

STATE OF DELAWARE
DELAWARE STATE HOUSING AUTHORITY
NATIONAL HOUSING TRUST FUND ALLOCATION PLAN
2016

EXECUTIVE SUMMARY

The National Housing Trust Fund (NHTF) Allocation Plan, prepared and implemented by the Delaware State Housing Authority (DSHA), is a planning document required by the U.S. Department of Housing and Urban Development (HUD). Using the goals and strategies set forth in the Five-Year Consolidated Plan for Housing and Community Development 2015-2019 (Consolidated Plan 2015-2019), as well as all pertinent guidance published by HUD, the NHTF Allocation Plan is designed to explain how the State plans to distribute NHTF funding for Fiscal Year 2016 (July 1, 2016 to June 30, 2017) and is a Substantial Amendment to the State of Delaware Fiscal Year 2016 Annual Action Plan.

NHTF is a new affordable housing production program that will complement existing Federal, State, and local efforts to increase and preserve the supply of decent, safe, and sanitary affordable housing for extremely low-income (ELI) and very low-income households (VLI), including homeless families.

Funding for the NHTF comes from an assessment on loans made by Federal Home Loan Mortgage Corporation (Freddie Mac) and Federal National Mortgage Association (Fannie Mae). Allocations will be formula based, but statute requires that each state receive a minimum allocation of \$3 million. For Fiscal Year 2016, Delaware will receive \$3 million.

As per HUD's guidance, 10% of the NHTF allocation amount (\$300,000) may be used for administrative and planning costs associated with NHTF. DSHA may provide NHTF funds in the form of interest-bearing loans or advances, non-interest bearing loans or advances, deferred payment loans, and/or other forms of assistance approved by HUD.

DSHA will distribute NHTF funds through the application, approval, draw, construction, and monitoring process in place for the State's HDF and LIHTC programs. For 2016, the NHTF allocation will be available as follows:

1. **\$600,000** (a minimum of 20%) will be reserved for permanent supportive housing projects for chronically homeless persons with disabilities. Funding will be awarded through a request for proposal (RFP) process.
2. **\$2,100,000** will be used to fund affordable rental, multi-family projects in coordination with the HDF and LIHTC programs. HDF and NHTF may be awarded to permanent housing for special populations.
 - a. Funds may be used for development hard costs, acquisition costs, related soft costs, relocation costs; and
 - b. Up to one-third of the annual grant amount, \$990,000 may be used for operating cost assistance and operating cost assistance reserves.

Application for NHTF for multi-family developments shall be made through the application and approval process already in place for the HDF and/or LIHTC programs. DSHA will charge a \$1,250 application fee for NHTF funds.