

**Vermont Housing & Conservation Board  
National Housing Trust Fund  
Application Supplement**

**INSTRUCTIONS**

This is the Vermont Housing and Conservation Board (VHCB) National Housing Trust Fund (HTF) Application Supplement to accompany the Common Application and VHCB/HOME supplement, for housing developers applying for HTF grants.

VHCB expects to award \$2,700,000 in FFY2016 HTF funding for rental units affordable to extremely low income households (ELI  $\leq$ 30% of area median income) in accordance with the 2016 Vermont National Housing Trust Fund Allocation Plan. **We encourage you to carefully review the [Allocation Plan](#) as well as the [HTF Interim Rule 24 CFR Part 93](#).**

Applicants eligible to apply for HTF grants include nonprofits, public housing authorities, for-profit developers of affordable housing, and municipalities. **Funding is limited to rental units in new or rehabilitated housing developments with a gross rent no greater than 30% of 30% of area median income or with a project-based rent subsidy to ensure affordability to ELI households.**

This HTF application supplement includes the following sections:

- Documentation of Applicant Capacity
- Confirmation that Project Meets Threshold Criteria
- HTF Criteria
- Preferences for HTF Funding
- Required Additional Information Not Included in the Common Application
- HTF Compliance Certification

Applications will be accepted on a rolling basis until all available 2016 funds are preliminarily committed. Decisions will be made by the VHCB Board at regularly scheduled meetings. VHCB plans to begin to award HTF funding at its board meeting on October 5, 2016. **Applications must be received by noon on August 26<sup>th</sup> in order to be considered at the October 5<sup>th</sup> meeting.** To be considered at the January 25, 2017 meeting, applications must be received by November 18, 2016. *Please note that formal funding commitments cannot be made until HUD approves the 2016 HTF Allocation Plan (currently in review) and VHCB executes a HTF agreement with HUD.*

Please call or [email Willi Davidian](mailto:Willi.Davidian@vhcb.org), Director of Federal Housing Programs (828-5061) if you have questions or need additional information.

Please submit the completed Application Supplement and any supporting documentation electronically to Laurie Graves: [laurie@vhcb.org](mailto:laurie@vhcb.org).

**HTF links:**

[2016 Vermont HTF Allocation Plan](#)

[Housing Trust Fund – Interim Rule -1/30/2015](#)

[HTF – Interim Rule Summary – 6/19/2015](#)

[HUD’s HTF Frequently Asked Questions \(FAQs\)](#)

[National Low Income Housing Coalition’s HTF resource page](#)

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**Name of Project:** \_\_\_\_\_

**Name of person completing application:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Documentation of Applicant Capacity**

1. Provide information, including a list of successfully completed and managed affordable housing developments, which demonstrates your organization's and any development partners' ability and financial capacity to undertake and manage the eligible activity and comply with the requirements of the HTF program.
  
2. Describe your organization's familiarity with the requirements of similar Federal, State or local housing programs, including those to be used in conjunction with HTF funds, which demonstrates ability to comply with all applicable requirements and regulations of such programs.

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**Confirmation that Project Meets Threshold Criteria**

**A project must meet all four threshold criteria to be eligible for HTF funds:**

1) The project must include the creation or preservation of **permanent** rental housing (please check one or more as applicable):

- This proposed project includes the creation of permanent rental housing
- This proposed project includes the preservation of permanent rental housing

2) The rental units funded with HTF funds must remain affordable to ELI households for thirty years and the development must remain affordable in perpetuity after the expiration of the HTF in accordance with the terms of a VHCB Housing Subsidy Covenant. Applicant agrees as follows (please check):

- HTF ELI rental units will remain affordable to ELI households for thirty years.
- Applicant agrees to a VHCB Housing Subsidy Covenant to assure perpetual affordability.

3) The project must address at least one of the State of Vermont Consolidated Plan's priority housing needs. Indicate the priority housing needs that will be addressed by this proposed project (check all that apply):

- Increase the supply and quality of affordable housing
- Decrease the number of individuals and households experiencing homelessness
- Strengthen communities and improve quality of life

4) There must be a reasonable expectation that the project will be ready to proceed (close and start construction) within 18 months. Indicate when the project is expected to be ready to proceed:

- The project will be ready to proceed within \_\_\_\_\_ months.

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**HTF Criteria**

Applications that have met the threshold criteria described on page 3 will be evaluated according to how, and the extent to which, they meet the six HTF-specific criteria listed below, as outlined in the HTF Allocation Plan.

**Where indicated below, please answer the applicable questions.**

1. The applicant's ability to obligate HTF funds and undertake eligible activities in a timely manner
  - Please elaborate on your development capacity, to the extent not already addressed on Page 2:
    - a. Do you have experienced development staff; are you using a development consultant, or partnering with another development entity?
    - b. Describe your experience with federal affordable housing programs (what other federally-funded affordable housing projects have you developed?)
    - c. Please outline recent projects successfully completed in a timely manner.
2. The extent to which the project has Federal, State, or local project-based rental assistance to ensure that rents are affordable to extremely low-income families
  - Please elaborate on the mechanism for assuring that national HTF funded rental units will remain affordable to ELI households for the 30 year affordability period:
    - a. Do any of the units in the project, including the HTF units, have project-based rental assistance to ensure residents do not pay more than 30% of their income towards rent and utilities? If so, what type of project-based rental assistance and what is the length of commitment for the assistance?
    - b. Or, what other mechanism(s), such as cross-subsidization or operating assistance reserves, will be used to ensure affordability for extremely low-income households?
3. The duration of the units' affordability period
  - All HTF funded projects will be subject to a minimum 30-year affordability period. Please indicate if this project will have a HTF affordability period greater than 30 years.
  - After the expiration of the HTF period, all projects will be subject to perpetual VHCB affordability requirements at less restrictive income and rent levels, and every reasonable effort must be taken to structure the project in a manner that avoids displacement. What are the proposed number of VHCB restricted units and the level of the VHCB restrictions?

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4. The merits of the application in meeting the 3 priority housing needs (and related goals) as identified in the state's Consolidated Plan

- *safe, decent, affordable housing* (increase the supply and quality of affordable housing)
- *individuals and families experiencing homelessness* (decrease the number experiencing homelessness, increase supply and quality of affordable housing)
- *strong communities* (increase supply and quality of affordable housing, strengthen communities and improve quality of life)

Please answer the following:

a. Does the project increase the supply and quality of affordable housing?

b. Please check which Consolidated Plan Affordable Housing strategies this project addresses:

- House lower income families and individuals, with special preference to projects housing extremely-low income families and individuals at or below 30% of area median income.
- Increase the supply of affordable rental housing through the acquisition and/or rehabilitation of existing units especially in communities where there are tight housing markets, very low vacancy rates or there is a high incidence of distressed housing.
- Increase the supply of affordable rental housing through the construction of new units especially in communities where there are tight housing markets, very low vacancy rates or there is a high incidence of distressed housing.
- Promote mixed income developments to create integrated communities.
- Promote the development of new rental housing designed and built to a level of energy efficiency that meets or exceeds the levels required to qualify for the Energy Star label.
- Preserve existing affordable housing projects in a manner consistent with prudent investment criteria.
- Redevelop existing properties with consideration given for projects that leverage other resources specific to the preservation of historic structures.
- Redevelop foreclosed properties for affordable rental housing.
- Provide accessible or adaptable housing for persons with disabilities.
- Provide service enriched housing serving persons with disabilities.
- Produce affordable senior rental units in regions where a market analysis identifies a shortage of elderly housing affordable to lower income seniors.
- Provide service enriched housing that allows seniors the opportunity to age in place.

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- Locate affordable rental housing in close proximity to public transportation services with access to employment centers, services, recreational opportunities, and schools.
- c. Please answer the following:
- i. Does this project serve households experiencing homelessness and those at risk of homelessness?
  - ii. Are services specifically designed to meet the needs of the homeless populations proposed?
  - iii. Is there an MOU with a social service agency for the provision of these services?
  - iv. Will rental assistance be provided to formerly homeless households ensuring that they pay no more than 30% of their income towards rent?
- d. Regarding strengthening communities and improving quality of life, please check which of the following related Con Plan strategies will be utilized by the project?
- Promote projects in Designated Downtowns and Village Centers, Growth Centers, Neighborhood Development Areas and New Town Centers.
- Reinvest in downtown properties, particularly in the upper stories including elevators, sprinklers, and other code-related improvements.
- Promote projects in Designated Downtowns that are also area-wide low and moderate income benefit communities with façade, streetscape and other infrastructure improvements.
- Participate in projects that leverage other State and federal programs such as tax credits and transportation grants in order to promote public and private investment in downtown areas.
- Redevelop Brownfields into productive use.
- Support municipal projects to remove barriers to public buildings to bring them into compliance with current ADA standards.
- Remove barriers to accessibility for places of business and/or residential facilities to bring them into compliance with current ADA standards.
- Promote facilities and services that stabilize living environments and enhance quality of life for families and individuals.
- Use New Market Tax Credits to attract investment for community and economic development projects in high poverty areas.

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5. The extent to which the application makes use of non-federal funding sources

Please answer the following:

- a. Do you plan to apply for and/or anticipate a commitment of non-federal sources of funding? If so, how much, and from what source(s)?
- b. What percentage of the total development cost do the non-federal funding sources represent?

6. The extent to which the project [Affirmatively Furthers Fair Housing](#)

Please answer the following:

- a. Overall, how will this project comply with applicable fair housing rules and guidelines? Are there ways in which this project goes beyond the minimum fair housing requirements in order to help reverse patterns of economic and/or racial segregation and inequality and achieve full equal housing opportunity?
- b. Will the housing be located in an area of opportunity, with low concentrations of racial or ethnic minorities and low concentrations of poverty? If yes, using the following questions, please elaborate.

Is this project within close proximity to quality schools, job opportunities, recreational opportunities, and other services? Is this project located in an area of racial or ethnic minority concentration (defined in the state's Analysis of Impediments to Fair Housing Choice (AI) as an area where the presence of a minority is more than 2X the presence in the state as a whole)? Is this project located in an area of low-income concentration (defined in the AI as an area where 51% or more of the households are at or below 80% of area median income)?

- c. If the proposed project is located in an area with a concentration of racial or ethnic minorities and/or poverty, will the housing contribute to the revitalization of a disinvested community, or help prevent displacement of residents living in neighborhoods on the verge of or already undergoing gentrification? If yes, using the following questions, please elaborate.

Is the project located in an area of blight and/or an area that has not seen investment of public funds for affordable housing in recent history? Will the project improve the neighborhood's appearance, safety, reputation, etc? If the property is occupied by low-income households and is at risk of being lost or converted to uses other than affordable housing, will the project enable the existing low income residents to remain living in the community by creating or maintaining affordable housing opportunities?

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**Preferences for HTF Funding**

Applications will be reviewed and evaluated, taking into account preferences and other considerations outlined in the HTF Allocation Plan. Please check those preferences that apply to this project.

Preferences

- The project includes **permanent supportive housing** units with rental assistance and supportive services.

*Please provide an explanation of the rental assistance and the supportive services:*

- The project is located in a State designated downtown, a village center, a neighborhood development area or an area that is consistent with the state's historic settlement pattern and 'Smart Growth'.
- The project either (1) creates new units or (2) preserves affordable, subsidized units in properties acquired from private owners.



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**Required Additional Information Not Included in the Common Application**

- I. Describe the plans and tools that your organization has in place to achieve the Vermont State [goal](#) of making available at least 15% of the units in your portfolio to those who are homeless.
- II. Indicate total grant request and show a breakdown by number of units and bedroom size:  
(maximum grant amounts are: 0-bdrm - \$140,107; 1-bdrm - \$160,615; 2-bdrm - \$195,304; 3-bdrm - \$252,662; 4 bdrm+ - \$277,344):

Total Grant Request: \$ \_\_\_\_\_

<u>Number of Units</u>	<u>Bedroom Size</u>	<u>Grant Amount per Unit</u>

- III. Do you intend to limit occupancy or provide preference in the ELI units to any of the following populations? (please check as applicable):

- Homeless families or individuals
- People with disabilities (including people with mental illness)
- Victims of domestic violence
- Frail elders
- Veterans

If yes, please describe:

- IV. Please identify the mechanism(s) for assuring that HTF funded rental units will remain affordable to ELI households for the thirty year compliance period.

- The ELI units have or will have a federal or state project-based subsidy which will ensure that residents pay no more than 30% of their adjusted annual income.
- The project initial operating pro-forma in the Common Application establishes the rents (rent and utilities) for the HTF units at or below the [2016 Vermont HTF rent limits](#) (30% of 30% of area median income or the federal poverty line, whichever is greater). Operating budget projections demonstrate project feasibility at these ELI rent levels.
- Operating Cost Assistance will be utilized for the ELI units to cover the difference between the HTF rent limit and the actual cost of operating the units for the 30-year HTF affordability period. (Note: While Operating Cost Assistance is an eligible HTF

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*use, VHCB will not award HTF for this use until further guidance from HUD is issued.)*

- An Operating Cost Reserve is being established which will internally subsidize the ELI units for the HTF 30-year affordability period. *(Note: While Operating Cost Reserves is an eligible HTF use, VHCB will not award HTF for this use until further guidance from HUD is issued.)*

V. HTF funds may be used to pay for the following eligible costs. Indicate the proposed use of HTF grant/loan funds:

Development Hard Costs	\$
Related Soft Costs	\$
Refinancing	\$
Acquisition Costs	\$
Relocation Costs	\$
Costs Related to Payment of Loans	\$
Operating Cost Assistance	N/A for this round
Operating Cost Reserves	N/A for this round
<b>Total</b>	\$

VI. [VHCB's HTF Rehabilitation Standards](#) apply to HTF assisted projects.

Please carefully review your proposed Scope of Work to confirm that it meets or exceeds these standards. If any particular element of the project does not meet the standards, please provide details. If you are seeking a waiver of a particular aspect of the standard, please state the particular section of the standards for which the waiver is sought and provide justification for the waiver request.

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**HTF Compliance Certification**

I, \_\_\_\_\_, authorized agent for  
\_\_\_\_\_ ('The Recipient') certify, as follows:

1. The Recipient has the ability and financial capacity to undertake, comply with and manage National Housing Trust Funds (HTF) in the proposed multi-family affordable housing development.
2. The Recipient is familiar with the requirements of other Federal, State or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs.
3. The Recipient has the experience and capacity to conduct eligible HTF activities as evidenced by its prior experience owning, constructing or rehabilitating, managing and operating affordable multifamily rental housing.
4. The Recipient will comply with the requirements of the HTF program during the entire compliance period, which begins upon selection to receive HTF funds and ends at the completion of the thirty year compliance period.
5. If awarded HTF funds, the Recipient agrees to enter into a HTF Grant/Loan agreement and Housing Subsidy Covenant prepared by VHCB.

\_\_\_\_\_  
Name/Signature

\_\_\_\_\_  
Title

\_\_\_\_\_  
Date