



Federal Housing Trust Fund (FHTF)

FEDERAL HOUSING TRUST FUND PROGRAM (FHTF): The federal Housing Trust Fund (FHTF) was created to support the new construction and preservation of residential multifamily rental projects that will include units to be occupied by households with incomes up to 30% AMI.

The FHTF program, administered by the U.S. Department of Housing and Urban Development (HUD), was created by section 1131 of the Housing and Economic Recovery Act of 2008. FHTF provides formula grants to States to increase and preserve the supply of affordable housing for extremely low-income households, including homeless families. Current FHTF funding comes from the Federal Home Loan Mortgage Corporation (Freddie Mac) and the Federal National Mortgage Association (Fannie Mae).

FHTF will provide financing assistance for development, acquisition, hard, and related soft costs, and operating cost assistance and operating cost assistance reserves associated with the new construction and preservation of affordable housing units with a household income limit of up to 30% AMI. It is expected that each project will also contain units that serve a range of household incomes above 30% AMI that are served by other existing housing finance programs.

Actual award amounts will be based on the demonstrated need for such funding pursuant to HCR underwriting standards and must be recommended by HCR staff, the HCR Credit Committee and approved by the HTFC and/or HFA Board, as applicable. Applicants are strongly encouraged to apply for only the funding necessary for the financial feasibility of the project and to leverage funding from non-HCR sources.

Eligible Uses	New construction, adaptive reuse, and preservation. Eligible FHTF costs may include development, acquisition, hard, and related soft costs, and operating cost assistance and operating cost assistance reserves. FHTF funds may not be used for refinancing of existing debt. For projects applying through the HCR Multifamily Finance 9% RFP, permanent financing only. For projects applying for financing with HFA bonds, both construction and permanent financing available. If a proposed project includes acquisition costs stemming from the purchase of property owned by a related party of the development team, no consideration to a related party seller (cash out to seller) is permitted. Acquisition costs stemming from the purchase of property owned by a related party of the development team may be returned to the project in the form of a Seller's Note. A related party is considered related to the purchaser if the relationship between such party and the purchaser is one contained in IRC Sec. 267(b) or 707(b)(1).
Area Median Income Restrictions	FHTF funds are available to support housing units with a household income limit of up to 30% AMI. It is expected that each project will also contain units that serve a range of household incomes above 30% AMI that are served by other existing housing finance programs.

Per Residential Unit Maximum Award	FHTF Program Subsidy Limits vary by bedroom size. See Reference Materials for FHTF Program Subsidy Limits. These figures represent per-unit maximum limits of FHTF funding only. Per-unit FHTF funds must also follow Section 93.200(c) of 24 CFR Parts 91 and 93, Docket No. FR-5246-1-03.
Interest Rate and Loan Terms	0% interest during construction (only available for HFA-financed projects) and permanent Minimum of 30-year term, up to 50-year term.
Priorities	Community Renewal and Revitalization Projects, Integrated Supportive Housing Projects, Public Housing Restructuring Projects, Well-Resourced Area Projects, Workforce Opportunity Projects, Preservation Projects, Public Housing Redevelopment Projects, Senior Housing, Projects Advancing State Revitalization and Economic Development Initiatives
Scoring Criteria	Geographic Diversity (5), Readiness (15), Developer Team Experience and Capability (15), Project-Based Rental Assistance (5), Duration of Affordability Period (15), Leverage (10), Financial Feasibility and Efficiency (15), Priority Housing Needs of the State (20)
Eligible Applicants	Not-for-profit corporations or charitable organizations, or a wholly owned subsidiary of such corporations or organizations, or private for-profit developers.
Regulatory Agreement Requirements	Minimum 30-year term, up to 50-year term.
Additional Eligibility Criteria	All uses of FHTF funds must be compliant with the Housing Trust Fund requirements established under Title I of the Housing and Economic Recovery Act of 2008, Section 1131 (Public Law 110-289), 24 CFR Parts 91 and 93, Docket No. FR-5246-1-03, and the New York State Annual Action Plan. Projects funded with FHTF are subject to Section 3 of the Housing and Urban Development Act of 1968. Projects must comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.
Geographic Targeting	Awards will promote a statewide geographic distribution of this financing.

Environmental Review	All projects must undergo a State Environmental Quality Review Act (SEQRA) or City Environmental Quality Review Act (CEQR) review either by HCR or by another entity that coordinates the SEQRA review. All projects must comply with any other applicable environmental regulations. FHTF does not require a National Environmental Policy Act (NEPA) review or public comment periods per HUD regulations at 24 CFR Part 58. However, FHTF regulations at 24 CFR 93.301, as described in HUD Notice CPD 16-14 (August 8, 2016), mandate property standards that include environmental restrictions and requirements. In addition to substantive environmental requirements like those found in HUD's NEPA regulations, the FHTF property standards <u>prohibit</u> use of FHTF in the following situations (mitigation of impacts is not allowed): (1) Demolition of properties that are either listed in or determined eligible for listing in the National Register of Historic Places (more restrictive than NEPA). (2) Rehabilitation of properties that are either listed in or determined eligible for listing in the National Register of Historic Places where the rehabilitation work results in an "Adverse Effect" (more restrictive than NEPA). (3) Conversion of unique, prime, or statewide or locally significant agricultural properties to non-agricultural uses (more restrictive than NEPA). (4) Projects within Runway Protection Zones of civilian airports or Accident Potential Zones of military airfields (more restrictive than NEPA). (4) Projects in Coastal Barrier Resource Systems (same as NEPA). (5) Projects in or impacting floodways (same as NEPA). (6) No impacts to wetlands (state, federal 404 of Clean Water Act, and as defined in 24 CFR 93.301(f)(1) & (2) (vii) (more restrictive than NEPA)). (7) projects must provide certification that only lead-free pipes, solder, and flux are used (more restrictive than NEPA).
Design Guidelines	All projects must meet the standards set forth in 24 CFR 93.301, and those involving rehabilitation must conform with the New York State Federal Housing Trust Fund Program Rehabilitation Standards.

HCR retains the right to revise this term sheet from time to time and to waive any requirement contained therein, subject to the applicable statutes and program regulations. HCR also retains the right to not award any or all its funds under this program. All proposals must comply with all applicable federal, state, and local laws.