# **2019 (FFY18) National Housing Trust Fund Notice of Funding Availability**

Instructions

The application deadline and process requirements vary based on the other funding sources involved:

1. Not using low-income housing tax credits (LIHTCs): submit the application spreadsheet by December 15th; other documentation requirements will follow

2. Submitted an application for LIHTCs in 2018 and changing sources: submit the application spreadsheet by December 15th

3. Newly applying for 4% LIHTCs and tax-exempt bonds: follow the normal process for those using HOME by March 7th (preliminary application), listing NHTF as a source instead; also submit the NHTF application spreadsheet scoring tab

4. Applying for 9% LIHTCs in the 2019 competitive round: follow the QAP process for HOME loans (preliminary applications due March 7th); also submit the NHTF application spreadsheet scoring tab

GHFA will accept applications to The Georgia Department of Community Affairs, 60 Executive Park South, NE, Atlanta, Georgia 30329. Applicants should label the file “NHTF NOFA” and save it to a flash drive.

Note that developers/owners may not undertake choice-limiting actions after requesting NHTF funds. See the 2018 Qualified Allocation Plan for more specifics.

Frequently Asked Questions

**1. Does an Annual Contributions Contract qualify as PBRA?**

Yes, an ACC commitment counts as project-based rental assistance.

**2. Are we able to use Income Averaging with NHTF? I know that we cannot use IA with HOME funds, so would like confirmation that we are able to use IA with NHTF.**

Yes, applicants will be allowed to use income averaging. However be aware that the IRS calculation of 30% area median income is not the same as HUD’s Extremely Low Income (ELI). All NHTF projects will need to have ELI units. If these also have a designation of 30% AMI, owners will have to comply with whichever is lower.

**3. Do we need a market study for the December 15th deadline?**

No, developers not using low-income housing tax credits submit the Core application by that date. Otherwise the standard application process applies (plus submitting by March 7th and listing NHTF as a source).

**4. The NHTF NOFA states that “All NHTF units must be affordable to and occupied by extremely low-income (ELI) households with incomes at or below 30% of Area Median Income (AMI).” Is the intent of DCA’s language to limit the incomes at the NHTF units at 30% AMI or the annual NHTF income limits (which can be higher than 30% AMI)? The state’s consolidated plan states that the Applicant must certify that all tenants of an NHTF-assisted development will meet the income limits as required by the relevant program guidelines (page 167 of the Consolidated Plan).**

Consistent with 24 CFR 93.250, because the national annual allocations have been less than $1 billion, 100% of our NHTF funds will be used for extremely low-income families or families whose incomes are below the poverty line.

The income limits under this NOFA follow the HUD published [2018 HTF Income Limits](https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.hudexchange.info%2Fprograms%2Fhtf%2Fhtf-income-limits%2F&data=02%7C01%7CRyan.Fleming%40dca.ga.gov%7C39b5a13d346248bd596308d672766a54%7Cdc9db449fad64fcd899014394088d4ec%7C0%7C0%7C636822250250386947&sdata=oXjB8bSu3%2FoRqKjK5FAP4b9za1IcgrIID92r4wiSoYw%3D&reserved=0), which are the greater of the incomes for extremely low-income families or families with incomes at or below the poverty line.

**5. Project Based Rental Assistance:**

**“The most recently published stand-alone DCA NHTF Allocation Plan (from 2017) includes the following threshold item:”**

***The Applicant must provide a Commitment for Project Based Rental Assistance (PBRA) for all NHTF units for a minimum of 15 years. This will allow all NHTF units to serve those individuals at 30% of the AMI.***

**“For our proposed development, there will not be any PBRA on the property, but cross-subsidization through income averaging will allow the NHTF units to be financially feasible without PBRA. Is our project ineligible under this NOFA without PBRA?”**

The above-referenced PBRA Threshold requirement comes from an NHTF Allocation Plan that was published prior to the advent of the income averaging set-aside option. Going forward, DCA will consider waiving the above requirement that PBRA must subsidize all NHTF units, provided applicants can demonstrate financial feasibility for said units through cross subsidization, either through income averaging or market-rate units.

 Applicants should be reminded that the 30% AMI level under the Housing Credit is not the same as the Extremely Low-Income (ELI) restriction under the National Housing Trust Fund. Owners of properties with both sources should be mindful of the difference. Please see the [HUD Exchange](https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.hudexchange.info%2Fprograms%2Fhtf%2Fhtf-income-limits%2F&data=02%7C01%7CRyan.Fleming%40dca.ga.gov%7C4a3b4ab0ed564a70368d08d688592108%7Cdc9db449fad64fcd899014394088d4ec%7C0%7C0%7C636846313723527810&sdata=YWtb2xH38tZLF8BaN8PN1vdoa6TMvBR2DprmOYO8K%2FI%3D&reserved=0) for NHTF income and rent limits.”

**6. We are unsure whether we will be able to provide a finalized PBRA commitment from the applicable PHA by the submission deadline. Are we eligible to apply with a letter of intent instead?**

Applicants with deals using public financing under consideration as of the deadline that has not yet been finalized (e.g., waiting on a competitive process) must submit documentation evidencing being under consideration at that time.

**7. The 2019 (FFY18) National Housing Trust Fund Notice Applications Instructions document, in items (3) and (4), says the following: “follow the QAP process for HOME loans (preliminary applications due March 7th).” What exactly is “process for HOME” referring to?**

 The “QAP process for HOME” references the following (from: 2019 QAP, **Section 13. Financing Resources – HOME Loans**): “Applicants that will utilize DCA HOME funds as a funding source in [a tax credit] Application must obtain DCA’s consent during the pre-application process.” (page 17 of 126) For applicants pairing NHTF with 4% tax credits, this is the extent of Section 13 that is relevant – submit a pre-application, listing NHTF as a funding source.

 For applicants pairing NHTF with 9% tax credits, the rest of this paragraph from page 17 of 126 applies: “Applicants for DCA HOME funds must designate whether the Application will compete in the Rural Pool or Flexible Pool at the time of pre-application. Any application that is submitted in the 2019 competitive funding round with DCA HOME funds as a funding source that did not obtain the required consent will be deemed to have failed Threshold under the project feasibility criteria.” The same applies to applicants utilizing NHTF funds as a funding source as part of a competitive 9% tax credit application.

**8. The 2019 (FFY18) National Housing Trust Fund Notice Applications Instructions document, in items (3) and (4) says, “…also submit the NHTF application spreadsheet scoring tab.” Where is the NHTF scoring tab?**

Applications under the NHTF NOFA who are pairing NHTF with tax credits will need to utilize two separate core application documents from the DCA website:

* Applicants will submit a standard tax credit application, listing NHTF as a funding source, using the [core application for the tax credit program](https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.dca.ga.gov%2Fsafe-affordable-housing%2Frental-housing-development%2Fhousing-tax-credit-program-lihtc%2Fapplication&data=02%7C01%7CRyan.Fleming%40dca.ga.gov%7C7ebe3a139f64440a8f1d08d69cfae554%7Cdc9db449fad64fcd899014394088d4ec%7C0%7C0%7C636868998738486072&sdata=9IEeQ0NT%2Fw1AAleR%2F%2BHzeYV2eQNLkTVzMGIFsR4JJ%2BQ%3D&reserved=0).
* Applicants will also need to submit the Part VIII-Selection Criteria tab from the [FFY 2018 NHTF Core Application](https://na01.safelinks.protection.outlook.com/?url=https%3A%2F%2Fwww.dca.ga.gov%2Fsafe-affordable-housing%2Frental-housing-development%2Fnational-housing-trust-fund-nhtf&data=02%7C01%7CRyan.Fleming%40dca.ga.gov%7C7ebe3a139f64440a8f1d08d69cfae554%7Cdc9db449fad64fcd899014394088d4ec%7C0%7C0%7C636868998738486072&sdata=dNKI8Sm5a%2B47ey3aclv%2BjHCB3ZW7NCwoG%2F1RDIVQrUA%3D&reserved=0), which will be used for NHTF NOFA selection (scoring). Applicants pairing NHTF with tax credits do not need to fill out any other spreadsheet in the NHTF Core Application. This is what the NHTF NOFA Application Instructions document is referring to when it says the “NHTF application spreadsheet scoring tab.”

**9. The Geographic Diversity (Selection Criteria) section uses the adjective “near” (e.g., “near a traditional town square”), but doesn’t define what “near” is. How is it defined?**

The NHTF NOFA follows the same “near” definition as the 2019 QAP Undesirables and Undesirables section: “desirable activity/characteristics which are within a 2- mile driving or walking distance of a proposed Rural site and 1.5-mile driving or walking distance.” (p. 96 of 126)

**10. Schools: The option for points for high-scoring schools says “3 points” by it. Is this an all-or-nothing category, or do you get one point for proximity to each high-performing school, and if you’re near all three types of schools you can get up to three points?**

Applicants get one point for being near of each type of school. That is, if you’re near three high-performing elementary schools, you get one point. If you’re near a high-performing high school and a high-performing middle school, you get two points, etc.

**11. Is there a minimum amount of NHTF funds that must be requested per application?**

Per the NOFA, there is no minimum amount of NHTF funds that need to be requested. However, as pairing NHTF funds with tax credits follows the same procedures as requesting HOME funds, please note the following from 2019 QAP, Section 13. Financing Resources – HOME Loans: “Applicants that appear to be requesting HOME funds for point purposes and do not show a clear need will not receive a consent. Applications that do not fully utilize available credits in order to show a need for the HOME loan will not be considered for a consent.”

**12. Where does the NHTF application information go in the submission package?**

Please create a separate NHTF-only folder within your March 7th submission package (full application for 4%, pre-application for 9%).

**13. Can NHTF funds be used as an operating subsidy?**

DCA does not currently allow for NHTF funds to be used for operating assistance. While federal regulations do permit doing so, DCA does not currently have the infrastructure to operationalize this form of NHTF assistance.