



NATIONAL HOUSING TRUST FUND

Key Time Frames To Know About

The National Housing Trust Fund (NHTF) law requires NHTF dollars to be “committed” (used) within two years.

HUD’s proposed regulations add that NHTF money must be spent within five years.

The proposed rule also indicates that a project may be canceled if NHTF money is committed to it but is not drawn down within one year.

Any NHTF not committed within two years or spent within five years will be taken back and redistributed to other states by HUD.

HUD’s proposed regulations define “commit” to mean that a state or any local subgrantee has a legal agreement with a specific timeframe depending on the type of activity:

1. For rehabilitation or new construction, the agreement must be with a recipient owner/developer for a specific project expected to begin within one year.
2. If the state or local any subgrantee provides NHTF to a recipient to buy existing rental housing that does not need rehabilitation, the agreement must require the property’s title to be transferred to the recipient within six months.
3. If the state or any local subgrantee provides NHTF to a first-time homebuyer to buy an existing single-family house that does not need rehabilitation, the agreement must require the property’s title to be transferred to the homebuyer within six months.
4. If the state or any local subgrantee provides NHTF to buy vacant land, construction of specific NHTF-assisted housing must be expected to start within one year.
5. If the state or any local subgrantee provides NHTF to demolish property, construction of specific NHTF-assisted housing must be expected to start within one year, or within 42 months for transit-oriented development.
6. If the state or any local subgrantee provides NHTF to a transit-oriented development activity, there are several steps and timelines. (See separate article, “Transit-Oriented Development” for details.)