

Welcome to the
National Housing Trust Fund (NHTF) Workshop
FY22-FY23 Notice of Funding Availability (NOFA), Final
NHTF Guidelines and
NHTF Online Application
October 26, 2023 at 8:30 am to 12:30 pm

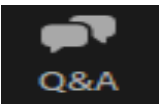
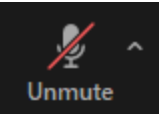
DIVISION OF FEDERAL FINANCIAL ASSISTANCE (DFFA)





Housekeeping in Zoom

- All Attendee lines are muted upon entry
- Chat – Chat features are disabled for this webinar
- Questions – Please use the Q & A feature to enter your questions
- Call In Option – Dial in is available with the registration link
- Recording, Slides and FAQ – Will Be Available/Posted





National Housing Trust Fund (NHTF)



THANK YOU!

- Developer sponsors
- Property management companies
- Resident services providers
- Lead supportive service providers
- Consultants and other partners, and
- State Department of Housing & Community Development Teams



Division of Federal Financial Assistance Leadership Team

- Sasha Hauswald, Deputy Director
- Alicia Sebastian, Assistant Deputy Director
- Willa Darley Chapin, Housing Branch Chief



Panelists in the Order of Presentation

- Anne Nicholls, NHTF Section Chief
- Mylinh Tran, NHTF Program Manager
- Shelly Sharma, NHTF Program Manager
- Michael Ostrow, Representative II
- Debbie Gentile, Representative II
- Latasha Everett, Representative II
- Kendra Gubaydullin, Specialist II
- Lisa Flower, Representative II
- Colleen O'Meara, NHTF Program Manager
- Virginia Correa, Representative II
- Kirsten Larsen, Env Specialist II
- Heather Randrup, Representative II
- Jessica Mora, Representative II
- Joe McNicholas, Representative II
- Henry Cheng, Representative II



NHTF Portfolio and Removal of Barriers from the NOFA and Final Guidelines as a Result of Outreach to Native American Entities

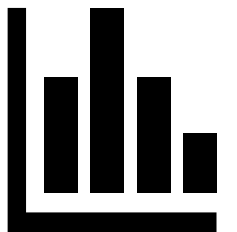
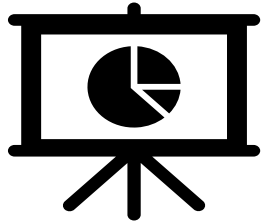
**Presented by Anne Nicholls
NHTF Section Chief**



NHTF Portfolio

Approximately \$247 million in NHTF Program Funds from 2016 to 2021 Federal Fiscal Year Allocations

- 32 total affordable multifamily rental housing developments
- Total Units: 2,248
 - Average 70 units per development
- Total NHTF Assisted Units: 1,012
 - Average 32 NHTF Assisted Units per development
 - Restricted at or below 30 percent of Area Media Income (AMI)
- Range of Unit Sizes: studio to four-bedroom units





NHTF Program

Purpose: To provide funding to support the development of affordable rental housing for Extremely Low-Income (ELI) households, in accordance with the state's NHTF Allocation Plan

- Affordable multifamily rental housing
- Target Population: ELI households defined as being at or below 30 percent of Area Median Income (AMI)
- Federal NHTF Regulations: 24 CFR Part 93
- State of California NHTF Guidelines

Not Available (yet):

- Very Low-Income households at or below 50 percent AMI households will be served when the total NHTF allocation for any fiscal year exceeds \$1 billion
 - To date, that threshold has not been met



NHTF Previous Native American Entities Outreach

- Quarterly Tribal Working Group
- Pala Roadshow Events
- Draft NHTF Guidelines Webinar
- Public Comments to the Draft NHTF Guidelines from Native American Entities, California Indian Assistance Program (CIAP) Team Members and the Tribal Legal Affairs Division (TLAD)
- Federal Housing Program Overview for Native American Entities Webinar
- Technical Assistance Pre-Application Meetings





Native American Outreach & Removal of NOFA Barriers- Part 1:

- The Native American Entity definition in the NOFA and Guidelines is expanded to include non-federally recognized tribes
- Application submittal timeline extended from 60 days to 90 days
- At time of application, the Native American Entity applicant can supply an uncertified Title Status Report (TSR) from the U.S. Department of Interior's Bureau of Indian Affairs (BIA) Division of Land Titles and Records Office (LTRO) due to the delays in obtaining a certified TSR
 - The TSR must be certified before construction closing



Native American Outreach & Removal of NOFA Barriers- Part 2:

- Department may accept a leasehold interest acquired by a Native American Entity through execution of a Ground Lease, after approved by the BIA for Projects located on Native American Land
 - This requirement is a modification to [25 CCR§8316](#)
- NHTF loan and affordability terms modified from 55 years to 50 years for Projects on Native American Land
- NHTF funding is available to Native American Entities as grants or loans; Non-Native American entities are only eligible for loans



Native American Outreach & Removal of NOFA Barriers- Part 3:

- A pool of funds only for Native American Entities (10 percent of funds available) to compete for funding vs. competing against all projects throughout the state for general pool of funds
- Rating and Ranking – Merits of the project in Maintaining or Improving Access to Community – Based Public Services:
 - Amenities and services offered or will be offered within 15 miles of the Native American Entity Project will receive full points vs. 1.5 miles of the Project





Native American Outreach & Removal of NOFA Barriers- Part 4:

- Rating and Ranking – Project Readiness:
 - Where a Project is located on Native American Land and Tribal design review is not required, a self-certification submission will receive full points vs. requiring local design review approval

- Rating and Ranking – Confirmation of Local Need:
 - Native American Entities will receive full points vs. receiving less than full points based on Comprehensive Housing Affordability Strategy (CHAS) data and/or a Needs Letter from the city and/or county



Native American Outreach & Removal of NOFA Barriers- Part 5:

- Rating and Ranking – U.S. Environmental Protection Agency (EPA) Walkability Index Map:
 - Projects located on Native American Land will receive full points vs. less than full points

- Rating and Ranking – Project Readiness:
 - Where a Project is located on Native American Trust Land, CEQA compliance is the responsibility of the Department. Native American Entity Projects may utilize Department resources to meet Project environmental requirements on a case-by-case basis



Native American Outreach & Removal of Guidelines Barriers-Part 1:

- NHTF Guidelines and/or NOFA are subject to AB 1010 and through Native American Entity outreach provide a greater understanding of the proposed Project
 - Note: AB 1010 is not applicable to modify or waive federal and state NHTF statutory requirements or federal NHTF regulatory requirements
- Native American Entity projects located on Native American Land are exempt from specific accessibility requirements pursuant to Native American Housing Assistance and Self Determination Act (NAHASDA) as recognized and applied by the Department to its funding programs



Native American Outreach & Removal of Guidelines Barriers-Part 2:

- Native American Entity Projects located on Native American Land are subject to Age Discrimination Act, Section 504 of the Rehabilitation Act and Indian Civil Rights Act, and exempt from Title VI of the Civil Rights Act of 1964 and Title VIII of the Civil Rights Act of 1968.





Native American Outreach & Removal of Guidelines Barriers-Part 3:

- For Projects located on Native American Land, a Phase I environmental site assessment and appraisals may be provided based on the data available vs. requiring data that may not be available for Native American Land
- Native American Entities with a formally adopted Tribally Determined Wage (TDW) is acceptable in lieu of federal and state prevailing wage laws





Native American Outreach & Removal of Guidelines Barriers-Part 4:

- Housing first core components will not be applicable when using Indian House Block Grant (IHBG) and Tribal Admission and Occupancy Standards (TAOS) pursuant to NAHASDA, Sections 203 & 207 24 C.F.R. § 1000.104 through 110



Native American Outreach & Removal of Guidelines Barriers-Part 5:

- Projects located on Native American Land must be duly encumbered with a Declaration of Restrictive Covenants that make the Project comply for an initial affordability term of 50 years in alignment with federal Indian law vs. 55 years required by state statute
- Projects to be developed on Native American Land are exempt from demonstrating compliance with the Housing Element requirements



NHTF Notice of Funding Availability (NOFA) Overview

- \$172 million in federal NHTF funding
- Established under the Housing & Economic Recovery Act (HERA) of 2008
- NHTF is funded through loans backed by Fannie Mae & Freddie Mac
- Intent of NHTF Program is to increase the supply of safe, decent, and affordable housing for households with the lowest incomes





NHTF Timeline

- **October 25, 2023:** Release of NOFA and Final Guidelines
- **November 1, 2023:** Release of online application
- **November 8, 2023:** Completed online applications may be submitted
- **December 28, 2023:** Applications due for Rural Areas Target & Non-Rural Areas general pool of funds (**Group 1**)
- **February 1, 2024:** Applications due for Native American Entities & Federally Declared Disaster Areas Target Funds (**Group 2**)
- **No later than May 2024:** Group 1 Award Announcements
- **No later than July 2024:** Group 2 Award Announcements



NHTF Pre-Application Technical Assistance (TA)

- Technical assistance appointments prior to application submission are strongly encouraged
- Pre-application appointments will allow applicants to discuss their proposed project with NHTF Program Team Members
- To request an appointment, please email details and contact information to NHTFNOFA@hcd.ca.gov





NHTF Competitive Application & Submission Process

- Competitive Online Applications:
 - New Project (new construction or substantial rehabilitation)
 - Project that received a Housing for a Healthy California (HHC)/NHTF Program funding award with a federal Fiscal Year 2021 allocation and has not commenced construction
- Applicant is responsible for the application to be submitted in a clear, complete, and accurate manner
 - Department staff may request clarifying information



NHTF Electronic Application Submission Process

- All applicants must create an eCivis Grants Management Profile prior to completing an online application
 - Online application via the eCivis Grants Management System Portal is required
 - Application forms are available on the [Department's National Housing Trust Fund webpage](#)
 - No deliveries via personal, postal, email, walk-in, etc.





Disclosure of NHTF Application

- Information provided in the application will become a public record.
- Public Records Act: Any materials provided will be disclosable to any person making a request
- Please use discretion in providing information not specifically requested, such as (not limited to):
 - Bank account numbers
 - Personal phone numbers/email address
 - Home address(es)





Concurrent Applications

- Separate concurrent applications to other Department programs are permitted under this NHTF NOFA
- Applicant **MUST** submit within each application a disclosure of all department applications under review/anticipated to be submitted
- **NEW:** Amended Repeal of Stacking Prohibition of Multiple Department Funding Sources will be published soon
 - The Department's federal funding programs, including HHC and NHTF, are no longer included in the limitations of two loans and two grants



Section II

Program Requirements

Presented by Shelly Sharma
NHTF Program Manager



Eligible Recipients (Applicants)

- Meet the definition of a Recipient
- Demonstrate Site Control
- Resolve any open audit findings
- Not debarred or suspended from participation in federal or state housing, or Community development projects or programs
- Resolve compliance monitoring issues/findings,
- Cities, counties, and local public housing authorities must comply with the submittal requirements of cost principles and audit requirements at 2 C.F.R.Part 200





Eligible Uses

NHTF funds may be used for Acquisition, Rehabilitation, and/or New Construction, or solely as a permanent loan (subject to 24 C.F.R. Part 93, Subpart E)

➤ Loans

- Not exceed maximum per Unit subsidy
- Not bear interest unless the Department increases pursuant to California Health and Safety Code Section 50406.7 (public.law)
- Initial term of 55 years or 50 years for Native American Entities

➤ Forgivable Loan

- Remains in good standing with California Secretary of State; and
- Not in default under the terms of any Department's loan documents for that Project



Loans and Grants for Native American Entity Recipients-Part 1:

- Affordability period of 50 years for Projects located on Native American Land
- Affordability period of 55 years for Projects located outside of Native American Land
- All Projects must maintain Fiscal Integrity as defined in Section 2 of the Guidelines for a minimum of 30 years to meet 24 C.F.R. § 93.300(b)





NHTF Capitalized Operating Subsidy Reserve (COSR)

A COSR is currently not being offered





Loans and Grants for Native American Entity Recipients-Part 2:

- For Recipients that are an Indian Tribe:
 - Not in default under the terms of any of the Department's loan documents for that Project

- For a Recipient that is not a federally recognized Tribe:
 - Good standing with the California Secretary of State; and
 - Not in default under the terms of any of the Department's loan documents for that Project



Project Requirements

- Recipients are responsible for Project compliance with Section 5 – Project Requirements of the NHTF Guidelines





Award and Per-Unit Assistance Limits

- The maximum NHTF capital loan or grant amount is \$20 million per Project
- In accordance with AB 434 the total amount of multifamily loan funds a Project may receive from the Department is capped at \$50 million per project
- New Information: Department federal funds are not included in the two loan and two grant limitations in the stacking repeal memo
- Capital Loan limits are based on Tax Credit Allocation Committee (TCAC) 2023 Threshold limits



Rural Areas Target

The Department will target 20 percent for Projects located in Rural Areas

- Non-metropolitan County;
- Rural Housing Service (RHS) Eligible Area; or
- Small City Status
- Rural or Non-Rural Status as determined by TCAC





Native American Entities Target

The Department will target 10 percent of NHTF funds for projects developed by, or in partnership with Native American Entities

- Definition of Indian Tribe at 25 USC 4103(13)(B)
- Definition of Tribally Designated Housing Entity at 25 USC 4103; or
- If not a federally recognized Tribe as identified above, Applicant is either:
 - Listed in the Bureau of Indian Affairs Office of Federal Acknowledgment Petitioner List, and has formed and controls a special purpose entity, or
 - An Indian tribe located in California that is on the contact list maintained by the Native American Heritage Commission, and has formed and controls a special purpose entity as defined at 25 C.C.R § 8313.2



Federally Declared Disaster Areas Target

The Department will target 20 percent of available funds for Projects located in Federally Declared Disaster Areas pursuant to the HUD memorandum dated May 17, 2023, applicable to the following counties:

1. Alameda
2. Amador
3. Butte
4. Calaveras
5. Contra Costa
6. Kern
7. Madera
8. Mariposa
9. Mendocino
10. Merced
11. Mono
12. Monterey
13. Nevada
14. Sacramento
15. San Benito
16. San Bernardino
17. San Joaquin
18. San Luis Obispo
19. San Mateo
20. Santa Barbara
21. Santa Clara
22. Santa Cruz
23. Tulare
24. Tuolumne
25. Ventura



Target Areas

For calculation purposes, applications for the 10 percent Native American Entities Target and the 20 percent Federally Declared Disaster Areas Target will not be counted towards the 20 percent Rural Areas Target. Summary of NOFA in the chart below:

Category	Percentage of NOFA	Dollar Amount
Rural Areas Target	20%	\$34,400,000
Native American Entities Target	10%	\$17,200,000
Federally Declared Disaster Areas Target	20%	\$34,400,000
General Pool of Funds	50%	\$86,000,000
Total FY22-FY23 NOFA	100%	\$172,000,000



Section III

Application Minimum Requirements (Threshold)

**Presented by Shelly Sharma
NHTF Program Manager**



Threshold-Part 1:

Required to meet the program application minimum requirements found in the NHTF Guidelines, NOFA and 24 C.F.R. § Part 93.

- Submit an electronic application (more details at the end of webinar)
 - The Department recommends at least three people from your organization have an eCivis profile.
- Submit the application by the deadline
- Housing Element:
 - Developers and projects to be developed on Native American Land are exempt from this requirement; these entities will receive full points for this scoring factor.



Threshold-Part 2:

- Required documents listed in NHTF Guidelines Section 3
Additional third-party documents
 - Examples: market study, appraisal, relocation plan, and environmental assessments
- Individual or firm must:
 - Have appropriate license
 - Correctly employ recognized methods and techniques
 - Communicate an accurate and complete analysis, opinion, and conclusion
 - Have no identity of interest with the Applicant or its partners



Threshold-Part 3:

Applications must clearly demonstrate that:

- The Applicant and Project are eligible to receive NHTF funds from the Department;
- The Applicant and Project meet the requirements of Guidelines Section 5, 6 and 7;
- The application is complete pursuant to Guidelines Section 9



Threshold-Part 4:

Applications must clearly demonstrate that:

- The total amount of NHTF funds requested by the Applicant does not exceed maximum per Unit subsidy and award limits in the NOFA; and
- There are no pending lawsuits that will prevent implementation of the Project



Section IV

Rating and Ranking

**Presented by Shelly Sharma
NHTF Program Manager**



Rating and Ranking-Part 1:

Section A

Increase Housing Affordability by Leveraging Rental/Operating Subsidies

Section B

Maintaining or Improving Access to Community-Based Public Services

➤ Amenities Offered

- Within 1.5 miles of the Project
- Within 15 miles for Native American Entity Applicants





Rating and Ranking-Part 2:



Section C

Project Readiness

- Enforceable Funding Commitments (EFC)
- Environmental Clearances
- Public Land Use Approvals
- Site Control
- Drawings (50 percent complete) certified by Project Architect
- Design approval for Projects located on Native American Land
- EFC's for all deferred-payments



Rating and Ranking- Part 3:

Section C: Projects on Native American Land

- NHTF Provisions Checklist
- Phase 1 Environmental Site Assessment
- NEPA Responsible Entity Verification of Project Readiness Document





Rating and Ranking-Part 4:

Section D

Project's Use of Non-Federal Funds

- Calculation of points based on use of non-federal funds

Section E

Development Team's Experience

- Developer Experience
- Property Management Experience
- Resident Service Provider Experience
- Lead Supportive Service Provider (LSP) Experience





Rating and Ranking-Part 5:

Section F

Confirmation of Local Need

- Demonstrate County based need (2015-2019 Comprehensive Housing Affordability Strategy (CHAS))
- Needs Letter
- Native American Entity Applicants will receive full points





Rating and Ranking-Part 6:



Priority Points

- Addressing and Preventing Homelessness
- Readiness Plan

Minimum Total Score

- 80 points to be eligible to receive an award

Tie Breaker

- Greater readiness to proceed with Projects milestones
- Greater percentage of units targeting households at or below 30 percent of Area Median Income (AMI)



Selection Criteria

Scoring Category	Maximum Applicable Points
Section A - Increase Housing Affordability by Leveraging Rental/Operating Subsidies	10
Section B - Merits of the Project in Maintaining or Improving Access to Community Based Public Services	20
Section C - Project Readiness	35
Section D - Project's Use of Non-Federal Funds	10
Section E - Development Team's Experience	40
Section F - Confirmation of Local Need	15
Priority Points	30
TOTAL APPLICABLE POINTS	160



Section V

Appeals

Presented by Michael Ostrow
NHTF Representative II



Appeals-Part 1:



Basis of Appeals

- Departments written determination that an application is:
 - Incomplete
 - Failed threshold review
 - Insufficient basis (including point scoring and tie breaker)
- Departments written determination include clarification and or corrective information
- No right to appeal application relating to another applicant
- Decisions rendered shall be made by the Program Manager or his/her designee



Appeals-Part 2:

Appeal Process and Deadlines

- Written appeal which states the facts, argument, and evidence upon which the appeal is based. Submitted to the Department at NHTFNOFA@hcd.ca.gov
- Filing Deadline: Received by the Department no later than five business days from the date of the Department's decision made in response to the application





Section VI

Disbursement of Funds

Presented by Michael Ostrow
NHTF Representative II



Disbursement of Funds

Timing of Disbursement

- NHTF five-year expenditure requirements
 - Eligible pre-development soft costs, (i.e., Architectural, engineering, or related professional services required to prepare plans, drawings, specifications, or work write-ups) can only be reimbursed if incurred no more than 24 months from the date of the fully executed Standard Agreement (i.e., commitment) pursuant to 24 C.F.R. § 93.201(d)
 - Disbursement for Acquisition costs at construction closing
 - During the construction period, disbursements for construction costs on a reimbursement basis
- Loan Retention
 - 10 percent of development hard costs will be retained until approved conversion to permanent financing and closing on permanent loan



Section VII

State and Federal Requirements

Presented by Michael Ostrow
NHTF Representative II



Timeframes for Using Funds

DEADLINE	DATE
COMMITMENT DEADLINE	OCTOBER 1, 2024
CONSTRUCTION START DATE	OCTOBER 1, 2024
EXPENDITURE DEADLINE	OCTOBER 1, 2027

- Failure to meet HUD's commitment and expenditure deadlines may result in recapture of the NHTF award



Monitoring Fees for Loans and Grants

Pursuant to 24 C.F.R. § 93.204(b)(1) the Department will charge fees to cover the cost of ongoing monitoring and physical inspection of all NHTF Projects

- Annual monitoring fees are mandatory debt service payments
- Annual monitoring fees may change based on the Departments annual determination of the actual costs of project monitoring (approximately 3 percent annually)

Number of NHTF Assisted Units	Annual Fee
12 or fewer	\$6,077
13 to 24	\$9,888
25 to 36	\$12,051
37 to 48	\$12,360
49 to 60	\$14,781
61 or more	\$17,304



Reporting Requirements

- Collect and report data to the Department as described in Guidelines Section 13
 - Where a Recipient is either a local government or a Native American Entity, Recipient must comply with 2 C.F.R. 200.512.
- Responsible for disclosing all changes to the project since submitting the application





Section VIII

Program Overlays

Presented by Michael Ostrow
NHTF Representative II



Program Overlays-Part 1:

- Federal Overlays
 - Compliance with 24 C.F.R. § 93.350 (Affirmative Marketing) and 24 C.F.R. § 93.301 (Property Standards, including Environmental Provisions)

- NHTF Environment Provisions
 - Environmental Provisions for new construction and rehabilitation
 - Completed NHTF Environmental Checklist using Department's template, with all supporting documentation at time of application submission
 - If a project cannot meet the provisions, the project cannot be funded by NHTF



Program Overlays-Part 2:

- Native American Entities may use Department resources to meet environmental review clearances set forth in the application
- For questions on Environmental Provisions, email NEPA@HCD.ca.gov and copy Kirsten.Larsen@HCD.ca.gov





Section IX

Other Terms and Conditions

Presented by Michael Ostrow
NHTF Representative II



Other Terms and Conditions



Right to Modify or Suspend

- Department reserves the right to suspend, amend or modify the provisions of the NOFA at any time
- The NOFA is not a commitment of funds

Conflicts

- In the event of any conflict between the terms of this NOFA and the NHTF Guidelines, the NHTF Guidelines control

False, Fictitious, or Fraudulent Claims

- Subject to civil or criminal penalties under 18 U.S.C. § 287, 18 U.S.C. § 1001 and 31 U.S.C. § 3729 and may be ineligible for an award under this NOFA



FIVE MINUTE BREAK

