affordable housing development.

To be considered as eligible leverage, a contribution must be made from nonfederal sources.

Leverage contributions may be in the form of one or more of the following:

- Cash contributions from nonfederal sources and permanently contributed to the NHTF project. This contribution may be made by the owner/developer. Nonfederal cash match contributions to NHTF-assisted projects may be expended for activities that are eligible project costs, as well as for costs that are not eligible NHTF costs.
- Below-market interest rate loan from a private lending institution.
- The value of state or local taxes, fees, or other charges that are normally imposed but are waived, forgone, or deferred.
- The value of donated land or other real property, before the NHTF assistance is provided and minus any debt burden, lien, or other encumbrance.
- The cost of on-site and off-site infrastructure directly required for affordable housing assisted with NHTF funds, not paid with federal resources. (The cost of infrastructure related to affordable housing that is NOT NHTF assisted is not an eligible form of leverage).
- Proceeds from multifamily and single-family affordable housing project bond financing validly issued by a State or local government, or an agency, instrumentality, or political subdivision of a State and repayable with revenues from the affordable housing project.
- Donated site preparation and construction materials not acquired with federal resources and any donated or voluntary labor in connection with the site preparation.