House Financial Services Committee Ranking Member Patrick McHenry and Subcommittee on Housing, Community Development, and Insurance Ranking Member Steve Stivers sent a letter, urging the GAO to audit the national Housing Trust Fund (HTF). NLIHC prepared the following response to most of the concerns raised by the members of Congress. Some of the questions can only be addressed by HUD, while some questions may be more properly addressed by representatives of state housing finance agencies or state cabinet departments administering their HTF program.

NLIHC is deeply concerned about protecting the HTF and growing other dedicated or appropriated sources of funding for the HTF. Starting in 2000, NLIHC convened and coordinated a number of national organizations through the National Housing Trust Fund Campaign to design and then promote the creation of a national housing trust fund. NLIHC and the Campaign advocated for the creation of a National Housing Trust Fund over the years, resulting in various bills introduced by then-Representative Bernie Sanders and Senator John Kerry, leading to the House passing a bill introduced by Representative Barney Frank in 2007. A national Housing Trust Fund wasn’t enacted by the full Congress until Senator Jack Reed introduced a bill that was eventually folded into the “Housing and Economic Recovery Act of 2008.”

Even then, the HTF was not immediately implemented due to the financial crisis that year, which caused the director of the Federal Housing Finance Agency (FHFA) to put a hold on the 4.2 basis point assessment on the new business of Fannie Mae and Freddie Mac, the initial dedicated source of funding for the HTF. Finally, in December of 2014 that hold was lifted, and in 2016 the first allocation of HTF funds was distributed to states.

What makes the HTF unique and desperately needed is its focus on addressing the needs of extremely low-income households – those who have had the greatest housing need year after year. NLIHC’s latest GAP analysis shows that there is a shortage of 6.8 million rental homes affordable and available to extremely low-income renters, whose household incomes are at or below the poverty guideline or 30% of their area median income. Only 37 affordable and available rental homes exist for every 100 extremely low-income renter households. Extremely low-income renters face a shortage in every state and major metropolitan area, including the District of Columbia.

The following narrative addresses most of the concerns raised in the letter from Representatives McHenry and Stivers.
I. **Claim #1:** Only one-third of available HTF funds have been disbursed.

**NLIHC Response:** While states were delayed in awarding the first round of HTF resources, these delays were reasonable and have largely been resolved.

Citing HUD’s *HTF National Production Report for February 2021* (dated March 1), the letter from Representatives McHenry and Stivers to the GAO noted that the HTF program up to that point had received total funding in excess of $1.19 billion since fiscal year 2016. The letter claims that through February 2021, more than two-thirds of these funds remain undisbursed.

**2016, INAUGURAL HTF YEAR**

As first noted in NLIHC’s report on how states planned to award their inaugural HTF allocations in 2016, *Getting Started: First Homes Being Built with National Housing Trust Fund Awards*, (with supplemental information) a variety of factors led to states making their 2016 HTF allocation awards in late 2017 or mid-2018. Although authorized in the Housing and Economic Recovery Act of 2008 on July 30, 2008, HTF resources did not become available to states until May 2016. Due to the financial crisis in the fall of 2008, the then-director of the Federal Housing Finance Agency (FHFA), Ed DeMarco, held up the 4.2 basis point assessments that Fannie Mae and Freddie Mac were to devote to the HTF. By December of 2014, the new FHFA director, Mel Watt, concluded that Fannie and Freddie were in stable financial condition, lifted the suspension on the 4.2 basis point assessments, and directed Fannie and Freddie to begin applying the assessments starting on January 1, 2015.

After December 31, 2015, Fannie and Freddie had 60 days to determine the amounts they collected for the HTF and to forward those amounts to a HUD account; the total was $174 million. HUD then had to use the statutory formula to determine how much HTF each state would receive and publish those amounts in the *Federal Register*, which occurred on May 5, 2016. The statute established a $3 million minimum for states. Given the relatively small initial HTF amount for 2016, 28 states received the $3 million minimum.

**HTF ANNUAL ALLOCATION PLANS**

The authorizing statute required each state to develop a draft annual HTF Allocation Plan and seek public input before submitting a final Allocation Plan to HUD for approval. For the first two years, HUD Headquarters staff were involved in reviewing and approving Allocation Plans; the intent was to ensure that inaugural Allocation Plans complied with the law and regulations, thereby setting a standard for the future. No state’s Allocation Plan was approved by HUD on first submission. For some, the issues were easily cured by rephrasing or augmenting detailed rehabilitation standards. For other states, substantial improvements were required and, in the opinion of NLIHC staff, warranted. For example, many states failed to adequately indicate priorities for awarding funds to projects, as required by statute.

States could not publish requests for proposals (RFPs) until their 2016 HTF Allocation Plans were approved by HUD. For a number of states, plans were not approved until the fall of 2017.
SYNCHRONIZING THE HTF WITH OTHER STATE RESOURCE ALLOCATION CYCLES

Although a valuable resource, to date the HTF is still a very modest one. States have long, well-established processes for awarding other resources to affordable housing projects, resources such as the Low Income Housing Tax Credit (LIHTC), the federal HOME Investment Partnerships program (HOME), state housing trust funds, and other state-specific programs. Those other resources have long-established application cycles (some as infrequent as annually). Therefore, states chose to synchronize awarding HTF money with existing award cycles, primarily LIHTC cycles, but also specific HOME or state housing trust fund cycles, as well as special award cycles targeted to special needs projects.

LEARNING CURVE

It is always difficult for key actors to learn about a new program and figure out how to best utilize it. The HTF presented some states and developers with a steep learning curve because of the HTF’s focus on creating apartments affordable to extremely low-income renters. Nonetheless, it appears that as 2016 and 2017 progressed those key actors became more comfortable with the unique character of the HTF. In future years, it is likely that states will be able to make awards more expeditiously, and that more developers will seek access to this valuable new resource intended to address the tremendous gap in apartments affordable and available to extremely low-income households.

II. Claim #2: The cost-per-unit is $1 million.

NLIHC Response: The cost-per-unit at the time cited by Representatives McHenry and Stivers was $113,522, an amount on par with or less than market rates. The cost-per-unit has continued to decline and is now $97,226.

Relying on the HTF National Production Report reflecting activity through February 28, 2021, the letter from Representatives McHenry and Stivers states “the total dollars for completed HTF units was approximately $882 million – still more than $1 million per completed unit of housing.”

On the first page of the February HTF National Production Report, at “Leveraging,” there is misleading terminology at “Total Dollars for Completed HTF Units.” The $882 million indicated is the sum of “HTF Dollars for Completed HTF Units” ($91 million) + “OTHER Dollars for Completed HTF Units” (also a misleading term) ($791 million). The $882 million figure at “Total Dollars for Completed HTF Units” is really the total development cost (TDC) of all of the projects, which in most cases only have a small fraction of HTF units (especially in bigger LIHTC-financed developments). In order to get an overall cost per unit (not just HTF per unit), it is necessary to divide the total number of units in an assisted project into the total number of all funds in a project. However, HUD does not include the total number of units in an assisted project in the report.

NLIHC brought the misleading terminology to HUD’s attention. HUD agreed with NLIHC’s interpretation of the data and indicated that it would clarify the terminology in the future. To date, however, HUD has not adjusted the terminology.

HTF regulations at 24.CFR.93.200(c) Multiunit Projects provides that:
“Only the actual HTF development costs of the assisted units may be charged to the HTF program. If the assisted and non-assisted units are not comparable, the actual costs may be determined based on the method of cost allocation. If the assisted and non-assisted units are comparable in terms of size, features, and number of bedrooms, the actual cost of the HTF-assisted units can be determined by prorating the total HTF-eligible development costs of the project so that the proportion of the total development costs charged to the HTF program does not exceed the proportion of the HTF-assisted units in the project.”

In other words, in order to comply with the HTF regulations, in a mixed-finance project developers and states must determine the number of “HTF units” in a project based on the proportion of HTF funds to other funds in the project. As the February National Production Report indicated, the ratio of “other” dollars to HTF dollars was 8.72:1.

On page 3 of the February HTF National Production Report the actual average cost per unit for completed projects is $113,522. The average cost per unit begins declining in the May report ($108,725) and continues to decline, reaching the lowest average cost per unit in July ($95,186). On average, the average cost per unit for the four months of June through September is $97,226.

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III. Claim #3: The HTF has not sufficiently created newly constructed units.

**NLIHC Response:** Acquisition and rehabilitation are important uses of the HTF that are needed to prevent America’s housing crisis from worsening.

Relying on the HTF National Production Report reflecting activity through February 28, 2021, the letter from Representatives McHenry and Stivers states “the data released by HUD show only 485 of the HTF’s 800 completed projects are new construction. The other 315 projects involved the acquisition or rehabilitation of existing housing units... The HTF’s rate of delivery therefore appears to fall short of the program’s goal to ‘increase and preserve the supply of decent, safe, and sanitary affordable housing’ for low-income Americans.”

**THE REGULATIONS AND STATUTE**

The letter paraphrases a portion of 24 CFR 93.1 of the HTF regulations, which in full reads, “In general, under the HTF program, HUD allocates funds by formula to eligible States to increase and preserve the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing for extremely low-income and very low-income households, including homeless families.”

The regulations at §93.200(a)(1) add:

“HTF funds may be used for the production, preservation, and rehabilitation of affordable rental housing and affordable housing for first-time homebuyers through the acquisition (including assistance to homebuyers), new construction, reconstruction, or rehabilitation of nonluxury housing with suitable amenities, including real property acquisition, site improvements, conversion, demolition, and other expenses, including financing costs, relocation expenses of any displaced persons, families, businesses, or organizations; for operating costs of HTF-assisted rental housing; and for reasonable administrative and planning costs.”

The statute at §1338(a)(1)(A) states that “The purpose of the Housing Trust Fund under this section is to provide grants to States for use to increase and preserve the supply of rental housing for extremely low-income and very low-income families, including homeless families.”

At §1338(c)(7)(A) the statute states that HTF assistance is to be used for “the production,
preservation, and rehabilitation of rental housing...and for operating costs, except that not less than 75 percent of such grant amounts shall be used for the benefit only of extremely low-income families or families with incomes at or below the poverty line...applicable to a family of the size involved, and not more than 25 percent for the benefit only of very low-income families.”

The letter to the GAO concluded that because only 485 of the 800 completed units were new construction, the HTF’s “delivery rate” appeared to fall short of the programs “goal.” As amply indicated in the statute and regulation, new construction is not the sole goal of the HTF. Other statutorily and regulatorily allowable uses are preservation and rehabilitation, as well as limited use for operating costs.

**PRESERVATION, A MEANS TO AVOID EXACERBATING THE SHORTAGE OF AFFORDABLE UNITS**

The statutory formula for allocating HTF funds to states is determined by a formula based principally on the shortage of rental homes affordable and available to extremely low-income renter households and the extent to which such households are spending more than half of their income for rent and utilities.

Preservation of existing affordable housing, in particular multifamily properties previously invested in by the federal government through the Section 8 Project-Based Rental Assistance program or USDA’s Rural Development Section 515 and 514 programs is an important use of HTF in order to not lose homes affordable and available to extremely low-income people, which would exacerbate the existing shortage.

As mentioned previously, according to NLIHC’s 2021 GAP report, the U.S. has a shortage of 6.8 million rental homes affordable and available to extremely low-income renters, and only 37 affordable and available rental homes exist for every 100 extremely low-income renter households.

In North Carolina in 2020 there were 347,275 extremely low-income renters but only 156,365 rental homes affordable and available to them, resulting in a shortage of 190,910 units. In other words, there were only 45 affordable and available units for every 100 extremely low-income renter households. Sixty-six percent of extremely low-income households in the state were “severely housing cost-burdened,” paying more than half of their income for rent and utilities. [https://reports.nlihc.org/gap/2019/nc](https://reports.nlihc.org/gap/2019/nc)

In Ohio in 2020 there were 436,611 extremely low-income renters but only 184,584 rental homes affordable and available to them, resulting in a shortage of 252,027 units – i.e., there were only 42 affordable and available units for every 100 extremely low-income renter households. Sixty-six percent of extremely low-income households in Ohio were “severely housing cost-burdened,” paying more than half of their income on housing costs. [https://reports.nlihc.org/gap/2019/oh](https://reports.nlihc.org/gap/2019/oh)

**NLIHC’S INTERIM CONCLUSIONS FOR 2016 AND 2017**

Starting with the 2016 HTF allocations, NLIHC staff established working relationships with staff of HTF “state-designated entities” (SDEs). The statute creating the HTF requires states to designate such entities; most are state housing finance agencies, while some are state departments. NLIHC understood that HUD reporting would mirror that of the HOME program, which is only aggregate in nature and would not reflect the richness of the anticipated accomplishments of HTF-assisted projects.

Consequently, NLIHC asked each state for project-specific information about their 2016 HTF allocations. NLIHC sought the same project-specific information for 2017 allocations, and we are currently collecting 2018 information and will continue doing so for subsequent years for the foreseeable future.
ACQUISITION AND REHABILITATION PROJECTS IN 2016 AND 2017

As previously indicated, NLIHC contacted states to learn about the status of their 2016 and 2017 HTF allocations and to obtain project-specific information about projects awarded HTF money with their 2016 and 2017 HTF allocations. A standard list of questions was posed to each state to obtain basic project characteristics. The information provided to NLIHC by each state was not meant to be “official” information that the state would ultimately present to HUD through its Integrated Disbursement and Information System (IDIS). Usually, the information was provided to NLIHC soon after awards were announced. Some features such as number of HTF-assisted units and amount of HTF awarded might change. Some projects might be dropped, with new ones substituted. The purpose of gathering the information was to obtain a preliminary sense of the number, type, and nature of HTF-assisted projects and units so that NLIHC could better support the HTF.

HUD’s Office of Community Planning and Development (CPD) has long used IDIS. When entering information through IDIS that might actually pertain to “preservation” or “adaptive reuse,” the only entry option for a state is “rehabilitation” or “acquisition and rehabilitation.” Upon closer examination, most projects reported to NLIHC as “rehabilitation” or “acquisition and rehabilitation” are actually preserving affordable homes from leaving this scarce stock or are creating new homes through adaptive reuse or acquiring and rehabilitating unoccupied homes and creating new ones for extremely low-income or very low-income households.

2016

For 2016, when the HTF allocation was merely $174 million, based on the information voluntarily provided by the states and the District of Columbia, 45 states allocated some or all of their 2016 HTF funds amounting to $109,330,741 for 107 new construction projects estimated to have 1,151 HTF-assisted units among 5,084 total units.

Four states reported allocating $4,881,024 in HTF for “adaptive reuse” of non-housing structures to create new housing, 72 HTF-assisted units among 120 total units. These projects entailed converting a former junior high school, warehouse, furniture store, and commercial space to affordable housing. In HUD’s IDIS, these projects would be listed as “rehabilitation,” but they are making new affordable housing units available to people most in need.

Seventeen states, including Ohio, chose to allocate $33,368,055 in HTF to preserve 37 existing affordable housing projects, preserving a total of 3,076 affordable units.

- Within that total, $13,096,190 was awarded by 11 states to 17 projects intended to preserve 1,164 affordable housing units previously invested in by taxpayers through HUD’s Section 8 Project-Based Rental Assistance program or USDA’s Rural Development Section 515 and 514 programs. (Ohio chose to allocate $2,366,188 to preserve 231 affordable housing units; $1,787,688 of this was to preserve 223 Section 8 or RD 515 units.)
- Eight states, including Ohio, chose to use $8,703,865 in HTF to preserve 1,494 public housing units in 10 projects through the Rental Assistance Program (RAD). Ohio chose to use $1 million in HTF to preserve 458 public housing units thorough RAD.
- Another 6 states awarded $9,980,290 to 9 projects intended to preserve a total of 363 units (208 HTF-assisted) in existing affordable housing properties that had not been subsidized with federal rental assistance.

As reported to NLIHC, 10 states awarded $8,722,718 in HTF to 17 projects that were indicated as “rehabilitation” or “acquisition and rehabilitation” that upon further research were determined to not be preservation or adaptive reuse projects. NLIHC concluded that 14 projects using $8,085,718 in HTF were not mere acquisition and rehabilitation, but in fact were projects that would create
125 new affordable housing units (91 HTF-assisted). As best as NLIHC could determine, only three projects in three states were simple “acquisition and rehabilitation,” anticipated to use $637,000 HTF funds for 111 units (24 HTF-assisted) serving homeless populations.

2017

For 2017, when the HTF allocation was merely $219 million, based on the information voluntarily provided by 50 states and the District of Columbia, 43 states allocated some or all of their 2017 HTF funds, amounting to $144,049,700 for 118 new construction projects estimated to have 1,154 HTF-assisted units among 6,525 total units.

Eight states reported allocating $7,552,851 in HTF for “adaptive reuse” of 9 non-housing structures to create new housing, 63 HTF-assisted units among 464 total units. Five of the projects involve properties on the National Register of Historic Places.

Twenty-five states, including Ohio, chose to allocate $38,063,179 in HTF to preserve a total of 3,235 affordable units in 43 existing affordable housing projects. Two of the projects involve properties on the National Register of Historic Places.

- Within that total, 11 states awarded $15,416,150 to 20 projects intended to preserve 973 affordable housing units (158 HTF-assisted) previously invested in by taxpayers through HUD’s Section 8 Project-Based Rental Assistance program or USDA’s Rural Development Section 515 and 514 programs. (Ohio chose to allocate $1.7 million to preserve 216 affordable housing units in 2 Section 8 projects.)

- Another 10 states awarded $13,461,651 to 11 projects intended to preserve a total of 588 units (227 HTF-assisted) in existing affordable housing properties that had not been subsidized with federal rental assistance.

- Seven states, including Ohio, chose to use $7,841,116 in HTF to preserve 1,538 public housing (263 HTF-assisted) units in 10 projects through the Rental Assistance Program (RAD). Ohio chose to use $1 million in HTF to preserve 458 public housing units through RAD.

As reported to NLIHC, seven states awarded $7,835,285 in HTF to seven projects that were indicated as “rehabilitation” or “acquisition and rehabilitation” that upon further research were determined to not be preservation or adaptive reuse projects. NLIHC concluded that four projects using $6,128,640 in HTF were not mere acquisition and rehabilitation, but in fact were projects that would create 38 new affordable housing units (all HTF-assisted).

As best as NLIHC could determine, only three projects in three states were simple “acquisition and rehabilitation,” anticipated to use $1,706,645 HTF funds for 76 units (31 HTF-assisted, which means they must be affordable to extremely low-income households). One of the “regular” rehabilitation projects would have 60 units (21 HTF-assisted) with 12 units set aside for veterans and six units set aside for people with disabilities.

The following paragraphs provide more information about the 2017 projects.

Preservation

As noted previously, CPD has long used IDIS. When entering information through IDIS that might actually pertain to “preservation” or “adaptive reuse,” the only entry option for a state is “rehabilitation” or “acquisition and rehabilitation.” For 2017, when the HTF allocation was merely $219 million, states reported to NLIHC that 50 projects were “rehabilitation” or “acquisition and rehabilitation” projects. However, upon closer inspection, they were really “preservation” projects, “adaptive reuse projects” (discussed below), or “acquisition and rehabilitation” that created new housing affordable to extremely low-income or very low-income renter households.
As reported to NLIHC, 25 states (including Ohio) chose to award $38,063,179 in HTF funds for various forms of “preservation” at 43 existing affordable housing projects, intended to preserve a total of 3,235 affordable units. By choosing to use available resources, including HTF, these states decided to preserve projects in order to keep existing affordable units affordable and available to extremely low-income households, rather than have those units lost, thereby adding to the shortage of such units.

Preserving HUD- and USDA-assisted housing

Within the above totals, 11 states decided to use $15,416,150 of their 2017 allocation to preserve a total of 973 units (158 HTF-assisted) at 20 projects that had Section 8 Project-Based Rental Assistance or RD Section 515 or 514 rental assistance. Ohio chose to allocate $1.7 million to preserve 216 affordable housing units in two Section 8 projects.

Preserving Other Affordable Housing Units

Another 11 projects in 10 states were also intended to preserve existing affordable housing but had not been subsidized with federal rental assistance – for example, using state affordable housing funds or state historic tax credits with HTF funds to preserve existing affordable housing. The 11 projects would have a total of 588 units (227 HTF-assisted). As reported to NLIHC, these projects awarded $13,461,651 in HTF funds.

Rental Assistance Demonstration

Seven states chose to use some of their 2017 HTF allocation at 10 projects (two in Ohio) to undergo conversion under the Rental Assistance Demonstration (RAD) from public housing units to Section 8 Project-Based Rental Assistance or Section 8 Project-Based Vouchers, thereby preserving all of the units as affordable and available to extremely low-income households. A total of 1,530 units (254 in Ohio) with 263 HTF-assisted units (29 in Ohio) would be preserved, using $7,841,116 of HTF.

Population Characteristics of Preserved Properties

Of the units that were preserved federally assisted (eg Section 8 and RD) homes, 481 units (91 HTF-assisted) would be for elderly, and 208 units (20 HTF-assisted) would be for people with disabilities. Seven were indicated by their state as located in a rural area.

Of the units preserved but not federally assisted, 133 units (26 HTF-assisted) would be for elderly, 202 units (138HTF-assisted) would be for people experiencing homelessness, and 46 units (12 HTF-assisted) would be for people with disabilities.

Of the RAD projects, one project with 205 units (30 HTF-assisted) would house elderly people, and one project with 100 units (8 HTF-assisted) would house people who are disabled or otherwise have special needs. One project with 430 units (86 HTF-assisted) would house 20 elderly people and 29 people with disabilities, while another project with 268 units (28 HTF-assisted) would house 100 elderly people and 44 disabled people. Both of these were designated “rural.” Finally, one project with 76 units (20 HTF-assisted) would house homeless veterans and people who were previously incarcerated.

Adaptive Reuse

Seven states reported to NLIHC that eight projects would be “rehabilitation” or “acquisition and rehabilitation,” but were actually “adaptive reuse” projects, that is projects creating 444 new units (61 HTF-assisted) using $7,229,375 in HTF.

- One project planned to transform a 68-year-old Masonic Lodge into 19 micro units (three
HTF-assisted), convert the adjacent Belmont Manor into 12 two-bedroom units, and trigger the creation of 84 multi-bedroom units.

- One project planned to convert an existing office building into 18 new apartments (four HTF-assisted).
- One project planned to convert a historic YMCA building into 44 units (nine HTF-assisted) for elderly people.
- One project planned to convert a former community hospital, provide 34 units (10 HTF-assisted) for elderly people, and provide space for ten nonprofit service providers that will serve the residents as well as the community.
- One project planned to convert a vacant, three-story office building into 16 units (nine HTF-assisted) for elderly people with disabilities.
- One project planned to convert a six-story industrial facility on the National Register of Historic Places (one part built in the 1860s and another built in 1919) into 71 units (four HTF-assisted).
- One project planned to convert an industrial facility built in the 1800s on the National Register of Historic Places into 45 units (five HTF-assisted and five provided with Section 811 assistance for people with disabilities). The developer had to remove contaminated soil, adding to the cost.
- One project planned to convert a vacant, three-story, historic 1868 commercial building into 25 affordable housing units, including four single-room occupancies (SROs) along with four storefront commercial spaces.
- One project will convert the historic National Soldier’s Home built in 1867 for soldiers returning from the Civil War. The main building will be converted to 70 one-bedroom and 10 two-bedroom units with various facilities. The former administration building will be converted to SROs with various facilities.

**New Homes Created Through Acquisition and Rehabilitation**

As reported to NLIHC, seven states awarded $7,835,285 in HTF at seven projects indicated as “rehabilitation” or “acquisition and rehabilitation” that upon further research were determined to not be preservation or adaptive reuse projects. NLIHC concluded that four projects using $6,128,640 in HTF were not mere acquisition and rehabilitation, but in fact were projects that would create 38 new affordable housing units (all HTF-assisted).

The projects that would create new units include:

- A project to acquire and fully rehabilitate four units (all of which would be HTF-assisted) to create permanent supportive housing for chronically homeless people.
- A project entailing five of one state’s six projects that would acquire and rehabilitate five single-family homes, creating five HTF-assisted homes for extremely low-income households.
- A project entailing six of one state’s nine projects that would acquire and rehabilitate six unoccupied properties, creating 16 units, all of which would be HTF-assisted. Of these projects: one would serve domestic violence survivors who are homeless; one would serve large families experiencing homelessness; one would serve families whose head is mentally ill, is surviving domestic violence, or who is a homeless veteran; one would serve a family that has a member with a developmental disability; and two would serve people experiencing homelessness (unspecified).
As best as NLIHC could determine, only three projects in three states were simple “acquisition and rehabilitation,” anticipated to use $1,706,645 HTF funds for 76 units (31 HTF-assisted, which means they must be affordable to extremely low-income households). One of the “regular” rehabilitation projects would have 60 units (21 HTF-assisted) with 12 units set aside for veterans and 6 units set aside for people with disabilities.

The standard rehabilitation projects include:

- One project would have seven units (all HTF-assisted) providing permanent supportive housing for people with disabilities.
- One project would have nine units (three HTF-assisted) in two buildings to provide housing for large families in a rural area where zoning in the nearby town precludes the development of multifamily housing. The 1993 property suffered from deferred maintenance. Rehabilitation would address energy efficiency and accessibility, as well as failing retaining walls.
- One project would entail a for-profit developer acquiring and rehabilitating a property with 60 units (21 HTF-assisted). Twelve units would be set aside for veterans and six units would be set aside for people with disabilities.

**IV. Claim #4: The HTF adds fees and assessments on homeowners.**

**NLIHC Response:** Localities and states do not impose fees, assessments, or raise real estate taxes to enable HTF development.

The letter from Representatives McHenry and Stivers to the GAO expresses concern that “In addition to federal funds, the HTF can be used, in some cases, to leverage additional funding from various sources such as state and local real estate taxes and fees.” In addition, Question 2.d. asks “What is the total cost to date to support the HTF in terms of fees and other assessments for homeowners?”

Localities and states do not impose fees, assessments, or raise real estate taxes to enable HTF development. In 2016, 20 states indicated to NLIHC that a local or state housing trust fund provided gap financing for 33 projects assisted with HTF funds. In 2017, 16 states indicated that 29 projects had gap financing from a state or local housing trust fund.

Perhaps there is a misunderstanding of how state and local housing trust funds work. State and local housing trust funds are established by elected government bodies – at the city, county, or state level – when a source or sources of public revenue are dedicated, by ordinance or law, to a distinct fund with the express purpose of providing affordable housing.

According to the Housing Trust Fund Project, 47 states, the District of Columbia, and the territories of Guam and Puerto Rico have created sixty housing trust funds. Eight states have created more than one state housing trust fund. There are 118 city housing trust funds in thirty-four states, bolstered by another 186 jurisdictions participating in Massachusetts’ Community Preservation Act, and 296 communities certified in New Jersey by the Council on Affordable Housing. There are currently 69 county housing trust funds in seventeen states, with one county creating two housing trust funds. In addition, the state of Pennsylvania has 49 county housing trust funds, and the state of Washington has 39 county housing trust funds which were created under state enabling legislation.

A 2016 report from the Housing Trust Fund Project indicated that the real estate transfer tax (including the documentary stamp tax) remained the most popular dedicated revenue source.
for state housing trust funds with fifteen states benefitting from this source. Another seven state housing trust funds receive dedicated revenue from document recording fees. Eight states continued to receive appropriations from the state general fund to support their state housing trust funds. Two states operated their state housing trust funds with revenues received from state housing finance agencies and another two used interest from real estate escrow accounts. Other revenue sources reported from state housing trust funds included: unclaimed property fund; smokeless tobacco tax; interest on title escrow accounts; foreclosure filing fees; public purpose charge (utility charge); excise tax for large economic development projects that apply for sales tax refund; state capital budget (bond proceeds); and state income tax contributions – contributions received a dollar-for-dollar state tax credit. Three states reported receiving initial capitalization funds but had not received any funds since then, and another three states had never put funds into their state housing trust funds. All of these revenue sources were decided by and voted on by elected officials.

V. Claim #5: The HTF cost-per-unit is greater than “private sector” comparable costs.

**NLIHC Response:** The HTF’s cost-per-unit is on par with or lower than market rates.

The letter from Representatives McHenry and Stivers to the GAO claims that “Even when the cost per unit is calculated in the light most favorable to HUD, the HTF still appears to compare poorly to the private sector housing production in terms of cost per unit.” Question 2 begins, “The cost per unit of housing supported by the HTF appears to far exceed private sector comparable costs.

- a. Why is the completed unit cost so high for HTF projects?
- b. How does the HTF’s cost per unit compare to private sector construction costs?”

Once the misleading terminology of the February HTF National Production Report is accurately understood, it is clear that the cost is not $1 million per unit. **According to the February HTF National Production Report, the average cost per unit of completed projects was $113,522.**

The letter to GAO does not provide a “private sector” comparable cost per unit, making it difficult to compare average HTF cost per unit with market-rate units. The letter refers to “private sector” housing, presumably meaning unassisted “market-rate” housing. However, if “private sector” is meant to differentiate nonprofit developers from for-profit developers, 29 states reported to NLIHC that 55 projects in 2017 were developed by for-profit developers, 25 projects in 16 states had for-profit developers in 2016.

A study conducted by the Government Accountability Office (GAO), *Low-Income Housing Tax Credit: Improved Data and Oversight Would Strengthen Cost Assessment and Fraud Risk Management (GAO-18-637)*, published in September 2018, examined the feasibility of comparing LIHTC development costs to development costs for market-rate projects. However, GAO was unable to obtain data on market-rate developments from industry groups.

Nonetheless, GAO ventured several factors that might explain why costs might differ between LIHTC and market-rate projects. Because the vast majority of HTF-assisted projects have LIHTC as their primary source of financing, GAO’s explanations apply to HTF as well. NLIHC’s information shows that 112 HTF-assisted projects (70%) in 2016 and 123 HTF-assisted (67%) projects in 2017 also had LIHTC financing.
• **Durability.** LIHTC project developers may have an incentive to use more durable (and potentially more expensive) construction components than they might for market-rate developments. They may seek to limit replacement costs before the end of the 15-year LIHTC compliance period – after which they may seek additional LIHTCs for rehabilitation or to convert units to market-rate. Also, LIHTC project owners are more limited in their ability to recapitalize aging projects.

Several nonprofit developers of affordable, assisted housing contacted by NLIHC independently indicated that their small, affordable, and assisted properties had to be built to last longer. For instance, nonprofit developers of affordable housing might construct properties with exterior walls of 75% masonry or highly durable materials, floor coverings with 10-year warranties, and roofs with 40-year warranties.

One of the nonprofit developers NLIHC contacted lamented that despite the long-term, high-quality materials in assisted properties, many for-profit developers renovate LIHTC properties at the end of the initial 15-year LIHTC compliance period so that they can receive another developer fee.

• **Agency and Local Requirements.** LIHTC allocating agencies, state Housing Finance Agencies (HFAs), can use Qualified Allocation Plan (QAP) minimum standards and scoring incentives to influence the types of projects developers propose and build. These preferences can help achieve a variety of policy priorities, but some can increase costs. For example, QAPs may provide developers with incentives to pursue historic preservation projects or require them to add on-site commercial space or amenities such as community rooms. Green building and energy-efficiency standards are also common QAP incentives that can increase development costs, although they may offset some future operating costs through lower utility expenses.

Several nonprofit developers of affordable, assisted housing contacted by NLIHC independently concurred with the GAO indicating that the competitive standards of state HFAs push costs up as developers take every possible step to receive the most points possible in the fierce competition for 9% LIHTCs. Examples of point categories impacting the cost of affordable housing include:

- Construction standards that exceed those for market-rate housing, such as community rooms, telehealth rooms, computer rooms, unit sizes, storage space requirements, more bathrooms, etc.;
- Certification of energy-efficiency and green-building standards such as reflective roofing, reflective paving, and healthy flooring (not vinyl, not carpeting); and
- Housing located in areas of opportunity.

• **Profit Motive.** LIHTC projects may be less attractive financially for developers than market-rate projects because they yield lower profits from rental income. As a result, HFAs allow a developer fee, for which tax credit equity generally pays. GAO found that developer fees represented about 11% of development costs at the median. In comparison, market-rate developers are generally compensated through rental income or from the sale of their developments.

One of the nonprofit developers of affordable, assisted housing NLIHC contacted noted that most states permit 10% of land costs and 15% of development costs as developer fees. Generally, profit-motivated development does not have such large developer fees. The difference between market-rate and assisted, affordable housing is that market-rate housing is designed
and intended to generate annual return from operations to the developer and investor(s). In assisted, affordable housing, the majority of the cash flow after payment of a first mortgage goes to public subordinate lenders. These developers get minimal annual distributions and therefore cannot sustain their organizations through property operations.

- Other Soft Costs. GAO identified other soft costs that affect LIHTC developers:
  - The complexity of the LIHTC process can result in higher legal, accounting, and syndication fees, and for nonprofits it might also entail hiring outside consultants.
  - LIHTC developers also generally rely on multiple public and private funding sources in addition to tax credit equity to fully finance projects (as is the case in most of the HTF-assisted projects identified by NLIHC). These additional sources can increase legal, accounting, and other fees due to the costs associated with seeking additional sources, writing applications, and complying with further appraisal, audit, and regulatory requirements. Securing additional funding sources also can delay the development process, which may increase land-holding and interest expenses.

Even if an HTF-assisted project does not have LIHTC financing (but most do rely on LIHTC), they usually depend on several other federal, state, local, or private resources.

- Nonprofit Participation. GAO estimated the per-unit cost of projects developed by nonprofit organizations was $15,000 more than for-profits. One reason for this disparity is that nonprofits focus their developments more on populations more costly to serve, such as special needs residents who might require additional or enhanced facilities. In addition, projects developed by nonprofits are often smaller (see below). Also, nonprofits produce fewer projects and have to spend more time and resources on activities such as fundraising and market research.

Abt Associates (see below) also found that projects developed by nonprofit organizations had a per unit total development cost (TDC) approximately $45,000 higher than those with a for-profit developer, confirming similar findings in other studies. Abt indicated possible reasons for this finding: projects developed by nonprofits might provide more supportive services, and nonprofits might be more willing than for-profit developers to take on projects that have higher land costs, significant neighborhood opposition, or the need for substantial zoning changes.

Abt Report and GAO Study

In addition to the GAO study, the National Council of State Housing Finance Agencies (NCSHA) commissioned Abt Associates to examine the factors affecting the cost of developing affordable multifamily rental housing using the LIHTC program, the largest federal program for constructing or rehabilitating multifamily housing for households with incomes less than 60% or 50% of the area median income (AMI). The Joint Committee on Taxation estimates the LIHTC program will cost taxpayers $10.4 billion in FY21. Over the period 2020-2024 the Committee estimates the cost of the LIHTC program will be $54.6 billion.

The Abt report, Variation in Development Costs for LIHTC Projects, dated August 30, 2018, found the median per-unit TDC to be $164,757, significantly higher than the $113,522 for HTF units in February. The Abt report analyzed development cost data from 14 LIHTC syndicators for more than 2,500 projects developed through the LIHTC program and placed into service between 2011 and 2016. These projects included more than 160,000 housing units.

The GAO study found the median per-unit LIHTC TDC to be $204,000, even more substantially higher than the $113,522 for HTF units in February. The GAO study analyzed development cost data from 12 HFAs for 1,849 projects completed between 2011 and 2015.
Abt and GAO identified a number of factors affecting the TDC-per unit (beyond the obvious factors such as geographic location, metropolitan vs. non-metropolitan, and construction wages):

- **Number of Units per Project.** Smaller projects were more expensive per unit to build than larger projects, consistent with economies of scale. Projects with more units can spread fixed development costs over a greater number of units. Units located in projects with fewer than 100 units had median costs above the median for the entire Abt database, while units located in projects with 100 or more units had median costs below the median for the entire database. GAO reported that the per-unit cost of projects with more than 100 units was about $85,000 less than projects with fewer than 37 units. GAO also estimated that the per-unit cost of projects with 37-50 units was about $31,000 lower and the per-unit cost of projects with 51-100 units was $56,000 lower. However, recognizing that high-rise structures cost more, GAO compared projects with 60 or more units to projects with more typical building designs and found that these larger buildings were also taller, leading to higher per-unit costs of $15,000.

Mimicking the number of units per project ranges used by Abt, NLIHC’s information from states indicates that in 2016, 133 projects had fewer than 100 units while only 16 had more than 100 (seven of them RAD conversions). Nineteen projects had 0-10 units, 36 projects had 11-25 units, 35 projects had 26-50 units, and 43 projects had 51-100 units. In 2017 161 projects had fewer than 100 units, while only 24 had more than 100 (six of them RAD conversions). Thirty projects had 0-10 units, 17 projects had 11-20 units, 18 had 21-30 units, 20 had 31-40 units, 21 had 41-50 units, 24 had 51-60 units, 10 had 61-70 units, 10 had 71-80 units, four had 81-90 units, and seven had 91-100 units.

- **Number of Bedrooms per Project.** Abt reported that projects that averaged more than 2.5 bedrooms were more expensive on a per-unit basis. GAO also reported that per-unit costs decreased by about $2,000 as the number of units with fewer than two bedrooms increased by 10% and the per-unit cost increased by about $3,000 as the number of units with more than two bedrooms increased by 10%.

NLIHC notes that some of the HTF-assisted projects were explicitly developed to serve larger families in response to the need for affordable, larger units. Admittedly, many of the HTF-assisted properties were specifically designed to serve special needs populations and only have one or two bedrooms. On the other hand, a consultant for an organization that focuses on permanent supportive housing (PSH) told NLIHC that PSH projects typically have higher TDC. These properties have a greater concentration of studio and one-bedroom units, which are more costly on a square-foot basis due to the small square-foot unit sizes and a heavier concentration of kitchens and bathrooms (which are more costly elements of development). Although NLIHC has not specifically asked states whether projects were PSH, 23 states did so in 2016, showing 37 projects with 604 HTF-assisted units. In 2017, 21 states volunteered that 41 projects had PSH containing 1,968 units (630 HTF-assisted). In addition, it is reasonable to assume that many units designated for people who have disabilities, who are experiencing homelessness, or who are elderly are in fact PSH units.

- **Target Population.** Abt reported that per-unit TDC was highest for units in projects designated to serve people with special needs and people experiencing homelessness (including SROs), and lowest for units in projects that serve elderly people. Projects serving people with special needs and those experiencing homelessness typically include supportive services in addition to living spaces, which may require more common space and private meeting space. Family projects and assisted living projects had median costs around the same as for all projects.

GAO estimated the per-unit cost for projects targeted to seniors was about $7,000 lower...
than non-senior projects because they required less square footage per unit. GAO also estimated that the per-unit cost of projects primarily housing low-income people was about $11,000 more than for mixed-income projects.

- **Multiple Financing Sources.** The number of financing sources adds complexity, which may add costs to development projects. Projects with the most financing sources (four or more) had above-average per-unit TDC. The vast majority of HTF-assisted projects have four or more sources of financing.

- **Project Type.** Abt Associates found that new construction projects had per-unit TDCs nearly $60,000 higher than acquisition-rehabilitation projects, consistent with findings from other studies. New construction can be more costly because it requires site work and utility development often not part of rehabilitation projects. However, some rehabilitation projects have higher costs than new construction projects, particularly if the building or site has environmental hazards or contamination that requires remediation. GAO reported that the median per-unit cost for new construction was $218,000, about $50,000 higher than the per-unit cost for rehabilitation projects, $169,000.

As the letter to GAO noted, more HTF-assisted projects entailed new construction, and as NLIHC noted above, most “rehabilitation” projects were really preservation of properties that had been sorely neglected or were adaptive reuse of properties that were originally industrial, commercial, or other non-housing structures perhaps requiring more significant construction costs than newly constructed market-rate housing.

To conclude NLIHC’s response to the letter to the GAO concern that the cost per unit of HTF-assisted housing seemed greater than “private sector” comparable costs, NLIHC cites an August 17, 2018 letter from NCSHA to GAO responding to the 2018 GAO study. Although the NCSHA letter addressed the comparative cost of developing LIHTC-assisted properties and overall apartment development, as NLIHC notes, most HTF-assisted properties are also heavily reliant on LIHTC assistance.

NCSHA indicated that according to data provided to it by Dodge Data and Analytics, construction costs – not including soft costs and land – for all newly constructed apartments averaged approximately $151,000 per unit between 2011 and 2016. And, according to Fannie Mae, soft costs account for an average of 25% of overall apartment development costs. Although land prices vary widely and national data are difficult to obtain, anecdotal evidence suggested land prices may account for 5% to 10%, on average, of TDC (and much more in high-cost areas).

Adjusting the $151,000 per unit in construction costs by 30% to 35% to account for soft costs and land yielded an average TDC per unit for multifamily apartments overall of roughly $196,000 to $204,000 between 2011 and 2016. The Abt study found that the average LIHTC cost per unit for new construction, including soft costs and land, was approximately $209,000 during that period.

NCSHA concluded that the slightly higher costs for LIHTC developments are likely explained by financing requirements on them that generally do not apply to market-rate apartment developments, such as the need for higher upfront operating reserves and funding to cover the developer’s services. Market-rate apartments can generate capital to pay these costs by charging higher rents. LIHTC properties by law cannot: they must serve low-income households at restricted rents for several decades.
VI. Claim #6: HUD is not effectively leveraging private dollars for HTF projects.

**NLIHC Response:** HUD is effectively deploying private resources.

First, given the small amounts presently available through the HTF, this scarce source of funding cannot truly “leverage” other funds. At this early stage, it is more appropriate to consider HTF to be gap financing, primarily for LIHTC-assisted projects. All development of housing affordable to low-income people requires multiple resource inputs. Only very small developments require few if any other resources other than Housing Choice Vouchers to cover long-term operating costs.

Although for 2016 NLIHC only indirectly asked each state whether projects received a private mortgage, and for 2017 NLIHC asked that question more directly, most states did not provide that information. NLIHC did not ask about deferred developer fees or private contributions those years. Beginning with 2018 NLIHC is now requesting that information too. Busy state staff who were not required to respond to NLIHC often provided bare minimum information about other resources. Some did not provide any additional information about other resources, while some simply replied “yes” if appropriate. Consequently, the following information can only hint at private resources used in HTF-assisted projects.

In 2016, 17 states took the initiative to indicate that 40 projects had conventional private mortgages. In addition, 11 states reported 26 projects were assisted with deferred developer fees. Nine states reported 15 projects received private contributions.

In 2017, 24 states reported that 63 projects had conventional private mortgages. In addition, 14 states reported 24 projects were assisted with deferred developer fees. Sixteen states reported 24 projects received grants from private sources.
VII. Claim #7: Only 800 projects have been completed since 2016.

NLIHC Response: While states were delayed in awarding the first round of HTF resources, these delays were reasonable and have largely been resolved.

The letter from Representatives McHenry and Stivers to GAO at Question 4.a. asks, “Why does it take so long to produce completed units, especially considering approximately 40% of the units are acquisition or rehabilitation?”

First, as NLIHC’s response above discussing the “acquisition and rehabilitation” or “rehabilitation” demonstrated, those projects were not superficial acquisitions or rehabilitations. Instead they were complex preservation, RAD conversion, or adaptive reuse projects.

Second, states are allocated HTF from HUD, generally in May. They then go through the request for proposal process to award the HTF. As NLIHC explained previously, few states have a separate HTF award process because to-date their HTF allocations are so small; instead, states synchronize their HTF allocations with their pre-existing award mechanisms for the LIHTC or other larger state programs. Consequently, there is an inherent delay.

Third, as one nonprofit developer of assisted affordable housing explained to NLIHC, because a large percentage of the HTF-assisted projects are also using LIHTC, the HTF is committed or conditionally committed in advance of a LIHTC application. It is not unusual for a project to be submitted for LIHTC assistance several times before it is awarded. Since most states award LIHTC only once per year, the HTF can be tied up for quite a long time before a project closes and begins construction. Most projects are in construction for at least 12 months before lease-up begins. Therefore, a minimum of two years can pass between award and occupancy, and possibly as many as four years can pass.

Another nonprofit developer of assisted affordable housing explained that funds are disbursed during or at the end of construction, so HTF funds could be entered into IDIS two to four years after first authorized. (Funds must be committed within two years of a grantee receiving the funds from HUD and must be expended withing five years.)

NLIHC’s limited research into many of the 2016 and 2017 HTF-assisted projects found local news articles indicating that although a project might have an HTF award, it might have neighborhood opposition to affordable housing, zoning-adjustment processes to complete, or additional funding to secure – all issues causing a lag time between HTF award, the beginning of construction, and ultimate project completion when project completion information can be entered into IDIS.

Finally, within the framework established by the HTF statute and regulations, completion of HTF-assisted projects can lag behind HTF award by a number of years.

The statute requires a state to commit their HTF allocation within two years. From the start, developers complained that this timeline was not realistic. Congress modified the HOME statute to suspend the two-year commitment requirement for the HOME program. NLIHC and others have asked Congress to make a similar modification for the HTF.

The regulations define “commitment” to mean:

(1) The grantee has executed a legally binding written agreement (that includes the date of
the signature of each person signing the agreement) with an eligible recipient for a project
that meets the definition of “commit to a specific local project” of paragraph (2) of this defini-
tion.

(2) “Commit to a specific local project” means:

(i) If the project consists of rehabilitation or new construction (with or without acquisition), the
grantee and recipient have executed a written legally binding agreement under which HTF
assistance will be provided to the recipient for an identifiable project for which construction
can reasonably be expected to start within 12 months of the agreement date. The written
agreement for rehabilitation or new construction of rental housing may also provide operat-
ing cost assistance and/or operating cost assistance reserves.

QUESTION #1: WHAT RESTRICTIONS ARE IN PLACE WITH RESPECT TO HOW
THE MONEY CAN BE USED? (THE LETTER TO GAO POSES THIS QUESTION AT
QUESTION 1.B.)

NLIHC RESPONSE: THE STATUTE AND REGULATIONS OUTLINE HOW FUNDS CAN
BE USED.

The statute at §1338(g)(2)(D) details the process states must use for selecting applications. The
statute requires states to address their priority housing needs as indicated in their Consolidated
Plan and to give priority in funding based on geographic diversity; ability to obligate amounts
and undertake activities in a timely manner; the extent to which rents are affordable especially
to extremely low-income families; the extent of the duration that rents will remain affordable; the
extent a developer will make use of other funding sources; and the merits of a proposed activity.
The regulations echo the statute and give as examples of potentially meritorious activities, housing
that serves special needs populations, includes green building and sustainable development
features, or is accessible to transit or employment centers.

NLIHC points to the very detailed regulations outlining general eligible activities at §93.200,
eligible project costs at §93.201, eligible administration and planning costs at §93.202, maximum
per-unit development subsidy and subsidy layering at §93.300, property standards at §93.301, and
prohibited activities at §93.204.

QUESTION #2: HOW ARE RESTRICTIONS ENFORCED? (THE LETTER TO GAO
POSES THIS QUESTION AT QUESTION 1.C.)

NLIHC RESPONSE: THE STATUTE AND REGULATIONS ADDRESS ENFORCEMENT.

The statute at §§1338 (d), (e), and (g)(1) and (2) addresses this concern, as do the regulations
at §§93.400 (Housing Trust Fund Accounts), 93.400 (Grant Agreement), 93.402 (Program
Disbursement and Information System), 93.403 (Program Income), 93.404 (Grantee Responsibilities),
and 93.407 (Record Keeping).
Summary of Characteristics of HTF-assisted Projects from 2016 and 2017

Although the letter to GAO did not ask for the characteristics of HTF-assisted projects, NLIHC provides a summary for 2016 and 2017 projects in order to demonstrate the value of the HTF program.

**2016**

**NUMBER OF HTF-ASSISTED PROJECTS AND HTF-ASSISTED UNITS ($174 MILLION HTF)**

50 states and DC awarded HTF assistance to 161 projects with 1,958 HTF-assisted units.

**TARGETED POPULATIONS***

- Homeless: 45 projects, 595 HTF-assisted units, in 24 states
- People with Disabilities: 47 projects, 516 HTF-assisted units, in 26 states
- Elderly: 35 projects, 382 HTF-assisted units, in 25 states
- Veterans: 12 projects, 132 HTF-assisted units, in 11 states
- Families: 48 projects, 567 HTF-assisted units, in 25 states

*There is some overlap, because some projects report “Homeless or Disabled” or “Elderly or Disabled” or “Veteran and Disabled”.

**TYPE OF PROJECT**

- New Construction: 107 projects, 1,151 HTF-assisted units, in 45 states
- Adaptive Reuse: 4 projects, 72 HTF-assisted units, in 4 states
- Rehabilitation Creating New Units: 14 projects, creating 91 HTF-assisted units, 8 states
- Rehabilitation: 3 projects, 24 HTF-assisted units, in 3 states
- Preservation:
  - Preservation of HUD or RD projects: 17 projects, 223 HTF-assisted units, in 11 states
  - Preservation through the Rental Assistance Demonstration (RAD): 10 projects, 264 HTF-assisted units, in 8 states
  - Other Preservation: 9 projects, 208 HTF-assisted units, in 6 states

**OTHER RESOURCES IN HTF-ASSISTED PROJECTS**

- LIHTC: 112 projects, 1,372 HTF-assisted units, in 41 states
- No LIHTC: 49 projects, 591 HTF-assisted units, in 24 states
- HOME Program: 60 projects in 35 states
- Affordable Housing Program, AHP, (Federal Home Loan Banks): 24 projects in 17 states
- State or Local Housing Trust Fund: 36 projects in 21 states
- Other State or Local Programs: 61 projects in 26 states

**Not all states provided details about other resources.**
2017

NUMBER OF HTF-ASSISTED PROJECTS AND HTF-ASSISTED UNITS ($219 MILLION HTF)

50 states and DC awarded HTF assistance to 184 projects with 1,854 HTF-assisted units.

TARGETED POPULATIONS *

- Homeless: 51 projects, 663 HTF-assisted units, in 28 states
- People with Disabilities: 55 projects, 559 HTF-assisted units, in 28 states
- Elderly: 43 projects, 441 HTF-assisted units, in 30 states
- Veterans: 21 projects, 167 HTF-assisted units, in 16 states
- Families: 58 projects, 506 HTF-assisted units, in 29 states

*There is some overlap, because some projects report “Homeless or Disabled” or “Elderly or Disabled” or “Veteran and Disabled”.

TYPE OF PROJECT

- New Construction:
  - 118 projects, 1,154 HTF-assisted units, in 43 states
  - 2 projects, 50 HTF-assisted units, in 2 states, with RAD
- Adaptive Reuse: 9 projects, 464 total units (63 HTF-assisted units), in 8 states
- Rehabilitation Creating New Units: 4 projects, creating 38 HTF-assisted units, in 4 states
- Rehabilitation: 3 projects, 31 HTF-assisted units, in 3 states
- Preservation:
  - Preservation of HUD or RD projects:
    - 20 projects, 973 total units (158 HTF-assisted units), in 11 states
  - Preservation through the Rental Assistance Demonstration (RAD):
    - 10 projects, 1,538 total units (263 HTF-assisted units), in 7 states
  - Other Preservation: 11 projects, 588 total units (227 HTF-assisted units), in 10 states

OTHER RESOURCES IN HTF-ASSISTED PROJECTS**

- LIHTC: 123 projects, 1,368 HTF-assisted units, in 43 states
- No LIHTC: 58 projects, 722 HTF-assisted units, in 24 states
- HOME Program: 62 projects in 27 states
- Affordable Housing Program, AHP: (Federal Home Loan Banks): 26 projects in 18 states
- State or Local Housing Trust Fund: 33 projects in 17 states
- Other State or Local Programs: 111 projects in 33 states

** Not all states provided details about other resources.