

National Housing Trust Fund FAQs

Last Updated: December 30, 2015

Description:

This document contains the National Housing Trust Fund FAQs posted on the HUD Exchange website (<https://www.hudexchange.info/htf>). The FAQs are organized by topic.

Table of Contents

Click on a Module, Category, or Question to jump to the text.

Annual Action Plan	3
Housing Trust Fund Allocation Plans	4
When can States submit HTF allocation plans to HUD?	4
When can subgrantees submit HTF allocation plans to HUD?	4
How will States and subgrantees submit HTF allocation plans to HUD?.....	4
Can a unit of general local government which is not a direct recipient of HUD formula grant funds be an HTF subgrantee?.....	5
Can States or State-Designated Entities (SDEs) begin their planning and citizen participation process prior to the publication of the HTF formula allocations? (<i>UPDATED</i>)	5
Administrative Requirements	6
When must a State notify HUD which agency will administer its Housing Trust Funds (HTF) and how does a State designate the State agency or State-Designated Entity to administer the HTF program? .	7
Will States be allowed to charge pre-award costs for HTF planning activities?	7
Broadband Infrastructure	8
May Housing Trust Fund (HTF) grant funds be used when developing (constructing or rehabilitating) housing with these funds and what costs related to broadband internet access are eligible?	9
May HTF funds be used to make broadband internet connections to housing?	9
May HTF funds be used to provide a computer room in a multifamily rental project?	9
May HTF funds be used to provide computer equipment in a multifamily rental project?	10
Cross Cutting Requirements	11
Do Davis-Bacon Labor Standards apply to the HTF?.....	12

Annual Action Plan

Housing Trust Fund Allocation Plans

When can States submit HTF allocation plans to HUD?

Updated: June 19, 2015

As it has in prior years, HUD will publish a Community Planning and Development (CPD) Notice for FY 2016 to instruct CDBG, HOME, ESG, HOPWA and HTF grantees on the timing of the submission of consolidated and annual action plans. HTF grantees may not submit their HTF allocation plans to HUD for review and approval until the HTF formula allocations have been published. The earliest HUD expects to publish the HTF formula allocations is April, 2016.

It is possible that formula allocations for other CPD formula programs (CDBG, HOME, HOPWA and ESG) will be available before HTF formula allocations are published. A State or State-designated entity that submits its annual action plan for these formula grant programs before the HTF formula allocations are published must submit its HTF allocation plan as a substantial amendment to its annual action plan, after the HTF formula allocations have been published.

When can subgrantees submit HTF allocation plans to HUD?

Updated: June 19, 2015

Before a subgrantee can submit its HTF allocation plan to HUD, two conditions must be satisfied. First, pursuant to 24 CFR 91.320(k)(5), the State must submit and HUD must approve an HTF allocation plan that addresses its intent to award HTF funds to subgrantees. Second, pursuant to 24 CFR 93.404(b), the State must execute a written agreement awarding funds to a subgrantee for HTF activities. The subgrantee's HTF allocation plan must address all required elements of the written agreement with the State. Depending on the timing of the agreement between the State and the subgrantee, the subgrantee's HTF allocation plan will generally be a substantial amendment to an already approved annual action plan.

How will States and subgrantees submit HTF allocation plans to HUD?

Updated: June 19, 2015

In May 2012, HUD's Office of Community Planning and Development (CPD) introduced the eCon Planning Suite, including the Consolidated Plan template in IDIS On-Line and the CPD Maps website. HUD grantees are now required to submit their consolidated plan and annual action plan using the Consolidated Plan template in IDIS On-Line. Therefore, HTF grantees and subgrantees must use the eCon Planning Suite to submit their HTF allocation plans to HUD. However, for the first year of the program, the Suite may not include fields for the HTF allocation plan. If this is the case, grantees and subgrantees will be required to upload a Word or similar file containing their plans to the eCon Planning Suite. HUD will provide a sample format for HTF grantees and subgrantees to use when uploading the HTF allocation plan to the eCon Planning Suite. Grantees and subgrantees may still use the eCon Planning Suite data and tools to identify priority housing needs and make strategic investment decisions for their HTF programs.

Can a unit of general local government which is not a direct recipient of HUD formula grant funds be an HTF subgrantee?

Updated: June 19, 2015

No. 24 CFR 93.2 defines a “subgrantee” as a unit of general local government that has an approved consolidated plan submitted in accordance with 24 CFR 91. The regulations at 24 CFR Part 91 require units of general local government which receive CDBG, HOME, ESG or HOPWA formula funds to develop and submit a consolidated plan and/or annual action plan, outlining the use of the formula funds. Therefore, by definition, an eligible HTF subgrantee must be a direct formula grantee that submits a consolidated plan and annual action plans.

Can States or State-Designated Entities (SDEs) begin their planning and citizen participation process prior to the publication of the HTF formula allocations? (UPDATED)

Updated: August 14, 2015

HUD is aware that some States have Annual Action Plan submission dates in early 2016 and would like to include HTF Allocation Plans in citizen participation hearings that they will conduct for their Action Plans. Before deciding to include HTF in Annual Action Plan hearings that take place before HTF allocations are available, States should consider that there are no 2015 baseline figures upon which to estimate 2016 HTF allocations. This may make it difficult to achieve meaningful citizen participation and meet the Consolidated Plan citizen participation requirements established at 24 CFR 91.115. In addition, HUD intends to issue guidance on maximum subsidy limits and operating cost assistance later this year, which may prove useful to States as they develop their program design. Lastly, grantees are required to conduct citizen participation before submitting a substantial amendment to the Annual Action Plan, which may negate any time or cost savings that were achieved by including the HTF Allocation Plan in Annual Action Plan hearings.

HUD encourages States and SDEs to engage with their stakeholders (e.g. community organizations, general public, housing partners, etc.) through informal meetings or planning sessions that make information available, inform design of their HTF program, and otherwise contribute to a meaningful citizen participation process.

Administrative Requirements

When must a State notify HUD which agency will administer its Housing Trust Funds (HTF) and how does a State designate the State agency or State-Designated Entity to administer the HTF program?

Updated: February 13, 2015

Per 24 CFR 93.100, each State is required to notify (the Secretary of) HUD of its intent to become a grantee for HTF funding within 30 days after HUD publishes the formula allocation amounts (these amounts are expected to be published by April 2016). The notification letter must also inform HUD of the contact information for the State department/agency or State-Designated Entity (SDE) that will administer its HTF funds. Only one State department/agency or SDE can be designated as the HTF grantee.

Please provide the following contact information:

- First Name
- Last Name
- Title
- Department
- Agency
- Phone
- Email
- Address

At the State level, selection of a State agency or designation of a SDE to administer its HTF funds will typically be made by the Governor or State Legislature in accordance with State law. The definition of a SDE for HTF can be found at 24 CFR 93.2. If a State designates a SDE to administer its HTF funds, a copy of the designation must be included in this transmittal.

States are encouraged to designate the State department/agency or SDE that will administer its HTF funds early in order to facilitate receipt of guidance and training from HUD timely. Therefore, States may submit the above referenced notification letter any time prior to the deadline.

The notification letter should be addressed/sent to:

The Honorable Julián Castro
Secretary
U.S. Department of Housing and Urban Development
451 7th Street S.W., Washington, DC 20410
Fax: (202) 619-8365

Will States be allowed to charge pre-award costs for HTF planning activities?

Updated: June 19, 2015

Yes. HUD has determined that pre-award costs for planning activities and preparation of the HTF allocation plan will be allowed. Preparation includes the cost of public hearings, consultations and publication of public notices. For the first year, pre-award costs may not exceed one half of the State's administrative funds (which is, 10% of the formula allocation).

Broadband Infrastructure

HUD continues its efforts to narrow the digital divide in low-income communities served by HUD by providing, where feasible and with HUD funding, broadband infrastructure to communities in need of such infrastructure.

Broadband is the common term used to refer to a very fast connection to the Internet. Such connections are also referred to as high-speed broadband or high-speed Internet.

Although HUD plans to issue regulations that will formalize its steps for narrowing the digital divide, Housing Trust Fund program funds can be used for broadband installation infrastructure and service delivery.

May Housing Trust Fund (HTF) grant funds be used when developing (constructing or rehabilitating) housing with these funds and what costs related to broadband internet access are eligible?

Yes. Under § 93.201(a) in the HTF rule, HTF funds may be used for the actual costs of constructing or rehabilitating (development hard costs) single family or multifamily housing, including the costs to wire the property for broadband internet. The costs to make utility connections, including off-site connections from the property line to the adjacent street are also eligible under HTF at § 93.201(a) (3) (ii). HUD includes internet connectivity in the regulatory definition of “utility connections.”

For both new construction and rehabilitation of multifamily rental projects, HTF funds may be used for costs to construct or rehabilitate community facilities that are located within the same building as the housing, and which are for the use of the project residents. However, HTF funds cannot pay for a computer room located in a separate building from the assisted housing.

HTF funds also may not pay for equipment or furniture in the computer room.

If a multi-unit project does not contain 100 percent HTF-assisted units, only a portion of the cost of providing broadband internet access in the project or the cost to construct a computer room may be charged to the HTF program because only the actual HTF eligible development costs of the assisted units may be charged to the program in accordance with the HTF rule at

§ 93.200(c) (1).

All HTF-assisted housing must meet the minimum property standards at § 93.301 upon completion, so efforts to provide broadband internet access in existing housing must be undertaken as part of rehabilitation that brings the housing up to the property standards.

May HTF funds be used to make broadband internet connections to housing?

Yes. As part of a new construction or rehabilitation activity, the HTF rule at § 93.201(a) (3) (ii) states that HTF may pay for the development costs to make utility connections, including connections from the property line to the adjacent street. This includes broadband internet connections.

However, HTF cannot be used for any off-site improvements, including running broadband internet cable or wires to the project site. Use of HTF funds is limited to the improvements on the project site, i.e., the land, owned by the project owner, upon which the HTF-assisted project is located.

Further, the HTF rule at § 93.200(d)(1) specifies that only the actual HTF eligible development costs of the assisted units may be charged to the program. If a multi-unit project does not contain 100 percent HTF-assisted units, then only a portion of the cost of the utility connections may be charged to the HTF program.

May HTF funds be used to provide a computer room in a multifamily rental project?

Yes. As part of new construction and rehabilitation costs of multifamily rental projects, the HTF rule at § 93.201(a) (4) states that HTF funds may be used for costs to construct or rehabilitate community facilities that are located within the same building as the housing, and which are for the use of the project residents. HTF funds cannot be used to pay for a computer room located in a separate building from the assisted housing.

While HTF funds may be used to construct a multi-purpose room that could serve as a computer room, HTF funds may not be used for the purchase of furniture or equipment.

If a multi-unit project does not contain 100 percent HTF-assisted units, then only a portion of the cost of a computer room may be charged to the HTF program because only the actual HTF eligible development costs of the assisted units may be charged to the program in accordance with the HTF rule at § 93.200(c) (1).

May HTF funds be used to provide computer equipment in a multifamily rental project?

No. HTF funds may not be used to pay for furniture or equipment for a computer room, even as part of a multifamily assisted rental property.

Cross Cutting Requirements

Do Davis-Bacon Labor Standards apply to the HTF?

Updated: June 19, 2015

No. The HTF was established under Title I of the Housing and Economic Recovery Act of 2008, Section 1131 ([Public Law 110-289](#)). This statute did not make the labor standards of Davis-Bacon applicable to the HTF. Therefore, in order to be consistent with the statute, HUD did not require Davis-Bacon labor standards on the HTF in the interim rule.