National Housing Trust Fund
March 8, 2016

Attendees present:
Andrew Rael, ADOH Brad Bridwell, Cantwell-Anderson
Carol Ditmore, ADOH Val Iverson, Arizona Housing Alliance
Michael Trailor, ADOH Amy Schwabenlender, VSUW
Jeanne Redondo, ADOH Andrew Shorfhaal, GA Haan Development
Karia Basta, ADOH Darlene Newsom, UMOM
Kathy Blodgett, ADOH Chela Schuster, UMOM
Michele Meyerkorth, ADOH Shay Meinzer, A New Leaf
Krista Schwartz, FSL Michael Hughes, A New Leaf
Tom Wilson, CPLC Linda Elliott, One-n-Ten
Justin Francis, GA Haan Development Nate Ruotin, One-n-Ten
Brian Swanton, Gorman & Company Amena Kruck, Ability 360
Pat McNamara, LISC

Andrew welcomed everyone and introduced the staff. He reminded everyone to sign in as we are tracking attendance. A draft of the National Housing Trust Fund will be posted on the website on March 22nd for a thirty (30) day review period. We will have another meeting on April 13th. Comments/suggestions/etc. will be accepted through April 22nd. We plan to submit to HUD on May 15th.

ADOH is proposing to use the approximately $3,000,000 in the following manner:

- ADOH funds the projects directly through an RFP process.
- Ninety percent (90%) of NHTF proposed as rental for extremely low income (thirty percent [30%] AMI for permanent supportive housing for the chronically homeless.
- Ten percent (10%) administration.

Chela Schuster: Is concerned about limiting to chronically homeless as this does not allow for families.

Brian Swanton: What are you using as the definition of chronically homeless?

Tom Wilson: If a non-profit owned several different multi-family housing projects, could a portion of each project be set aside to be rehabbed for ELI housing? Director Trailor: We would like to use the funds to create as many new ELI units as possible.
Michael Hughes: Is there any thought for those previously funded projects to use some of these funds for financing? Director Trailor: This would be contrary to the goal of creating more ELI units.

Tom Wilson: How does this work in rural areas (i.e. Santa Cruz County, Nogales)? Kathy Blodgett: The units of local government in rural areas are covered under the Consolidated Plan.

Amy Schwabenlender: Likes the idea of limiting to a focused definition of the target population. Would like RFP to include consideration for balance of state municipalities where there is no existing housing for ELI, and that applicants be required to identify the source of rental subsidy and funding for supportive services. Would like ADOH to consider giving more consideration to geographic areas where supportive services are available and to the rural areas to get PHA’s involved.

Val Iverson: Likes the priority of creating new units of housing for ELI but is concerned that funds can’t be used for operating expenses. How will we use the allocation plan as a baseline now and building upon it in the future? The advocacy potential is very low if ADOH chooses only one (1) project. Understands the projects must follow the allocation plan criteria but these points must be expanded upon. Andrew Rael: The ADOH plan will read like a program rather than a regulation.

Brad Bridwell: Is this a hard debt/soft debt/equity? Andrew Rael: As this will contribute very little to no cash flow, this is a soft debt. If this is administered under the HOME project guidelines, this would restrict the rent to the thirty percent (30%) AMI rent, rather than calculating the rent at the fifty percent (50%) AMI level to support the property at a rent level that is feasible for operations. Andrew Rael: Will need to further research whether the restrictions on rental subsidy will follow the HOME program. Brian Swanton: If you have a Section 8 subsidy, these regs become the issue. Section 8 regs say if layered with HOME, that the rent is restricted to the HOME rent level.

Val Iverson: Encourages ADOH to increase the length of affordability period and that rents won’t be more than thirty percent (30%) of the tenant’s income, rather than an imputed rent.

Darlene Newsom: Since you can’t use for operating expenses, what can you use these funds for? Andrew Rael: Hard costs – purchasing and renovating only.

Brad Bridwell: What about not limiting to stand alone projects that are entirely affordable, but 80/20 communities where eighty percent (80%) of the units are at market rate and twenty percent (20%) are restricted? If these funds run under HOME regs, it limits the subsidy on rent and would need a third party subsidy for operating expenses.
Brian Swanton: Encouraged ADOH to avoid adding additional red tape and limit the number of restrictions to those required by HUD.

Brad Bridwell: What about PSH units in the QAP? Andrew Rael: NHTF would allow it to be used as a gap source for a LIHTC project.

Amena Kruck: Could they add units to another project?