The National Housing Trust Fund (HTF) is a new affordable housing production program to increase and preserve the supply affordable housing for extremely low-income (ELI) and very low-income households (VLI), including families experiencing homelessness. HTF, established under Title I of the Housing and Economic Recovery Act of 2008, will be distributed through the U.S. Department of Housing and Urban Development (HUD) on a formula basis to the states. The Arizona Department of Housing (ADOH) is the designated grantee of HTF for Arizona. ADOH expects $3,000,000 in HTF to be available for the program year July 1, 2016 through June 30, 2017. ADOH will distribute HTF throughout Arizona on a competitive basis in accordance with Housing Trust Fund Interim Rule (24 CFR Parts 91 and 93) and the following Allocation Plan.

“Eligible Activities” for HTF are the production, preservation and rehabilitation of affordable rental housing developments in which all or a portion of the rental units are set-aside (“HTF Units”) as Permanent Supportive Housing for chronically homeless individuals and families with extremely low income (thirty percent (30%) of the HUD Area Median Income). Supportive Services must be provided with the purpose of helping residents achieve maximum possible self-sufficiency and maintain their permanent housing. Rents on HTF units must not exceed thirty percent (30%) of the income of the individual or family qualified to occupy the HTF unit. HUD will publish rent limits on an annual basis.

“Eligible Recipients” are public housing agencies, for-profit entities or non-profit entities that score high enough in a competitive application process to secure an allocation of ADOH Low Income Housing Tax Credits (LIHTC’s) as an owner or developer of Eligible Activities or who receive HTF through a competitive ADOH Request for Proposals (“RFP”) process.

Eligible Activities undertaken by Eligible Recipients are “Eligible Projects”.

Priority funding will be given to Eligible Projects that demonstrate through a competitive scoring process the following: 1) equitable disbursement of funds to all areas of the state both rural and urban; 2) the experience and past performance of applicant; 3) service to lower income and special needs population; 4) proximity of proposed project to transit, employment and services; 5) project readiness, 6) sustainable development (energy and water efficiency); 7) the extent to which the Eligible Project has rental assistance; 8) the duration of the affordability period; and 9) the availability of non-federal funding in the Eligible Project. In accordance with the State of Arizona 2015-2019 Consolidated Plan, Section AP-50, the State of Arizona does not target specific geographic areas but instead targets geographic diversity outlined in the most recent ADOH QAP or ADOH RFP.

Costs allowed for Eligible Projects are “Eligible Project Costs”. Eligible Project Costs are the following: 1) development hard costs; 2) acquisition costs; 3) related soft costs; 4) staff and
overhead costs for ADOH not to exceed ten percent (10%) of the annual allocation; and 5) relocation costs.

The number of HTF Units within each Eligible Project is determined in accordance with Notice CPD 98-2 which provides the formula for designating “State Assisted Units”.

HTF will be distributed state-wide by ADOH directly to Eligible Recipients in the form of loans to partially (Gap Financing) or fully fund (Primary Financing) Eligible Projects. Gap Financing will be made available only to the extent it is needed to fill financing gaps as determined by ADOH Gap Financing underwriting guidelines in the most recent ADOH Qualified Allocation Plan (“QAP”). Primary Financing will be made available in accordance with ADOH underwriting guidelines.

In accordance with the State of Arizona 2015-2019 Consolidated Plan, Section AP-50, the State of Arizona does not target specific geographic areas but instead uses a competitive application process, outlined in the most recent ADOH QAP or ADOH RFP, with criteria that favors: 1) equitable disbursement of funds to all areas of the state both rural and urban; 2) the experience and past performance of applicant; 3) service to lower income and special needs population; 4) proximity of proposed project to transit, employment and services; 5) project readiness, and 6) sustainable development (energy and water efficiency).

Application requirements: applicants must submit a written and electronic funding applications which will be scored in accordance with the most recent ADOH QAP or ADOH RFP as summarized in the criteria listed above.

The maximum per unit development subsidies per unit are the Section 234 Condominium Housing ELEVATOR BASE LIMITS by BR size, which for 2015 are as follows: 0-Bedroom, $140,107; 1-Bedroom, $160,615; 2-Bedroom, $195,305; 3-Bedroom, $252,662; and 4-Bedroom, $277,344.

Priority funding is provided to the highest scoring Eligible Projects competing in accordance with the most recent ADOH QAP or ADOH RFP.

Period of affordability for HTF Units is thirty (30) years.

Funding will be provided to Eligible Recipients through a contract entered into between the ADOH and recipient. The contract will require certifications from recipients to comply with all federal and state laws and regulations and will contain performance criteria specific to the performance criteria outlined in the most recent ADOH QAP or ADOH RFP. The contract will contain strict guidelines for adherence performance criteria found in the Scope-of-Work, the Budget and the Schedule of Completion.

All construction must adhere to “State of Arizona Design Guidelines”.

Tenant selection policies will be in compliance with all provisions of 24 CFR93.350 and 24 CFR 93.303 (d)(3).