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HTF Allocation Plans, 4-27-16

Milagro Fisher: [In progress] -- in the Office of Affordable Housing program. I would like to introduce my co-presenter Peter Huber, deputy director for the Office of Affordable Housing program. Thanks for participating in today's webinar for Housing Trust Fund grantees on the submission requirements of the HTF allocation plan.

The department is pleased to administer the Housing Trust Fund and we're excited to be conducting the first of several webinars designed to assist grantees with implementing their Housing Trust Fund program. Our own principal deputy assistant secretary for community planning and development, Harriet Tregoning regrets that she is unable to be -- to greet you here today, but she recorded a special message that we would like to share with you.

Harriet Tregoning [video]: Hello. I'm Harriet Tregoning, the principal deputy assistant secretary for community planning and development here at HUD. Eight years after the passage of legislation authorizing the Housing Trust Fund, HUD is very excited that the program is now funded and ready to be rolled out this year.

This new program, which is funded not through appropriation, but from assessments on new business originations from the government-sponsored enterprises, like Fannie Mae and Freddie Mac addresses the most critical housing issue in the country, the disproportionate impact that our housing affordability crisis has had on our most vulnerable citizens. In its annual worst case housing needs report to Congress, HUD reported that in 2013, 2.8 million families with children, 1.5 million elderly households and 2.7 million other types of households experience worst case housing needs.

These households are very low income and pay more than half of their incomes for rent, live in severely inadequate conditions or both. Families who are spending this much of their income on housing may have difficulty putting food on the table much less saving for a medical emergency, [inaudible] or sending a child to college. A decent and affordable place to live is fundamental to family and community stability.

The goal of the Housing Trust Fund is to increase and preserve the supply of decent, safe and affordable housing for extremely low income households with primary attention to rental housing. The purpose of today's session is to review the requirements for the Housing Trust Fund Allocation Plan that each state will be submitting to HUD in the coming weeks. This plan will outline how you will prioritize the housing needs of extremely low income households across your state and how you will select specific projects for Housing Trust Fund funding.

As you develop these plans and then roll out your Housing Trust Fund programs, I challenge you to be creative in developing approaches that make Housing Trust Fund units as affordable as possible to this disadvantaged population. HUD issued the Housing Trust Fund regulations as an interim regulation, because this views, the first year or so of HTF operation, as a demonstration of sorts. After a year or so of operating the program, HUD will solicit public comment before beginning development of a final rule.

The input of HTF grantees will be especially critical in that process. As you begin operating your Housing Trust Fund program, I urge you to think carefully about what is working and how the program could be improved either within your state or by those of us at HUD. We are looking forward to working with all of you over the next two years to insure that the Housing Trust Fund is as effective as possible in providing affordable housing for the nation's lowest income households. Thank you.

[end of audio]

Milagro Fisher: Thank you. Before I walk you through all the material we will cover today, I would like to inform you that HUD just published the HTF allocation plan notice, which is the basis for this training. You should have received a copy of the notice along with a PowerPoint slide with your registration. We realize you haven't had an opportunity to review it and we understand you may have a lot of questions. We hope the information shared with you today answers your questions.

So with that said, please take this moment to locate the webinar menu bar and find the question portal where you can ask your questions. We plan to answer questions throughout the portal -- through the portal and some we will read out loud. If we don't have an opportunity to answer all the questions submitted, our office will issue FAQs related to the allocation plans and make them available online.

Please note that we are recording the webinar and we'll also make it online for those that do not have an opportunity to see it. And throughout our presentation, we'll be polling you and in order to gather an accurate picture, we ask that only grantee staff answer the poll. I would like to emphasize the importance of the allocation plan on the implementation of the Housing Trust Fund program.

Before states get the HTF grants, they must prepare and submit an HTF allocation plan to HUD for review and approval. So what is the HTF allocation plan? In general, the allocation plan contains the application requirements and selection criteria for awarding the grantees' HTF funds. Specifically, the plan describes the following, how the grantee will distribute its HTF funds, how it will use the HTF funds to address its priority housing needs, what activities may be undertaken with HTF funds and how recipients and projects will be selected.

Note that the allocation plan must be developed annually and submitted with the state's annual action plan. Upon HUD approval, grantees will receive the HTF grants and fund projects based on housing priorities and eligibility criteria identified in the plan. We have a lot of information we want to share with you today. So let's talk about what we're going to cover this afternoon. First we'll talk about HTF formula allocations and the grantee designation requirements. We'll also go through the consolidated planning requirements for HTF, including citizen participation, the strategic plan, the annual action plan and then we'll cover all the submission requirements for the HTF allocation plan. We'll then talk about how you will submit the HTF allocation plan for 2016 HTF grants and we'll go through some other information before wrapping up with some time for Q&A.

So let's get started with a bit of background information. The HTF was created by Section 1131 of the Housing and Economic Recovery Act of 2008. The program provides formula grants to states to increase and preserve the supply of decent, safe, sanitary affordable housing for extremely low income and very low income households, including homeless families. After proposed rulemaking and public comment, HUD issued an interim rule on January 30, 2015. This rule is codified at 24 CFR Part 93. It's HUD's intention to operate the program for a period of time before soliciting additional public comment and publishing a final rule. So as I said earlier, the HTF program provides formula grants to states. The interim rule defines -- states as of 50 states, the District of Columbia, the Commonwealth of Puerto Rico and the four insular areas, American Samoa, Guam, Commonwealth of Northern Mariana Islands and the U.S. Virgin Islands.

Peter Huber: Thanks, Mila. Good morning -- or good afternoon, everyone. This is Peter Huber, deputy director of the Office of Affordable Housing program. Thank you for participating in this afternoon's webinar about HTF allocation plan. I'm going to get started talking about formula allocations. As we said, HTF funds are allocated by formula to states. HTF funds are not appropriated by Congress, like home funds or CDBG funds and other funds you may be familiar with. Funds are deposited into the Housing Trust Fund as they are received at the end of Fannie Mae and Freddie Mac's fiscal year and that's based on new business purchases during their fiscal years. The funds will be made available to HUD 60 days after the end of their fiscal years, which is December 31st.

So HUD knows about -- or exactly, I guess, how much it will have to allocate by formula beginning around the end of February, early March each year. In some ways, this process will be more predictable than the appropriation process, which typically doesn't happen at the same time every year and is often delayed.

So as most of you know, the amount available for formula allocation in the Housing Trust Fund this year for 2016 is \$173,591,160.14. The statute requires the HTF formula allocations be published in the Federal Register within 60 days of HUD determining the formula allocation amounts. And I can tell you that that Federal Register notice will be published very soon -- very shortly. There's also a statutory minimum, \$3 million minimum allocation for the 50 states and the District of Columbia. The only grantees not guaranteed the minimum allocation of \$3 million are Puerto Rico and the four insular areas that Mila mentioned on the previous slide.

Then besides the Federal Register notice, HUD will also post the HTF formula allocations on the HUD Exchange.

Milagro Fisher: Thanks, Peter. So let's talk about the requirements for participating in the Housing Trust Fund. For the first year of the program only, the interim rule requires that each state notify HUD of its intent to become an HTF grantee no later than 30 calendar days after HUD publishes the formula allocation. The state may choose to be the HTF grantee to receive and administer its grants or it may choose a qualified state designated entity, such as the Housing Finance Agency to be the grantee. At the state level, selection of a state agency or designation of a state designated entity to administer its HTF funds will typically be made by the governor or

the state legislature in accordance with state law. A copy of the designation and a point of contact must be transmitted to HUD.

I would like to take this opportunity to point out that HUD has posted the HTF point of contacts for all states, Washington, D.C. and Puerto Rico on the HTF website. Please visit the website for a complete list of grantees and inform HUD of any necessary changes. At this time, I would like to get a -- we would like to get a sense of how many states have already completed their citizen participation process. We require that only grantees answer the question. So I'll read the questions. For the fiscal year 2016 program, how has your state conducted the citizen participation process and included HTF? A, yes and you did include HTF, B, you already conducted your CP process, but you did not include HTF and a separate process will be done for HTF, C, my state -- your state is currently conducting the citizen participation process and you did include HTF and D, you don't know. Again, only grantees answer, please. Please open the polls.

Moderator: The poll is now open. So we've had about 35 percent of attendees vote. So I'll wait just a few more seconds. Okay. So I'm closing the poll. So you can see the results. For the fiscal year 2016 program year, has your state conducted the citizen participation process and included HTF? So 21 percent said my state has already conducted the process and did include HTF, 57 percent have already conducted the process and did not include HTF, 15 percent are currently conducting the CP process and did include HTF and 8 percent did not know.

Milagro Fisher: Thank you for those results. Okay. Moving on. The consolidated plan regulations in Section 91.115 requires HTF grantees to comply with citizen participation requirements. Essentially, before adopting your con plan --

Moderator: Excuse me, Mila?

Milagro Fisher: Yes.

Moderator: Could you all make the slides big again back in the presentation mode?

Milagro Fisher: Is that better?

Moderator: Great. Thank you.

Milagro Fisher: Okay. I think there's an issue in the transition between the polling and the slides. So you may -- let us know again if you see that. Thank you.

Moderator: Okay.

Milagro Fisher: Essentially, before adopting a con plan, grantees are required to develop a citizen participation plan that describes a process for providing and encouraging citizens to participate in the development of the con plan, the amendments to the con plan and the performance reports.

Also, the citizen participation process requires grantees to make the following information available to the public, the amount of assistance you expect to receive, the range of activities that you might undertake, including the estimated amount that will benefit low income households and the state's plan to minimize displacement of persons and to assist any persons displaced. So what does this mean for the HTF? It means that HTF grantees must follow their citizen participation plans and include HTF and any citizen participation plans it performs for consolidated planning purposes.

Grantees can conduct citizen participation for HTF along with the citizen participation it does for other entitlement programs, like CDBG and the HOME program. Now, we understand that this could be difficult in 2016, because there are no previous HTF allocations to use as estimates of funding, but for most grantees, they can expect at least the minimum allocation of \$3 million. As Peter mentioned earlier, the exception to that are Puerto Rico and the four insular areas, because the rule does not guarantee them the minimum \$3 million grant.

Peter Huber: Okay. So let's talk for a few minutes about the changes to the consolidated plan as a result of Housing Trust Fund. The interim rule made the consolidated plan regulations at 24 CFR Part 91 applicable to the HTF. This year, for 2016, few states are scheduled to provide full 5-year consolidated plans. However, all states will need to include HTF information as part of their 2016 submission whether or not they are submitting a full 5-year consolidated plan. For most states, this means an amendment to the consolidated plan. The consolidated plan regulations were also amended to add Section 91.315(b)(2), which is in the strategic plan section of the consolidated plan regs to specifically include information about HTF in the strategic plan. So generally, the state will need to review its current strategic plan to determine how the additional resources provided by HTF will affect the strategic plan. So that's at the five-year level.

For example, the strategic plan must indicate the general priorities for allocating funds geographically within the state and among different activities and needs. The state may decide to change its general priorities based on how it plans to use its HTF funds. In addition, the affordable housing section of the strategic plan must be revised to include specific objectives that describe the proposed housing accomplishments the state plans to achieve and specify the number of extremely low income families to which it will provide affordable rent or homeownership housing with HTF funds over a specific period of time. Because HTF is covered by the con plan regulations at 24 CFR Part 91, HTF must also be included in the applicable sections of the state's annual action plan.

And we're really talking here about Sections 91.320 (a)-(j). This section of the regulations requires an SF-424, which is the application for federal assistance. That must be submitted for HTF now in addition to the other 424s you'll be submitting for any other programs that you run, CDBG or HOME, etc. That requirement for the 424 is in Section 91.320(a). The regulation also requires an executive summary that must include the annual objectives and outcomes identified in the plan and a summary of the citizen participation and consultation process and the public comments that were received during that process. So HTF should now be reflected in your executive summary. The action plan must also include a concise summary of the federal

resources expected to be made available, including those grant funds and program income. So that summary of resources would now include HTF funds.

The action plan must indicate resources from private and non-federal public resources that are reasonably expected to be made available to address the needs identified in the plan and how federal funds will leverage those additional resources, including a description of how matching requirements of the HUD programs will be satisfied.

So the good news here is that HTF has no matching requirement, but we would expect a discussion here on leveraging. The action plan must also contain a summary of the annual objectives the state expects to achieve during the program year. These objectives should tie back to the specific objectives and proposed accomplishments identified in the strategic plan. The action plan must also include a description of the state's methods for distributing funds to local governments and nonprofit organizations to carry out activities or the activities to be undertaken by the state.

And Mila will cover this in a little bit more detail when she gets into the heart of the allocation plan. So that's a lot, but there's more. The plan must include outcome measures for activities included in the plan. These outcome measures must now account for the additional funding received through HTF. The action plan also must include a description of the geographic areas of the state in which the state will direct assistance during the program year and provide the rationale for its geographic priority.

So the discussion of geographic distribution must now include Housing Trust Fund. The action plan must specify the state's one-year affordable housing goals for rental assistance, the production of new units, the rehabilitation of existing units and the acquisition of existing units using HTF funds, including the number of homeless, non-homeless and special needs households that the state plans to provide affordable housing.

This section of the action plan must also include the impact that HTF funds will have on these affordable housing goals. We're getting near the end of the action plan requirements here, at least the non-allocation plan action plan requirements. So the action plan must also identify homeless and other special needs activities the state will take during the year to address emergency shelter and transitional housing needs, permanent supportive housing needs, homelessness prevention and how it plans to address the special needs of persons who are not homeless.

To the extent HTF funds are used to address homeless and special needs housing, they should be included in this discussion. The state must include in its action plan any actions it plans to take during the next year to address any public policies that serve as barriers to affordable housing. These could include land use controls, tax policies affecting land, zoning ordinances, building codes, fees, charges, growth limitations and other policies.

The discussion about barriers to affordable housing now must also take into account HTF funds and the impact these funds may have on the state's efforts. Finally, the action plan must describe any actions the state plans to take during the year to implement its strategic plan and address obstacles to meeting underserved needs, foster and maintain affordable housing and that includes

the coordination of low income housing tax credits with the development of affordable housing, evaluate and reduce lead-based pain hazards, reduce the number of poverty-level families, develop institutional structure and hands coordination between public and private housing and social service agencies, address the needs of public housing and encourage public housing residents to become more involved in management and participate in homeownership. So it's to the extent that HTF funds will be used in any of these actions I just mentioned.

The action plan must include HTF funds in those discussions. So if you are the person at your agency that submits the action plan, none of this should be a surprise to you. All of these items that I just mentioned should sound familiar to you.

Milagro Fisher: Thank you, Peter. Wow, that's a lot and we still haven't gotten to the actual requirements of the allocation plan. All right. Moving on. So the con plan requirements at 24 CFR Part 91 was also amended to include the HTF allocation plan, which means that it must be submitted as part of the state's annual action plan. The allocation plan requirements can be found at 91.320 (k)(5).

Later Peter will discuss how and where all the parts of the allocation plan must be completed or submitted. As I mentioned earlier that the purpose of the allocation plan is described how the state will distribute HTF funds. Essentially, this means that states are responsible for distributing HTF funds throughout the state according to their priority housing needs as described in their approved con plan.

Grantees may choose to fund projects by eligible recipients to one or more subgrantees. A grantee is a unit of general local government or a state agency selected by the grantee to administer all or a portion of its HTF program. Please note that a subgrantee may have -- must have an approved con plan and will also submit an HTF allocation plan in its con plan. The subgrantee allocation plan will have to include the housing goals identified by the grantee.

I would like to note that today's presentation will not cover the allocation plan requirements applicable to subgrantees. HUD will issue more guidance on this at a later date. Grantees may also choose to directly fund projects submitted by eligible recipients in accordance with the state's allocation plan. Recipients are organizations, agencies, such as public housing agencies, for-profit and non-profit entities that receive HTF funds from the grantee to carry out in HTF-assisted projects.

In short, these are project owners and/or developers. Peter will discuss the capacity issue in greater detail, but I would like to point out that the HTF statute requires that HTF funds be provided to recipients that have demonstrated experience in capacity to conduct an HTF activity. The grantee must adopt guidelines to assess experience and capacity and insure that recipients selected under the state's program meets experience and capacity's criteria as described in the definition section of the rule. We're going to move on to another poll question to give us a break from the information that we have just covered. So we would like to know how many states plan to distribute their HTF funds. Again, only HTF grantees -- only grantees should answer. Please open the poll.

I'm going to read the question, I apologize. For the fiscal year 2016 program year, how does your state plan to distribute HTF funds? Through -- are you going to distribute funds through grants, to subgrantees, are you going to select applications submitted by eligible recipients, are you going to do both or are you undecided? Please open the polls.

Moderator: The poll is now open. We have about 30 percent of attendees voting. So I'll just wait a few more seconds. Okay. The poll is now closed, I'm going to share the results. So for the fiscal year 2016 program year, how did your state plan to distribute HTF funds? Two percent responded distribute HTF funds through the subgrantees, 82 percent responded my state will select applications submitted by eligible recipients, 4 percent selected both A and B and 12 percent are undecided.

Milagro Fisher: Thank you for that information.

Peter Huber: Okay. So as we mentioned in the HTF allocation plan, it's where you, the grantee, tell us HUD what you're going to do with your HTF allocation, how you would distribute your funds and how you will select applicants.

So the allocation plan must include specific application requirements and selection criteria for your HTF funds. Section 91.320(k)(5)(i) specifically describes the priority funding criteria that must be included in your selection criteria if you will be funding recipients to use HTF funds for eligible projects and we just learned that many of you -- close to all of you will be doing that. So in essence, when you're selecting applications from potential recipients for HTF eligible projects, you must, at a minimum, include the following funding priorities.

First, the plan must provide priority for funding based on geographic diversity as defined by the state in the consolidated plan. This relates back to those areas of the state where you had geographic priorities and identified those areas in your action plan. So proposed activities in these areas should receive priority over proposed activities in other areas. That's kind of the general idea here.

Another priority for funding selection is the capacity of the applicant to become a recipient as defined in the HTF regulations at 93.2 and Mila mentioned what some of those criteria were. It should include the applicant's ability to commit HTF funds and undertake eligible HTF activities in a timely manner. For proposed rental projects, your funding priorities must also consider the extent to which the project has federal, state or local project-based rental assistance so that rents are affordable to extremely low income families.

So for example, proposed projects with project-based rental assistance could be prioritized over projects without project-based rentals. Also, for rental housing, another required funding priority is the length of the proposed HTF-assisted units' affordability period.

So as most of you probably know, for rental housing, there's a required 30-year period of affordability, so the funding priority should consider how project underwriting supports the financial feasibility of the project beyond the required 30-year period. The allocation plan must also provide priority for funding based on how well the application helps to meet the priority

housing needs established by the state in its con plan. Examples of these priority housing needs may include housing that is accessible to transit or employment centers, housing with green buildings and sustainable development features or housing that serves special needs populations.

Finally, the plan must include leveraging or the extent to which the application makes use of non-federal funding sources as a priority funding factor.

Milagro Fisher: Thank you, Peter. Okay. So let's talk about requirements that the application you consider must contain. First, the grantee must require that the application submitted contain a description of the eligible activities to be conducted with the HTF funds. The proposed activities must be in accordance with the eligible activities in Section 93.200, which is the section of the rule that describes the eligible activities and prohibited activities and in accordance with the state's housing priority needs.

These activities include things like acquisition, rehabilitation and new construction of housing for rent or for first time homebuyers. Second, the application submitted by eligible recipients must contain a certification that housing units assisted with HTF will comply with all HTF requirements. At the time that the project is completed and for rental projects throughout the period of affordability.

The grantee must describe the eligibility requirements for recipients to insure that only eligible recipients receive HTF funds. This ties back to the importance that funding recipients that have -- that state their funding recipients that have the experience and capacity to undertake the types of projects and eligible activities described in the allocation plan. You're probably wondering why we keep emphasizing the importance of experience and capacity. I'd like to point that in the definition section of the rule, under recipients, there's a long list of items to consider for funding recipients.

I'll review a few of these. Examples of these include that the recipient should demonstrate the ability and financial capacity to undertake and comply and manage the eligible activity, that recipients have the ability to own, construct or rehabilitate, manage and operate affordable multifamily rental housing, that recipients have the ability to design, construct and rehabilitate and market affordable housing for homeownership.

This list is actually a little more extensive. I only reviewed a few items on there. I just want to emphasize the importance that your description for the eligibility requirements for your recipient should correlate to this. Now, the plan must also include performance goals and benchmarks against which progress will be measured. The performance goals and measures must be consistent with the goals established in the affordable housing section of the strategic plan.

Essentially, this means that grantee will be completing this step in IDIS. Please note that HUD will provide a sample template that Peter will actually talk about this later in the presentation. This template you'll be able to use to submit the allocation plan. The document will provide instructions on how and where to complete parts of the allocation plan. Moving on to other requirements that must be included in your allocation plan.

So considering the HTF funds are targeted to extremely low income households, one of the unique features of the program is that it requires the grantee to establish its own maximum limitations on a total amount of HTF funds that can be invested per unit of development for non-luxury housing.

The limits must be reasonable, based on actual cost, adjusted for the number of bedrooms and geographic location of the project. The grantee may choose to develop its own limits or adopt limits used in other programs, like homes or their low income housing tax credit and must submit them along with this allocation plan. If a grantee chooses to provide HTF funds as cost operating assistance to HTF projects, that assistance is not capped by the per unit subsidy limit, however, operating cost assistance is still capped at 30 percent of each annual grant.

I'd like to point that this presentation will not cover any information on operating assistance. HUD will be issuing more guidance on that at a later date. Moving on, the grantee must establish rehabilitation standards that projects must meet at completion. Those standards must provide enough detail on what work is required, how that work should be performed and what materials should be used.

Also, the rehab standards must address the requirements of health and safety, major systems, lead-based paint, accessibility and disaster mitigation. The rehab centers also need to address the minimum deficiencies established by HUD based on the uniform physical condition standards inspectable items. HUD will be issuing more guidance on the rehabilitation standards at a later date as well. And you can find all this information in Section 93.301(b)(1), which is the property standards section of the rule.

So if the state plans to use HTF funds to assist first time homebuyers, it must insure that HTF-assisted housing meets the affordability requirements by imposing resale or recapture requirements on the unit. So this means that the allocation plan must include the guidelines for resale and recapture. The resale and recapture guidelines must be reviewed and approved in writing by HUD separately from the review and approval of the consolidated plan and/or the action plan.

Also, if the state plans to use HTF funds for homebuyer assistance and does not use the HTF affordability homeownership limits provided by HUD, which were recently posted to HUD Exchange, by the way. It must determine 95 percent of the median area purchase price for single family housing and include them along with the allocation plan.

The state may limit the beneficiaries or give preferences to a particular segment of the extremely low and very low income population only if displayed in its action plan. Any limitations to preferences must not violate nondiscrimination requirements and the state must not limit or give preferences to students.

Also, the HTF allocation plan must describe the conditions under which the HTF grantee will allow the use of HTF funds to refinance existing debt secured by rental housing units that are being rehabilitated with HTF funds. The guidelines under which grantees will submit the refinancing of debt must be included in the con plan as well. Let's take a break and do another

poll. We briefly talked about the types of housing activities grantees plan to undertake and we're interested in knowing how many states plan on undertaking both rental and homeownership activities.

So for the fiscal year 2016 program year, what housing activities does your state plan to undertake? Are you going to undertake rental housing activities only or you plan to undertake both rental and homeownership activities, are you undecided or you don't know? Please open the polls.

Moderator: The poll is now open. Okay. I'm going to close this poll. So for the fiscal year 2016 program year, what housing activity does your state plan to undertake? Seventy-eight percent said my state plans to undertake rental housing only, 9 percent said plan to undertake rental and homeownership, 9 percent are undecided and 4 percent don't know.

Milagro Fisher: Thank you.

Peter Huber: Okay. So just as a note, the District of Columbia and the four insular areas are included in the definition of state for the Housing Trust Fund and that definition can be found in Section 93.2 of the interim rule. However, the consolidated plan regulations cover these areas. So D.C. and the four insular areas as local governance. CPD Notice 16-07 makes it clear that the HTF allocation plans for these areas must include the information described in the notice. So for folks participating in today's webinar from the District of Columbia, American Samoa, Guam, the Northern Mariana Islands or the U.S. Virgin Islands, this notice and everything that we cover on today's webinar applies to you. So let's switch gears here for a minute and talk about submitting allocation plans.

So as far as submission of the allocation plan, HTF is included in CPD Notice 16-01, which was published earlier this year. It's guidance on submitting 2016 consolidated plans and annual action plans. As we mentioned earlier a couple of times, the HTF allocation plan is submitted as part of the annual action plan. Now, the allocation plan may be submitted after the action plan if the action plan has already been submitted, however, the allocation plan may not be submitted until after the formula allocations have been published.

And as we mentioned at the very beginning of this webinar, that should be happening very shortly. Maybe most importantly, all 2016 HTF allocation plans must be submitted no later than August 16, 2016, because they are part of the action plan and that's the deadline for submission of an action plan. So as you know, grantees are now required to use the eCon Planning Suite in IDIS for the submission of con plans, annual action plans and CAPERs.

Unfortunately, I wish I had better news here, but the eCon Planning Suite does not currently contain the required HTF allocation plan data fields and enhancements and these fields and enhancements will not be completed until after the first allocation plans are due to be submitted in 2016. HUD will notify all HTF grantees once the allocation plan elements have been added to the eCon Planning Suite. Hopefully this will be done in time for the 2017 allocation plan submission.

But it's not all bad news here; we just try to make it as confusing as possible for you grantees. So there are some portions of the eCon Planning Suite in IDIS that can accommodate HTF currently. So for example, the state can add the required information for its affordable housing section of its strategic plan, to the SP-10 geographic priorities and the SP-45 goals screens in the eCon Planning Suite in IDIS.

If the state already has an approved con plan in the system, it must amend its most recent plan and there's guidance available on how to amend con plans in the eCon Planning Suite for grantees that need to do that. So once the SP-10 and SP-45 screens are updated to connected action plan screens, which are AP-20 annual goals and objectives screen and the AP-50 geographic distribution screens will be updated to reflect any changes that you put in those previous strategic plan screens.

And then states can update the information on those action plan screens include HTF. I should also mention that AP-55 affordable housing screen should also be completed to include Housing Trust Fund's funds. So required sections of the con plan and annual action plan, all that stuff that we talked about earlier, that can't be added to existing eCon Planning Suite screens must be submitted with the state's HTF allocation plan outside of IDIS.

So to assist HTF grantees in submitting their allocation plans and meeting consolidated planning requirements, HUD will post a sample HTF allocation plan format to the HTF website on HUD Exchange and I think we have that specific site later on in the presentation. Now, the format, which is not required to be used by grantees, but will contain all the required elements or will direct the grantee where to enter the required element in IDIS in the eCon Planning Suite. It will provide the specific screen numbers and names or it will indicate that the requirement has to be entered into the format outside of IDIS. Again, it's not required to be used. If the state has already started working on its HTF allocation plan and has a different format, that's fine, however, it just needs to contain all the required elements.

So for submission, for 2016, the state must send an email to its field office CPD director and to the Office of Affordable Housing programs at HUD headquarters. That web -- or that email address is htf@hud.gov and you're going to send your completed HTF allocation plan attached to that email as a Microsoft Word document or a PDF file. And again, you can use the template that we're going to be posting to HUD Exchange as your sample or as your final HTF allocation plan.

Again, you're going to include an SF-424 application for federal assistance and the plan must be submitted by the entity responsible for submitting the state's consolidated plan. So that's important. For 2016, because this is the first year of HTF funding, both the field office and the Office of Affordable Housing programs here at headquarters will be reviewing HTF allocation plans.

And for an allocation plan that's submitted with the HTF grantees' annual action plan, HUD will review and approve the HTF allocation plan as part of its review of the annual action plan. That's a [inaudible] if the allocation plan is submitted at the same time as the action plan. If not, if the allocation plan is submitted as an amendment to the state's annual action plan, that's if the action plan has already been submitted, HUD will review and approve the allocation plan separately

from the action plan, but it will complete that review within 45 days of receiving the plan. And like the action plan, the plan will be deemed approved 45 days after HUD receives the plan unless HUD notifies the grantee that the plan has been disapproved before that date.

Milagro Fisher: Thank you, Peter. I know that was a lot of information to take in. So let's try to break this up and do one last poll. We also want to know how many states will use their 2016 funds to serve special needs population. So for 2016, is your state planning to target HTF funds to projects that serve special needs, such as the homeless, homeless veterans, elderly, etc.? A, yes, you're planning on using HTF funds to serve special needs populations, B, your state is not planning on using HTF funds to serve special needs population, C, you're undecided or D, you don't know.

Moderator: The poll is now open. Okay. I'm going to close this poll. So for the fiscal year 2016 program year, is your state planning to target HTF funds to projects that serve special needs populations? Fifty-nine percent responded my state is planning on using HTF funds to serve special needs populations, 8 percent responded that my state is not planning on using them, 25 percent are undecided and 8 percent don't know.

Milagro Fisher: Okay. Thank you for that information. We're actually starting to come -- wind down on our presentation and we would just remind you that you locate on the webinar menu the questions portal and we invite you to start submitting your questions. Questions that have already come in have been answered and some we'll read out loud at the end of our presentation. We just want to re-invite you to submit your questions. Thank you.

Peter Huber: Okay. So let's talk about HTF and IDIS. Here at HUD headquarters, the Office of Affordable Housing programs and CPD Systems Development and Evaluation Division are currently working on enhancements to IDIS or the Housing Trust Fund. The project is expected to be completed in August, 2016 and it will be released in IDIS in Release 11.12. And again, this is the first release of HTF functionality and it will not include the eCon Planning Suite functionality in IDIS for Housing Trust Fund. That's part of a phase two project and we're hoping that that phase two project will be completed before the 2017 HTF allocation plans are due to be submitted, but that's dependent on project schedule and project funding.

So what will HTF grantees use IDIS for? So besides the limited amount of consolidated planning that can occur and will occur in IDIS that we just talked about, grantees will use IDIS to set up HTF activities under new or existing con plan projects, grantees will subgrant funds to subgrantees if the state is using subgrantees, and it didn't sound like too many were planning on using subgrantees, IDIS will be used to commit funds to activities through the activity funding module and I should mention here, for any HOME IDIS users, the HTF grants will operate on a grant-specific, not a FIFO or First-In, First-Out basis. There will also be new fund types in IDIS for HTF homebuyer activities and for rental activities that use operating cost assistance or operating cost reserves. So a couple of new fund types.

Grantees will use IDIS to drawdown HTF funds on a grant-specific basis, again, not a FIFO basis and they'll also be using IDIS to enter completion information, such as location, cost and beneficiary information for all HTF-assisted units. So take comfort if you're an existing IDIS

user for the HOME program, the HTF IDIS screens will look and feel very, very similar to the existing HOME IDIS screens with some minor exceptions and we will be providing guidance in an updated user manual for HTF and IDIS at a later date. Finally, there will be a host of new HTF MicroStrategy reports. So the canned IDIS reports in MicroStrategy will include new HTF reports. We'll also, at the Office of Affordable Housing programs, be posting HTF related reports on the HUD Exchange HTF page.

Milagro Fisher: Okay. I want to review a number of resources that we have available on the HTF website. If you haven't already had an opportunity, please visit that site to get more information on the program and to sign up for the HTF mailing list or to receive updates on the program. As HUD develops guidance and other training and webinars, we will be making announcements using our listserv. So if you got this invitation through your field office or another way, please be sure to visit the site and sign up for the listserv to insure that you are getting updated information. Again, like I mentioned, HUD is developing guidance and resources [inaudible] for you as grantees and we'll be making them available on the site. And on this website, you can find the statutes and the interim rule. There's also a summary of the interim rule, which is a 10-pager that's easier to navigate.

You'll find a comparison chart and that's a comparison between the HOME programs and the HTF and as you know, with HTF -- some of the regulations in the HTF was modeled on the regulations of the HOME program. We have a comparison chart of the proposed rule and the interim rule. We have the HTF allocation plan notice, which you received through this if you got it through your registration. If you did not, you can find it on our website. We will be posting shortly a terminology chart. Some of you are entitlements or PJs for the HOME program and some of the terms we use in the HTF program are very similar to the terms you're using in other programs and we just want to be able to make a key distinction on those terminologies. So you'll find that chart there. We already have a series of FAQs on the HTF program you can find there.

And like I mentioned, if we are unable to get through all the questions today or if we find that some of these questions that we're receiving would be applicable to everyone, we will make those available on our website as well. I know we covered a lot of information. We covered all the requirements for the strategic plan, we covered the requirements for the annual action plan and we covered a very long, long list of requirements for the HTF allocation plan. We do understand that we also provided you a lot of information that was not in our slides. So we will try to make that available to you as well. But please note that the information that we covered here today is all coming from the allocation plan notice in combination with some of the regulations, but the most important piece to take away from our presentation today.

So take comfort in knowing that we did cover a lot of information, but we are very interested in making this process and the submission of your allocation plan as simple as possible that we are working on creating a sample form, like Peter mentioned earlier. We will be posting it on our website. The same form is designed to make this process easier for you. By using the sample form -- you're not required to do so, but by using the sample form, you will know where and how to complete each other requirements for the allocation plan. So we will be pointing to where in the strategic plan using IDIS, you need to complete those steps -- where in IDIS you need to

complete the annual action plan. And the remainder of your requirements can be submitted to us through your -- through a PDF.

So we understand there's a lot of information, but please note we are here to help and we want to help and we will make more information available to you. So with that said, there is a lot of guidance that we're working on and we will be making that available to you. We understand there's a lot of urgency, especially since Peter mentioned earlier that the con plans have to be approved by no later --

Peter Huber: They have to be submitted by August 16th.

Milagro Fisher: Yeah. So we understand the urgency here. So what's coming down is that we will be putting out an FAQ on the maximum per unit development subsidies very shortly. We will also be putting out guidance on the rehabilitation standards. Although this piece is not necessarily connected to the allocation plan, we will be putting out an FAQ on operating cost assistance and operating cost reserves. We will also be putting out a notice on environmental requirements that the HTF projects have to meet at the time that they are completed and we're also working on a TA guide on rent affordability for extremely low income families. This guide is going to focus on structuring projects and making the rents affordable for people and households that are extremely low income.

Peter Huber: Yeah. One thing that's not on this slide is we are working on an overview presentation for -- you know, just a high level overview of the Housing Trust Fund program for those of you that might be new with the Housing Trust Fund program and that should be posted on the HUD Exchange probably within the next month or so.

Milagro Fisher: And again, to remind you, this webinar is being recorded and we will make it available. So if there are details that you wanted to know that we covered here, you'll be able to go back and review those and you'll be able to share those with other members in your offices that should be listening to this or have interest in this.

Peter Huber: Okay. So we've had a couple of Office of Affordable Housing programs ghostwriters here answering questions for pretty much the entire time we've been on the webinar. Many of the questions that have come in have been answered. They've given us a couple of questions that they felt were -- that we should make available to everyone on the webinar. So with that, we will just mention it.

I think Mila mentioned this earlier there was one participant wherein that we're giving a lot of information that's not on the slide and will we be sending that out in some form. Quite honestly, most of the information that we went over today is in the allocation plan notice, which is CPD Notice 16-07. Any other information that wasn't included probably came straight out of the interim rule at Part 93 -- 24 CFR Part 93. If you have any other specific questions and you're a grantee, I would suggest you reach out to your CPD rep in your local field office.

If you're a CPD rep, or CPD director, or program manager, or anybody else on the call, feel free to reach out to your Office of Affordability Housing program's desk officer to get your question

answered. The only other question that we have I think queued up at this point is -- a question in, "Does the 33 percent operating cost limit apply to the entire grant or the grant amount after the 10 percent admin allowance is subtracted out?" So the answer to that question is it applies to the entire grant. So we'll look at the entire formula allocation, 10 percent of that can be used for admin -- up to 10 percent of that can be used for admin and then up to 33 percent of that -- actually one-third, I think, of the grant can be used for operating cost assistance or operating cost reserves. So do we have any other --

Jen Cordon: Yes. We have quite a few questions that have come in. Good afternoon, everybody. My name is Jen Cordon [ph] and I'm the director of the Office of Affordable Housing programs and I've been trying to answer some of your questions directly to you under my pseudonym Vashawn Banks. Vashawn is also sitting here next to me.

Vashawn Banks: Good afternoon.

Jen Cordon: And so we have a number of questions that we've just received in the past couple of minutes that I want to direct to Mila and to Peter having to do with the allocation plan. There are also some questions that have come in about basic program requirements or rules unrelated to this specific information on this webinar, but we'll be happy to answer those as well, but first we'll try to focus on the questions that came regarding the allocation plans. And so -- and I'll read those and Peter and Mila can jump in and answer them. So the first question is, "Can we amend our con plan and action plan at the same time and complete the citizen participation process for both at the same time?"

Peter Huber: Yeah. So the answer to that question is yes, you can do your citizen participation for your con plan, your action plan, your HTF allocation plan all at the same time and if you've already submitted your con plan or action plan and need to do an amendment that includes citizen participation or your HTF allocation plan, you could do that at the same time as well.

Jen Cordon: Okay. Next question, "For those who are submitting consolidated plan updates, so a five-year update this August, and have completed community engagement prior to the HTF ruling, do we need to do further community engagement before we release for public comment?"

Milagro Fisher: I think the answer probably lies in the -- in how the state defines substantial amendments in their plan. So at this point, we would have to just -- you would have to defer to how you defined whether or not --

Peter Huber: Doing a new five-year plan.

Milagro Fisher: New five-year plan this August.

Peter Huber: Yeah. So I think -- if they're doing --

Milagro Fisher: I apologize for that.

Peter Huber: Yeah. So if they're doing a new five-year plan, if already -- they've already completed citizen participation for the new five-year plan, but they have not -- did not include HTF in that citizen participation, then yes, they would have to do required citizen participation for HTF, because it is covered by the consolidated plan regulations.

Jen Cordon: Okay. Thank you. Next question, "When do you expect to have the sample plan posted, the template?"

Peter Huber: Yeah. Great question. We've been busy, as I'm sure you have, getting the allocation plan notice issued and working on this webinar as well as some field office training that we provided earlier this week. You know, our goal is to get it out as soon as possible. We know grantees are hungry for this information, you guys want to get this done as soon as you can and at least -- or at least see what it is that you have facing you in terms of what you're going to need to do. So without giving away a specific date, I would hope that we could have it issued within the next week or two. It will be our number one priority after this webinar.

Jen Cordon: This is sort of along the same theme on citizen participation, "We're including the HTF as part of an annual action plan." So in other words, they're not doing an amendment. "Do we have to do all the citizen participation again when we amend the plan in the con plan?" So I guess they're doing it as an amendment.

Peter Huber: Yeah. So I'm maybe not clear on this question, but again, if you've already done your citizen participation for your annual action plan or for your con plan and you did not include HTF in that citizen participation, you would need to do citizen participation for HTF. If you've included HTF in your citizen participation, then that's fine, you don't need to go back and do anything further. So hopefully that answers the question or clarified.

Jen Cordon: We have a -- with a question about paying for the plan and that is, "What guidance do you have for cost to establish a plan?" In other words, I assume that the question is that can they charge the cost of the plan developing our HTF allocation plan to admin?

Peter Huber: Yeah. And that's a great question. You can charge the cost of developing your allocation plan to your admin allowance and I believe there's an FAQ on HUD Exchange. Mila is nodding yes. So there is an FAQ about pre-award costs on the HUD Exchange. So take a look at that. That might provide further guidance. But yes, development of the plan is an eligible admin call.

Jen Cordon: Okay. Someone was asking -- they said they need -- they understand that they need to submit the allocation plan to htf@hud.gov, "But do we also need to submit our substantial amendments that include the HTF to this email address since we are submitting it via IDIS?"

Peter Huber: Well, I'm not exactly sure of the answer to that question, but I'll answer it the way that I think it should be answered and that is you should only be submitting your HTF allocation plan in the format that either we provide or including all of the requirements in the format that we provide to the htf@hud.gov email. We would not need to review the substantial amendments that you need to do to your plan. You know, the field office is a different matter. They need to be

submitted -- the substantial amendments need to be submitted to the field office, but not to the htf@hud.gov email address.

Jen Cordon: Okay. The next question, "What assistance is available for agencies that have never used IDIS?"

Peter Huber: That is a great question and I will have Shawn jump in here if I miss anything being the resident IDIS expert. But we do have several staff people in the Office of Affordable Housing programs that really can help grantees, at least help them get started in IDIS. As I mentioned, we plan on having, probably later this calendar year, an HTF guide -- IDIS guide for HTF for grantees.

So that will become basically your bible for IDIS and HTF. Also, we have the IDIS ask-a-question system on HUD Exchange. You can go in and if you have a specific question about IDIS, you can ask that question and get help from a TA provider and all of those questions are run through the Office of Affordable Housing programs. So we do quality control on every single question so you can be assured that you're getting the correct answer. I don't know, Shawn, is there anything I'm missing?

Vashawn Banks: Yeah. Pete, I think you covered the -- most of the high level items. But I would also just mention that once you have IDIS access or for those of you who are current users of IDIS, there's an option for you to navigate through the UAT system or User Acceptance Testing Training environment. So what that would allow you to do is log in and with zero risk go through an HTF profile and set up activities, drawdown funds, subgrants, the full menu of options that you would have. And if you wanted access to the user acceptance testing environment, you would just submit that question directly to ask-a-question portal located on the HUD Exchange at hudexchange.info.

Peter Huber: Great. Thank you. And when Shawn was talking, he jogged my memory, we should mention about access to IDIS. You know, because there is no system per se for HTF right now, it's under development, we are not really accepting user requests for HTF. That will happen probably beginning in June or July in anticipation of the system becoming available in early August. So be aware that there will be a user request form if you are a new user and also if you're an existing user and want access to HTF, you will also need to submit that form.

Vashawn Banks: Absolutely. Great point.

Peter Huber: And again, we'll be -- look for that around June of this year so that we can get people squared away and ready to work in IDIS once it's live.

Jen Cordon: This is great. We're getting some questions about, "At what point can grantees begin charging administrative expenses to the HTF?" And I just wanted to mention that Mila referred to an FAQ on our website that addresses that.

Milagro Fisher: Yes. And as Peter mentioned earlier, you can -- I believe the FAQ says that you can charge up to a certain percentage of your 10 percent admin fee and I believe that you cannot

surpass up to 5 percent of that fee. So just to repeat what I am saying here is that you -- for each year, you are allowed up to 10 percent administrative fees and for pre-submission expenses that you incur to put your allocation plan together, you can charge up to 5 percent of that 10 percent.

Jen Cordon: Okay. So we're getting several questions along the same lines regarding whether approval of the plan is required prior to the funds being allocated and how and when the funds are allocated after the plan is submitted.

Peter Huber: Yeah. That's a great question. So approval of the plan is required for HUD to obligate your grant. So if you don't -- as I mentioned earlier, if you don't hear anything from your field office within that 45-day review period of your allocation plan -- you know, your allocation plan is considered approved after 45 days. If it has not been disapproved, afterwards you would be able to -- or HUD would be able to obligate your HTF grant and that will go through a similar process as HOME and CDBG and the other formula grant programs. There will be a process in which HUD obligates your grant, will have an HTF grant agreement similar to the HOME grant agreement. So hopefully I answered the entire question there.

Jen Cordon: Okay. Thank you. Next question -- we've gotten a number of questions about whether -- about the two-year commitment deadline and the five-year disbursement deadlines --

Peter Huber: Yeah. Good question.

Jen Cordon: -- that actually exist in the HOME program and whether they apply to HTF and the answer is yes. The HOME statute actually has a two-year commitment deadline, which is statutory and a five-year regulatory deadline for extending the funds. Similarly, the Housing Trust Fund's statute establishes a two-year commitment deadline for committing HTF funds to projects and by regulation, we have submitted -- we've established a five-year deadline for extending the funds. So essentially, five years after you've received your grant -- the obligation of your grant, you would have been -- HUD expects that you've expended all the money in that plan. The next question, "Our state has already submitted a letter from the governor regarding the HTF lead agency and contact. Does this letter need to be resubmitted again after notice of allocation?" And the answer to that is no.

If you've submitted a letter designating an agency, you will not need to do that again unless at some point and time the state decides to change the administering agency for the HTF program. But one thing that we do ask, however, is that if there is a change in the contact person that you would like designated for the HTF or even if -- in a lot of cases, the contact person that we -- you know, that was sent to HUD is maybe at the executive director level and if there are other people that you'd like to become sort of designated contacts in your agency for HTF information, we ask that you send that to us. That would be really helpful. So I think there was -- one of our listeners found a typo in a slide. So a regulation that was mis-cited. And so I'm going to ask Vashawn to go over that.

Vashawn Banks: Absolutely. So folks, if you would just direct your attention to slide number 18 and the heading is HTF allocation plan, the second -- or the first sub-bullet under application

requirements and selection criteria for HTF funds, it says required funding priorities 24 CFR 91.30, it should say 91.320(k)(5)(i). So again, that regulatory citation is 91.320(k)(5)(i).

Jen Cordon: Thanks, Vashawn.

Vashawn Banks: Thank you.

Jen Cordon: So the next question gets back to IDIS, "How long will it take to get the new HTF designation through IDIS for existing users?"

Peter Huber: Great question. So for existing users, that process will happen very quickly, because there's no security review that has to occur. You know, probably a matter of days as opposed to a matter of weeks for new users.

Jen Cordon: Okay. Thank you. We've gotten several questions from people wanting to understand the process of after their allocation plan is approved, getting a grant. You know, how do they get their grant and what is the effective date of their agreement?

Peter Huber: Okay. Good question. If you're a HOME grantee or CDBG grantee, it's going to work very similarly to this program. Once your plan is approved, depending on the start of your consolidated program year, I think that's probably one thing I neglected to mention in the previous answer -- you know, depending on when your program year starts, you could be awarded HTF funds perhaps after the HOME grant and the CDBG grant or at the same time as those grants. So there will be a separate grant agreement for HTF. You know, field offices will follow the same process that they do for their other grants through the state.

Jen Cordon: So someone is asking a follow up question about the comment I just made about sending us additional contact information or updating contact information. And so the question is, "Who is us for sending contact information? Is it htf@hud.gov?" Yes. That is us. [laughter]

Peter Huber: Good question.

Jen Cordon: Okay. We have a few questions that are not so much about allocation plans or making grants, but more programmatic questions and I think we'll have some time to answer those. So I'll just work through a few of those. We got quite a few of them in. A couple of them we can't answer without taking a glance at the regulations. And so we probably will skip those and try and get you answers out via email or as an FAQ.

So Mila addressed this, "Will guidance on rehab standards be provided in the next couple of months?" And the answer is yes, we are -- we understand that you need to include your rehab standards in your allocation plan and the thing that we owe you and are working on as we speak is a list of sort of deficiencies identified in UCPS [sic], the Uniform Code of Property Conditions, I can never get that right, that you will have to make sure are covered by your rehab standards.

And so we are attempting to get that out very shortly. Certainly, we would be very disappointed if it were a couple of months from now when we got that out. We're hoping hopefully in the next couple of weeks to have something out for you. Someone is asking, "Can HTF be added to an existing HOME-funded project that is still in its period of affordability?" And the answer to that is yes, however, it does mean that you're laying on an additional period of affordability and obviously, different income targeting requirements.

Someone else is asking, "Does the repayment requirement," and they're referring to the repayment requirement that exists in the HOME program, "apply to HTF activities that do not meet their period of affordability?" And the answer to that is yes, that is a statutory requirement in the HOME program and it is a statutory requirement in HTF.

We have another question, "What circumstances would the operating assistance be applied to the HTF recipients and their projects? Can you give us some examples of operating assistance for rehab or new construction or rental projects?" So I think this is really the decision to provide operating of cost assistance or to fund an operating cost reserve under the HTF program is really going to be a state by state and project by project decision. You know, there may -- if you can find project-based rental assistance or project-based vouchers for a project, you certainly would not be using operating assistance in the project. If you can find -- if you can locate some HTF units in projects where there might be some internal subsidies that could be made available to sort of -- to meet the operating costs of HTF units, that might also not be a project in which you would want to provide operating cost assistance.

But to the extent that your state decides that it wants to fund projects where the only way to sort of make the underwriting work is to commit to use -- to commit and use some portion of your HTF funding to provide that operating subsidy, then that would be appropriate and the standards by which you're going to make that decision are going to vary state by state. And after that, I got a ton of questions. [laughter]

Peter Huber: Send them answers out.

Jen Cordon: Okay. Peter, this is for you, "If there are separate grant agreements for HOME, can't the effective date of our grant agreement be different from the con plan year? With the timeline established and with the July 1 con plan year start date, we'll be losing three months of the period to commit our funds." So there was a misunderstanding.

Peter Huber: Yeah. So the date that HUD -- that the CPD field office director signs the HTF grant agreement, that's the date that your grant is obligated. It works the same way for the HOME program. You know, your two-year commitment period and your five-year expenditure period really starts at the end of the month in which HUD obligates the grant agreement. So let's say the grant agreement was obligated today, your commitment deadline would be April 30, 2018 and your expenditure deadline would be April 30, 2021. So it really depends on when the grant is obligated by HUD. It works the same way, as I mentioned, for HOME with the deadline. So you might have and probably will have different deadlines for your 2016 HOME grant as you will for your 2016 HTF grant.

It's very possible that those two grants would be obligated at different times, possible that they may be obligated at the same time, but maybe more possible that they're not obligated at the same time. So those two deadlines could be different, but obligating the grant at a different period does not cut down the time that you have to commit the funds. And the other thing that we should mention is that HTF funds are not appropriated funds and they're not subject to cancelation, therefore.

So unlike HOME funds, which have to be expended within nine years of obligation or nine years of the beginning of the federal fiscal year, HTF grants do not expire. They are subject to the five-year expenditure requirement. So the fact that they don't expire and if you don't meet your five-year expenditure requirement, HUD would de-obligate your funds and reallocate those funds by formula without those funds being at risk of being recaptured by the U.S. Treasury.

Jen Cordon: And we have a follow up question on operating cost assistance. And the question is, "How would operating cost assistance be recognized in terms of the expenditure deadline if it's a long-term subsidy?" So if you look at the regulations, there's actually two different ways to provide operating cost subsidy.

One is by committing HTF money for a specific period of time and then actually paying it out monthly or quarterly based upon actual operating deficits. And you can -- because it's not appropriated funding and it doesn't have quite the same requirements, you can commit as long a period as you want. You know, it's not like one year or two years that you would have to limit yourself, but you would have to be able to expend the money before your five-year deadline.

So sort of the effective limitation on how much operating assistance you can provide is how much can you spend out within five years in addition to, by the way, how much can you afford and still attempt to fund new construction, new units that you might want to put online? The other approach is to fund an operating reserve up front. And so that -- you know, because those funds are actually provided to the project owner and placed into a reserve account, it does -- that doesn't really have the same impact on the expenditure requirement. I hope that answers the question.

So someone is asking, "How do you implement the AFFH requirements with HTF?" You know, that's a really complicated question. I mean, I think that the things that you're doing this year have to comply with your existing -- you know, sort of with the AFFH certification that you submit for your con plan, but the new AFFH requirements and the template for states are not -- they're not complete yet, they haven't been formerly issued by HUD.

So those new requirements don't immediately impact the HTF. I think we've probably answered most of the questions that we can actually give an answer to here. So unless there's something that someone else wants to submit quickly -- you know, on the questions that we haven't answered, we will attempt to provide you individual answers or -- via email or if something that we think is of general interest, we will try to develop and FAQ to cover that, but it seems like most of the questions that we can answer off the cuff have already been answered.

Peter Huber: Okay. So thanks, everyone for participating this afternoon and we look forward to working with you all to implement the Housing Trust Fund.

Milagro Fisher: Thank you.

(END)