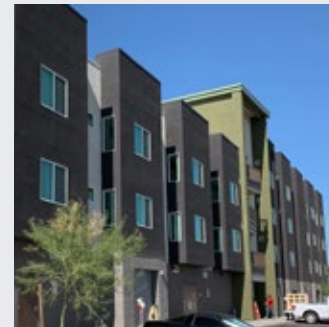
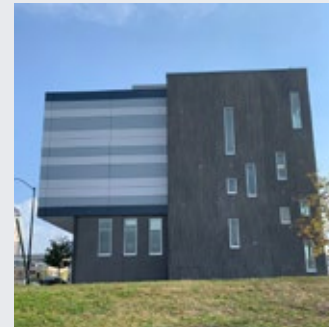


THE NATIONAL HOUSING TRUST FUND:

A SUMMARY OF 2018 STATE PROJECTS



**ED GRAMLICH
OCTOBER 2022**



THE NATIONAL HOUSING TRUST FUND: A SUMMARY OF 2018 STATE PROJECTS

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HOUSING COALITION**

ABOUT NLIHC

The National Low Income Housing Coalition is dedicated to achieving racially and socially equitable public policy that ensures people with the lowest incomes have quality homes that are accessible and affordable in communities of their choice.

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TABLE OF CONTENTS

INTRODUCTION	1
BACKGROUND	3
SYNCHRONIZING THE HOUSING TRUST FUND PROCESS WITH OTHER STATE RESOURCE ALLOCATION CYCLES	4
OVERVIEW OF FINDINGS	8
TARGETING TO SPECIAL NEEDS POPULATIONS.....	9
HOUSING TRUST FUND USED IN CONJUNCTION WITH OTHER RESOURCES	9
TARGETED POPULATIONS	11
STATE POLICIES AND PRACTICES FOR TARGETING SPECIAL NEEDS POPULATIONS	11
TABULATION OF PROJECTS AND UNITS BY TARGETED POPULATION TYPE.....	14
People Experiencing Homelessness	14
People with Disabilities	14
Mixed Special Needs Populations.....	15
Elderly People.....	15
Permanent Supportive Housing.....	15
Veterans.....	15
Domestic Violence Survivors	15
Youth Aging Out of Foster Care	15
Native Americans	15
General Availability	16
Large Family Units	16

TYPES OF PROJECTS	18
SUMMARY	18
New Construction	18
Adaptive Reuse	18
Preservation	18
Rehabilitation Creating New Housing	18
Rehabilitation Only	19
FURTHER DISCUSSION ABOUT THE TYPES OF PROJECTS	19
Preservation	19
Adaptive Reuse	20
New Homes Created through Acquisition and Rehabilitation	21
Rehabilitation Only	22
OTHER RESOURCES IN HOUSING TRUST FUND-ASSISTED PROJECTS	23
USE OF PROJECT-BASED RENTAL ASSISTANCE	25
RURAL PROJECTS	25
FORM OF ASSISTANCE	26
DURATION OF AFFORDABILITY PERIOD	26
NUMBER OF PROJECTS BY STATE	27
AMOUNT OF 2018 HOUSING TRUST FUND AWARD PER PROJECT	27
NUMBER OF HOUSING TRUST FUND-ASSISTED UNITS BY STATES	28
SCALE OF PROJECTS	29
 CONCLUSION	 31

INTRODUCTION

This report describes how states awarded their 2018 national Housing Trust Fund (HTF) allocations to projects requesting HTF funds. For 2018, \$267 million in HTF was available nationally. The statute creating the HTF requires states to designate state entities to administer a state's HTF annual allocation. The U.S. Department of Housing and Urban Development (HUD) calls these entities HTF "state-designated entities" (SDEs). Most SDEs are state housing finance agencies, while some are state departments. After HTF funds became available to states in 2016, National Low Income Housing Coalition (NLIHC) staff established working relationships with SDE staff.

The information in this report was provided to NLIHC by SDEs. It is not meant to be "official" information of the kind ultimately presented by SDEs to HUD's Office of Community Planning and Development (CPD) through CPD's Integrated Disbursement and Information System (IDIS). Usually, the information an SDE

provides to NLIHC is presented soon after the SDE announces awards. Some information – such as the number of HTF-assisted units or the amount of HTF money awarded – might change over time. Likewise, some projects might be cancelled and replaced with new projects. Because projects are sometimes only reported by SDEs to CPD after several years have elapsed due to the lengthy nature of the housing financing and construction processes, NLIHC's purpose in gathering this information is to obtain a preliminary understanding of the number, type, and nature of HTF-assisted projects and units so that our organization can better support the HTF. At the same time, NLIHC asks for more information than is required by CPD for publication of the office's [HTF National Production Reports](#).

Starting in 2000, NLIHC was instrumental in advocating for the creation of the HTF. Therefore, NLIHC has a strong interest in the success of the program, particularly in the initial years of its implementation. To that end,

NLIHC staff contacted SDEs to obtain information about projects awarded 2018 HTF funds and asked those SDEs to submit responses to a standard list of questions designed to obtain information about basic project characteristics. While most SDEs provided all or a significant portion of the requested information, some only provided rudimentary information. This report is based on that information provided by SDEs to NLIHC.

In September 2018, NLIHC published a preliminary report examining the 2016 HTF awards, [Getting Started: First Homes Being Built with National Housing Trust Fund Awards](#), later supplementing the report with additional data as more states provided the necessary information ("[Supplemental Update to Getting Started](#)"). In addition, in September 2022, NLIHC published [The National Housing Trust Fund: An Overview of 2017 State Projects](#), which addressed how states proposed awarding their 2017 HTF allocations. NLIHC will continue providing such reports in the future.

PHOTOS

HOUSING TRUST FUND PROJECTS ACROSS THE COUNTRY

*Dunlap Pointe,
Native American
Connections*

*PSH for chronically
homeless people
Phoenix, Arizona*



*Hope Center, Berkeley Food & Housing
Project (BFHP) with BRIDGE
Housing*

*PSH for people experiencing chronic
homelessness and with a disability*

*Berkeley, California
Photo, Bruce Damonte*



*Coliseum Place, Resources for Community Development
Several units set aside for people experiencing homelessness and
people living with HIV/AIDS*

Oakland, California

BACKGROUND

The national Housing Trust Fund (HTF) is a relatively new program that provides block grants to states to build, preserve, or rehabilitate housing affordable to extremely low-income households – those with income at or less than 30% of the area median income (AMI), or at or less than the federal poverty line (whichever is greater). The statute authorizing the HTF requires 90% of any funds awarded to a state to be used for rental housing. The amount of HTF resources awarded to a state is determined by a formula established in the statute. The formula is based principally on the shortage of rental homes affordable and available to extremely low-income renter households and the extent to which such households are spending more than half of their income on rent and utilities.

In 2018, there was a national shortage of 7.2 million rental homes affordable and available to extremely low-income households. Another way of expressing this national gap is that for every 100 extremely low-income renter households, there were only 35 affordable and available apartments.

The HTF was authorized by the “Housing and Economic Recovery Act of 2008” on July 30, 2008, but HTF resources did not become available to states until May 2016. The delay in implementation was due to the financial crisis that occurred in the fall of 2008, during which then-director of the Federal Housing Finance Agency (FHFA) Ed DeMarco suspended the 4.2 basis point (0.042%) assessments that Fannie Mae and Freddie Mac (“the Enterprises”) were to use to generate funding for the HTF. In December 2014, however, the new FHFA director, Mel Watt, concluded that Fannie

Mae and Freddie Mac were in stable financial condition and lifted the suspension on the 4.2 basis point assessments, directing the Enterprises to begin applying the assessments starting January 1, 2015. Therefore, 2016 was the inaugural year of the HTF.

At the end of each calendar year, the Enterprises are given 60 days to determine the amount of money collected by the HTF and forward that amount to HUD. HUD then applies the statutory formula to determine the amount of HTF funds that will be allocated to each state and publishes those amounts in the Federal Register. The statute also requires that states must be allocated a minimum of \$3 million in HTF funds. Given the relatively small amount of money collected for the HTF in 2018 – \$267 million – 25 states received the \$3 million minimum allocation. (Since 2016, the amount of money collected for the HTF has grown almost every year: from \$174 million in 2016, \$219 million in 2017, and \$267 million in 2018, to \$248 million in 2019, \$323 million in 2020, \$690 million in 2021, and \$740 million in 2022.)

The authorizing statute requires each state to develop a draft annual HTF Allocation Plan and seek public input before submitting a final Allocation Plan to HUD for approval. During the first two years of HTF implementation, HUD headquarters staff were involved in reviewing and approving Allocation Plans in order to ensure that inaugural plans complied with the law and regulations and thereby established reliable standards for future plans. States cannot publish requests for proposals (RFPs) until their HTF Allocation Plans are approved by their respective CPD Field Office.

Key actors always face difficulties learning about new programs and figuring out how to best use them. The HTF presented some states and some developers with a steep learning curve because of its goal of creating homes affordable to extremely low-income renters. Nonetheless, it appears that over the course of 2016, 2017, and 2018, the key actors involved in the HTF became more comfortable with the unique character of the program. In the future – and particularly if the HTF continues to grow – it is likely that some states will modify their HTF allocation process in order to broaden the range of project types for which HTF funds can be awarded. Developers are also likely to become

more familiar and comfortable with this new resource. In fact, some states noted that developers sought access to more HTF resources in 2018 than were made available through HTF allocations. Oregon, for example, reported that HTF resources were “oversubscribed.” Meanwhile, Iowa received three applications seeking \$7.4 million but could only fund one project because it only had \$2.7 million to award, after using \$300,000 for program administration as allowed by the statute. California received applications seeking \$134,321,671 but could only fund six projects with its 2018 HTF allocation of \$37 million.

SYNCHRONIZING THE HOUSING TRUST FUND PROCESS WITH OTHER STATE RESOURCE ALLOCATION CYCLES

“A review of each state’s 2018 HTF Allocation Plan and/or application materials shows that all but 14 states have annual application cycles.”

Although a valuable resource, to date the HTF is still a very modest one. At the same time, many states have long-standing processes for awarding resources from other programs to affordable housing projects. Because many of these programs – which include the Low Income Housing Tax Credit (LIHTC) program, the federal HOME Investment Partnerships program (HOME), state Housing Trust Funds, and other state-specific programs – have long-established application cycles, states often choose to synchronize the process of awarding HTF money with existing application and award cycles (some as infrequent as

annually), primarily the LIHTC cycle, but also specific HOME or state HTF cycles, as well as special award cycles targeted to special needs projects.

A review of each state’s 2018 HTF Allocation Plan and/or application materials¹ shows that all but 14 states have annual application cycles. Some of these states indicate that if there is an insufficient number of applications or applications that meet a state’s threshold requirements, subsequent op-

¹ Some states’ 2018 HTF Allocation Plans or application materials offer very limited information.

opportunities to apply will be provided. Two states have semi-annual cycles and two have quarterly cycles, while 10 states accept applications on a rolling basis. Twenty-three states tied the HTF application process to their existing LIHTC cycle in some fashion. Of these 23 states, 15 states' processes included the HOME program and state programs as well as the LIHTC program. In the cases of two of those states, applicants completed a general application without requesting funds from a specific source, and the SDE determined the available funding source most appropriate for a project. Of the 23 states, eight had multiple options – including a LIHTC option – from which an HTF applicant could choose, while four states tied HTF applications to the LIHTC program only.

Sixteen states had an HTF-specific application, although five of these states indicated that an applicant could also seek funds through HOME, a state program, or the LIHTC program via separate applications. In addition, six states' application processes involved a single application tied to non-LIHTC programs such as HOME, a state housing trust fund, or other state housing programs. Two states' HTF applications were tied specifically to their HOME program only. Likewise, as mentioned in the previous paragraph, eight states had multiple options – including a LIHTC option – from which an HTF applicant could choose, several of which were set-asides for Permanent Supportive Housing or for the purpose of serving people experiencing homelessness.

Anticipating a future in which the HTF might have more substantial resources, the interim HTF regulations allow states to designate a unit of local government as a “subgrantee” to administer all or a portion of a state's HTF allocation. Subgrantees must have their own HTF Allocation Plans. Given the modest amount of HTF allocated in early years, only two states chose to use subgrantees. Alaska provided \$545,085 of its \$3 million HTF allocation to Anchorage as a subgrantee. (Anchorage is also a

HOME program Participating Jurisdiction.) Hawai'i established four subgrantees, suballocating 50% of its \$3 million HTF allocation to the City and County of Honolulu and – in imitation of the allocation process for the state's HOME program – the other 50% of its HTF allocation to the County of either Hawai'i, Kaua'i, or Maui on a rotating basis that changes annually.



*The Colburn, Gorman & Company LLC
Conversion of SRO to efficiency units for homeless individuals
Denver, Colorado*

PHOTOS

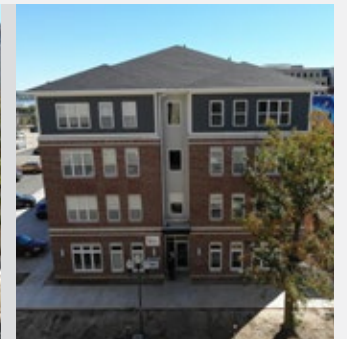
HOUSING TRUST FUND PROJECTS ACROSS THE COUNTRY



The Lofts at Spencer's Corner, HOPE Partnership

Adaptive reuse of three-story commercial property; rental units on second and third floor, commercial space on first floor

Village of Centerbrook, Connecticut



Madison Apartments, Phase II, Phoenix Community Development Services

PSH for people experiencing homelessness and have a mental health diagnosis

Peoria, Illinois

PHOTOS

HOUSING TRUST FUND PROJECTS ACROSS THE COUNTRY



*River Street Expansion, HABcore
PSH for people experiencing
chronic homelessness
Red Bank, New Jersey*



*Dogwood Springs at Mineral Springs, Hellen Ross McNabb Center
Supportive services to enable independent living for seniors
Knoxville, Tennessee*



*Hope Village Apartments, HopeWorks and
YES Housing Inc.
PSH for homeless with
severe mental illness
Albuquerque, New Mexico*

OVERVIEW OF FINDINGS

HOUSING TRUST FUND AWARDS BY STATE IN 2018

Out of \$267 million available, 50 states and the District of Columbia awarded HTF assistance to 195 projects with 1,798 HTF-assisted units in 2018.

STATE	PROJECTS	UNITS	STATE	PROJECTS	UNITS
Alabama	4	30	Montana	3	16
Alaska	5	12	Nebraska	3	31
Arizona	3	14	Nevada	2	75
Arkansas	4	29	New Hampshire	5	19
California	6	169	New Jersey	10	25
Colorado	3	18	New Mexico	3	33
Connecticut	3	20	New York	6	42
Delaware	3	20	North Carolina	6	38
District of Columbia	*	*	North Dakota	2	72
Florida	8	43	Ohio	6	88
Georgia	2	32	Oklahoma	2	5
Hawai'i	2	11	Oregon	5	15
Idaho	5	18	Pennsylvania	8	46
Illinois	3	57	Rhode Island	4	21
Indiana	4	33	South Carolina	4	18
Iowa	1	27	South Dakota	3	21
Kansas	4	18	Tennessee	4	39
Kentucky	2	25	Texas	5	85
Louisiana	4	15	Utah	4	39
Maine	4	19	Vermont	3	13
Maryland	2	16	Virginia	6	39
Massachusetts	8	94	Washington	2	47
Michigan	2	37	West Virginia	2	18
Minnesota	1	11	Wisconsin	5	53
Mississippi	3	81	Wyoming	3	27
Missouri	3	24			

TOTAL: 195 projects with 1,798 NHTF-assisted units

NOTE: For projects with HTF from multiple years, NLIHC has prorated the number of 2018 HTF-assisted units reported on this chart.

* DC spent nearly half of its 2018 HTF allocation for a project to be reflected in NLIHC's 2019 report; no project to report for this 2018 report.

The information in this report was provided to NLIHC by each State Designated Entity (SDE). It is not meant to be "official" information that the state will ultimately present to HUD through IDIS. Usually, the information is provided to NLIHC soon after an SDE announces awards. Some features, such as number of HTF-assisted units, amount of HTF awarded, etc. might change; some projects might be dropped and new ones substituted. The purpose of gathering this information is to obtain a preliminary sense of the number, type, and nature of HTF-assisted projects and units so that NLIHC can better support the HTF. Also, NLIHC asks for more information than HUD requires for its [HTF National Production Reports](#)

TARGETING TO SPECIAL NEEDS POPULATIONS

As in 2016 and 2017, states in 2018 utilized most of their HTF resources to target projects that will serve people experiencing homelessness, people with disabilities, elderly people, veterans, or other special needs populations. For example, states report 28% (\$68,319,842) was targeted to 437 HTF-assisted units for people with disabilities, 20% (\$49,260,996) to projects with 376 HTF-assisted units serving homeless households, 18% (\$46,483,725) to 437 HTF-assisted units providing affordable housing for elderly people, 10% (\$23,961,271) to 144 units to assist some mix of special needs populations (including homeless, disabled, or elderly people), and 3% (\$6,544,715) to other special needs populations such as survivors of domestic violence and youth aging out of foster care. The remaining “category” – “general occupancy” or “family” – received 21% (\$50,448,887) of HTF resources to support 407 HTF-assisted units. Seventy-one percent of the projects in the “family” category included a meaningful percentage of three-bedroom or larger units needed by larger families.

Note that the HTF-assisted unit numbers and HTF allocations sometimes reflect “double counting” because projects might serve people with dual characteristics, such as homeless veterans, homeless persons with serious mental illness, or elderly people with physical disabilities. (See “Targeted Populations” below.)

HOUSING TRUST FUND USED IN CONJUNCTION WITH OTHER RESOURCES

Although not essential, knowing how HTF is used in conjunction with other major sources of project financing is informative. NLIHC has not received complete information from all reporting states about the uses of HTF with other funding sources, in part because of the extra time necessary for busy SDE staff to compile this information. In addition, components of the financing for many projects had yet to be fully determined when NLIHC requested information.

It is known, however, that the Low-Income Housing Tax Credit (LIHTC) was a key financing component of 131 HTF-assisted projects, while 62 other projects did not use LIHTC. The HOME program contributed gap financing in 70 projects, while the Federal Home Loan Banks’ Affordable Housing Program (AHP) provided gap financing for 32 projects. Resources from state or local housing trust funds were used in 43 projects, while other state or local programs were used in 116 projects. (This topic is further discussed in “Other Resources in Housing Trust Fund-Assisted Projects” below.)

PHOTOS

HOUSING TRUST FUND PROJECTS ACROSS THE COUNTRY



*Decatur Commons, Nevada HAND
Seniors
Las Vegas, Nevada*



*Samish Commons, Bellingham Housing Authority
20% of units set aside for
people experiencing homelessness
Bellingham, Washington*



*Tremont Residences, Westhab and Camber
Property Group
71 of 119 units targeted as PSH for
homeless people with serious mental illness
Bronx, New York*



*Apartments at Kingsridge, Phase II, Community Housing Partners
Eight units have preference for people with developmental or
intellectual disabilities
Henrico County, Virginia*

TARGETED POPULATIONS

STATE POLICIES AND PRACTICES FOR TARGETING SPECIAL NEEDS POPULATIONS

Relying on information provided by states in their 2018 HTF Allocation Plans or application materials such as Requests for Proposals (RFPs) or Notices of Funding Availability (NOFAs), some states have established policies or set-asides for using HTF funds to provide affordable housing for people with various special needs. This section of the report highlights states with such policies or set-asides.

ALABAMA requires projects that already have a HOME/LIHTC or HOME award to commit to provide 5% of total proposed units for people with disabilities or who are experiencing homelessness.

ARKANSAS requires that at least four units in a project assist extremely low-income veterans, with a preference for veterans who are homeless or at risk of homelessness, have special needs, are leaving corrections facilities, or have mental health issues.

CALIFORNIA devotes its entire HTF allocation to its Housing for a Healthy California program. This program creates supportive housing for recipients of or who are eligible for Medi-Cal. The goal is to reduce the financial burden on local and state resources due to over-utilization of emergency departments, in-patient care, nursing home stays, the corrections system, and law enforcement re-

sources as the point of healthcare provision for people who are chronically homeless or who are homeless and high-cost healthcare users.

DELAWARE sets aside one-third of its HTF allocation for permanent supportive housing (PSH), with priority being given to chronically homeless people with disabilities. Delaware also considers as eligible PSH for people who are chronically homeless or people with disabilities who are at risk of becoming homeless.

INDIANA uses its HTF exclusively for a Housing First approach using PSH for people experiencing homelessness.

MASSACHUSETTS provides HTF only to non-profits with experience developing and operating housing with supportive services, prioritizing projects that provide service-enriched housing

for people experiencing homelessness. Among these applicants, there is a preference for PSH for people facing multiple barriers to securing and maintaining permanent housing, such as people with multiple emergency shelter placements, prior evictions, poor credit, or poor rental histories. The state typically pairs HTF with the Massachusetts Rental Voucher Program (MRVP), which also provides \$1,500 per unit to help cover the cost of supportive services.

MISSISSIPPI requires developments assisted with HTF to set aside at least 10% but not more than 20% of the units for people experiencing homelessness or who are seriously mentally ill. Supportive services must be incorporated.

MISSOURI offers two application options. One requires an applicant to set aside at least 10% of the units in a project for people who are physically, emotionally, or mentally impaired, or who have a developmental disability. The other option requires a project to set aside at least 10% of the units for people who are experiencing homelessness, are domestic violence survivors, or who are youth transitioning out of foster care.

MONTANA sets aside \$700,000 of its \$3 million HTF allocation for projects that will provide housing for people experiencing homelessness.

NEBRASKA has three set-aside options, one of which, the “Permanent Housing” program, sets aside roughly one-half of its HTF allocation to provide units that will house people experiencing homelessness or who have other special needs.

NEW HAMPSHIRE has two application options, one of which, the “Supportive Housing” program, requires HTF-assisted units to provide housing for people experiencing homelessness who are eligible for community-based services. Applicants can also apply for Project-Based Vouchers from the state.



Central Iowa Shelter Services, Phase II
Central Iowa Shelter Services, Hatch Development Group
PSH for people experiencing chronic homelessness
Des Moines, Iowa
Photo, FEH Design



Casa Paloma, American Family Housing
PSH for people with disabilities
Midway, California
Photo, Gabor Ekecs



Amber Apartments, RS Eden
PSH, 17 units for people with disabilities, 5 units for
people experiencing homelessness
Minneapolis, Minnesota

NEW JERSEY has a policy to only use HTF funds to provide housing for people with special needs in properties with four or fewer units.

NORTH CAROLINA requires all applicants to set aside 10% of all units developed through the LI-HTC program for people with disabilities, with the option to increase the share to 20% of the units. These units are eligible for the state-funded Key Rental Assistance program that provides project-based rental assistance. The policy aims to help meet the state’s Olmstead settlement agreement to provide people with disabilities housing that is integrated into the community.

RHODE ISLAND has four ways to apply for HTF, one of which is through its “Threshold” program, which provides capital to develop housing serving people who have serious and persistent mental illness or who have developmental disabilities.

SOUTH DAKOTA sets aside \$600,000 of its \$3 million HTF allocation for projects that provide service-enriched housing for people with special needs.

VERMONT requires applicants to have plans and tools to achieve the state’s goal of providing at least 15% of all units for people experiencing homelessness.

VIRGINIA requires applicants to use its Affordable and Special Needs application process, targeting at least 20% of all units for people with a disability.

Some states do not have policies or practices such as those listed above but do offer extra points or a “preference” or “priority” in a competitive application process. Thirteen states offer points, while six offer a priority or preference for projects that will provide housing for people with special needs. Some states link these extra points or preferences to specific types of special needs populations: eight provide points or preferences to projects for people experiencing homelessness, six to projects for people with a disability, five to projects for veterans, and two to projects for seniors. Another eight states simply provide extra points or preferences to special needs populations in general.



*Marshfield Veterans' Home, NeighborWorks Housing Solutions
PSH for veterans, priority for homeless veterans
Marshfield, Massachusetts*



*Town House, Hughes Development Company
Kansas City, Kansas
Photo, Kansas Housing Resources Corp*

TABULATION OF PROJECTS AND UNITS BY TARGETED POPULATION TYPE

Note: Some projects will serve mixed populations of families without special needs, as well as homeless households and/or households with a member who has a disability. In the lists below, some units are “double counted.” Such units include, for example, units in projects reported as “homeless disabled,” which appear in both the “Homeless” and “Disabled” categories.

PEOPLE EXPERIENCING HOMELESSNESS

48 projects, 376 HTF-assisted units, in 25 states.
These include:

- No distinction indicated: 19 projects, 146 HTF-assisted units, 13 states
- Homeless and disabled (no distinction): 3 projects, 37 HTF-assisted units, 3 states
- Homeless with a mental disability: 2 projects, 25 HTF-assisted units, 2 states
- Homeless veterans: 4 projects, 29 HTF-assisted units, 3 states
- Chronically homeless: 4 projects, 41 HTF-assisted, 4 states
- Homeless families with children: 6 projects, 33 HTF-assisted units, 4 states
- Homeless with HIV/AIDS: 3 projects, 17 HTF-assisted units, 3 states
- Homeless elderly: 1 project, 4 HTF-assisted units
- Homeless domestic violence survivors: 1 project, 12 HTF-assisted units

- Homeless youth exiting foster care: 2 projects, 14 HTF-assisted units, 2 states
- Homeless and in opioid recovery: 1 project, 8 units

PEOPLE WITH DISABILITIES

45 projects, 407 HTF-assisted units, in 20 states.
These include:

- No distinction indicated: 14 projects, 72 HTF-assisted units, 7 states
- Projects with Section 811 assistance: 2 projects, 15 HTF-assisted units, 2 states
- Developmental disability: 8 projects, 47 HTF-assisted units, 4 states
- Physical disability: 3 projects, 19 HTF-assisted units, 3 states
- Mental disability: 3 projects, 40 HTF-assisted units, 3 states
- Mental disability and homeless: 2 projects, 26 HTF-assisted units, 2 states
- Disabled and homeless: 3 projects, 37 HTF-assisted units, 3 states

- Behavioral health: 3 projects, 99 HTF-assisted units, 1 state
- Substance abuse: 2 projects, 29 HTF-assisted units, 2 states
- Disabled elderly: 1 project, 1 HTF-assisted unit
- Disabled with HIV/AIDS: 1 project, 14 HTF-assisted units

MIXED SPECIAL NEEDS POPULATIONS

25 projects in 12 states indicated that 144 HTF-assisted units were targeted to a mix of special needs populations without being limited to one type of special needs population, such as homeless, disabled, or elderly populations.

ELDERLY PEOPLE

Thirty-eight projects with 437 HTF-assisted units were planned by 24 states. Five of these projects (three in Florida) would target elderly people with special needs.

PERMANENT SUPPORTIVE HOUSING

Although NLIHC is not confident that all SDEs indicated whether a project entailed permanent supportive housing (PSH), 20 states did indicate PSH with 62 projects containing 692 HTF-assisted PSH units.

VETERANS

5 projects, 47 HTF-assisted units, 4 states. These include:

- Veterans exclusively: 1 project, 9 HTF-assisted units
- Homeless: 2 projects, 12 HTF-assisted units, 2 states
- Elderly: 1 project, 20 HTF-assisted units

DOMESTIC VIOLENCE SURVIVORS

3 projects, 15 HTF-assisted units, 3 states

YOUTH AGING OUT OF FOSTER CARE

3 projects, 27 HTF-assisted units, 3 states

NATIVE AMERICANS

South Dakota set aside \$600,000 and North Dakota set aside 10% of their \$3 million HTF allocations for projects developed within Indian reservations or on tribal land held in trust. In 2018, South Dakota provided \$864,814 in HTF to the Cheyenne River Housing Authority to construct the Creekside Apartments with six units (all HTF-assisted) on the Cheyenne River Sioux Reservation. No such projects either applied for HTF or met the HTF threshold criteria in North Dakota; consequently, the set-asides rolled over to the state's general HTF pool. Two projects in Arizona – Dunlap Pointe and Stepping Stone – were developed and are operated by Native American Connections. While open to anyone, the projects provide behavioral health, affordable housing, and community development services that are culturally appropriate to Native Americans

GENERAL AVAILABILITY

53 projects, 407 HTF-assisted units, 31 states

LARGE FAMILY UNITS

It is especially difficult to find affordable homes for larger families that need more than two bedrooms. Some SDEs offered information about HTF-assisted properties with more than two-bedroom units, even though NLIHC did not specifically request such information. Further NLIHC research was used to supplement the information obtained from SDEs that did not offer such information. Nevertheless, the number of states and projects with three- or four-bedroom units is probably greater than reported here. Thirty-nine projects in 22 states are projects with three- or more-bedroom units. Of these projects, 25 have 439 three-bedroom units (not all HTF-assisted). In the cases of nine projects, we know only that they include a mix of one-, two-, and three-bedroom units. Two projects have a mix of three- and four-bedroom units, and another six projects have 61 four-bedroom units. One project has three five-bedroom units, and one has a mix of one- to five-bedroom units. Two states each have four projects with three or more bedrooms (Oregon has one with 48 units, and Pennsylvania has another with 41 units plus an undetermined mix of units), while Virginia has five such projects with 100 large units plus an undetermined mix of units.



*Cedar Grove, Community Partners for Affordable Housing
Targeted for families experiencing homelessness
Beaverton, Oregon
Photo, Josh Partee, Carleton Hart Architecture*



*Freedom Homes Apartments
Housing Network of Hamilton County in collaboration with
Inclusive Housing Resources
PSH for people with developmental disabilities
Three building in three localities: Cincinnati, Springdale, and
Springfield Township, Ohio*



*Muir's Landing, Affordable Housing Management
Greensboro, North Carolina*



*Delaine Street Apartments, ONE Neighborhood Builders
Providence, Rhode Island*



*131 Fort Senior Apartments, Foundations Development LLC
Omaha, Nebraska*



*The Row in Fremont, Hoppe and Sons LLC
All units have four bedrooms and two baths
Fremont, Nebraska*



*Ferguson Apartments, Dwelling Place of Grand Rapids
Residents must be homeless or have a special need
Grand Rapids, Michigan*



*The Villas at Lion Court, Merak Development Group LLC
53 rural units with 10% set aside for people experiencing homelessness, or who have a disability, or are veterans
Blanchard, Oklahoma*



*Powers Street Project, Triple C Housing
Two three-bedroom units for families with special needs
New Brunswick, New Jersey*



*Culloden Green, The Woda Group, Inc.
Preservation of 40 units of a Rural Development
Section 515 housing
Culloden, West Virginia*



*Glen Brook Way, Metro West Collaborative Development
PSH for seniors
Medway, Massachusetts*

TYPES OF PROJECTS

The statute creating the HTF states that “The purpose of the Housing Trust Fund...is to provide grants to States for use to increase and preserve the supply of rental housing for extremely low-income and very low-income families, including homeless families.” Regarding rental housing, the statute states that HTF assistance is to be used for “the production, preservation, and rehabilitation of rental housing...and for operating costs...”

SUMMARY

NEW CONSTRUCTION

Forty-five states allocated some or all their 2018 HTF funds, amounting to \$181,354,343 (\$201,515,662 counting total HTF funds from other years’ allocations) for 141 new construction projects estimated to have 1,139 HTF-assisted units (or 1,250 HTF-assisted units if not prorated to reflect HTF from other years’ allocations) among 8,602 total units. California, the District of Columbia, Florida, North Carolina, South Carolina, and Washington had policies that only accepted applications for new construction projects.

ADAPTIVE REUSE

Five states reported allocating \$6,846,952 in HTF for “adaptive reuse” of seven non-housing structures to create 101 new housing units (60 HTF-assisted).

PRESERVATION

Twenty-five states allocated \$41,049,946 in 2018 HTF (\$49,446,722 in total, counting HTF funds from other years’ allocations) to preserve a total of 2,729 affordable units (533 HTF-assisted; 572 HTF-assisted units if not prorated to reflect HTF from other years’ allocations) in 37 existing affordable housing projects.

REHABILITATION CREATING NEW HOUSING

As reported to NLIHC, seven states awarded \$5,358,247 in HTF to 10 projects that were indicated as falling under the categories of “rehabilitation” or “acquisition and rehabilitation” but that were determined upon further research not to be preservation or adaptive reuse projects. NLIHC concluded that eight projects using \$4,658,247 in HTF were not merely acquisition and rehabilitation projects but in fact were projects that would create 49 new affordable housing units (24 HTF-assisted).

REHABILITATION ONLY

As best as NLIHC could determine, only two projects in two states were simple “acquisition and rehabilitation” projects. These projects were anticipated to use \$700,000 in HTF funds for 29 units (11 HTF-assisted, meaning that they must be affordable to extremely low-income households).

FURTHER DISCUSSION ABOUT THE TYPES OF PROJECTS

HUD’s Office of Community Planning and Development (CPD) has long used the Integrated Disbursement and Information System (IDIS) to manage information. The only entry options for users entering information about a project that might pertain to “preservation” or “adaptive reuse” are “rehabilitation” or “acquisition and rehabilitation.” Upon closer examination, most projects (51 out of 53) reported to NLIHC as “rehabilitation” or “acquisition and rehabilitation” projects were intended to (1) preserve affordable homes, preventing them from leaving the scarce affordable home stock; (2) create new homes through adaptive reuse; or (3) create new homes for extremely low-income or very low-income households by acquiring and rehabilitating unoccupied homes.

PRESERVATION

As reported to NLIHC, 25 states chose to award \$41,049,946 in 2018 HTF funds (\$49,446,722 in total, counting HTF funds from other years’ allocations) for various forms of “preservation” at 37 existing affordable housing projects, intended to preserve a total of 2,729 affordable units (533 HTF-assisted; 572 HTF-assisted units if not prorated to reflect HTF from other years’ allocations). Two of the projects involved properties on the National Register of Historic Places, while another three projects received state historic tax credits. By choosing to use available resources, including the HTF, these states decided to preserve projects in order to keep existing affordable units affordable and available to extremely low-income

households, rather than allow those units to be lost, thereby adding to the shortage of such units.

PRESERVING HUD- AND USDA-ASSISTED HOUSING

Of the 25 states using 2018 HTF to preserve 37 existing affordable housing projects referenced in the previous paragraph, 12 states used \$18,521,030 of their 2018 HTF allocations (\$19,423,030 in total, counting HTF funds from other years’ allocations) to preserve a total of 1,241 units (253 HTF-assisted units; 268 HTF-assisted units if not prorated to reflect HTF from other years’ allocations) at 18 projects that previously received taxpayer investments through HUD’s Section 8 Project-Based Rental Assistance or the USDA’s Rural Development’s (RD) Section 515 or 514 rental assistance.

PRESERVING OTHER AFFORDABLE HOUSING UNITS

Another 12 projects in 10 states were also intended to preserve existing affordable housing that had not been subsidized with federal rental assistance. The 10 states combined state affordable housing funds or state historic tax credits with HTF funds to preserve existing affordable housing. The 12 projects would make available a total of 663 units (92 HTF-assisted units; 109 HTF-assisted units if not prorated to reflect HTF from other years' allocations). Three of the projects not only preserved existing units but also led to the creation of 32 new units. As reported to NLIHC, these projects were awarded \$11,461,035 in 2018 HTF funds (\$16,591,806 in total, counting HTF funds from other years' allocations).

RENTAL ASSISTANCE DEMONSTRATION

Five states used some of their 2018 HTF allocations at six public housing developments to undergo conversion under the Rental Assistance Demonstration (RAD) from public housing units to Section 8 Project-Based Rental Assistance (PBRA) or Section 8 Project-Based Vouchers (PBV), thereby preserving all the units as affordable and available to extremely low-income households. A total of 783 units with 160 HTF-assisted units (166 HTF-assisted units if not prorated to reflect HTF from other years' allocations) would be preserved, using \$8,740,037 of 2018 HTF (\$9,964,846 in total, counting HTF funds from other years' allocations). One of the projects also led to the creation of 26 new units.

POPULATION CHARACTERISTICS OF PRESERVED PROPERTIES

Of the federally assisted units (e.g. Section 8 and RD) that were preserved, 527 units (124 HTF-assisted) were for elderly people, and 108 units (28 HTF-assisted) were for people with disabilities. Six were indicated by their states as being located in rural areas.

Of the units that were preserved but not federally assisted, 179 units (23 HTF-assisted) were for elderly people, 225 units (52 HTF-assisted) were for people experiencing homelessness, and 185 units (25 HTF-assisted) were for people with disabilities.

Of the RAD projects, one project with 125 units (66 HTF-assisted) was intended to house elderly people.

ADAPTIVE REUSE

Five states reported to NLIHC that seven projects would fall under the categories of "rehabilitation" or "acquisition and rehabilitation." However, these projects are in fact "adaptive reuse" projects – that is, projects creating 101 new units (60 HTF-assisted) using \$6,846,952 in HTF.

- One project planned to transform a long-vacant parish convent, creating 25 permanent supportive housing units (all 25 HTF-assisted) for people experiencing homelessness and who have a chronic disability.
- One project planned to convert the vacant former headquarters of a municipal gas company to create 16 apartments (12 HTF-assisted) providing permanent supportive housing for families, with four units specifically for individuals experiencing homelessness. The ground floor was intended to provide viable commercial space. The project also entailed new construction of a five-story building on a vacant lot, which would result in an additional 23 units and more ground floor commercial space.
- One project planned to convert a former children's daycare center, creating eight units (all HTF-assisted) for people experiencing homelessness and recovering from opioid addiction.
- One project planned to create eight permanent supportive housing units (all

HTF-assisted) in a building constructed in 1857 that was used as a grammar school for 50 years, later used as a library for 43 more years, and then used as a retail paint store for three years. The building was purchased in 2008 by the town where it was located and then used by the town as a storage facility for another 11 years.

- One project planned to transform a three-story commercial property that had serious problems due to deferred maintenance and many vacant or underutilized offices. The property was intended to retain its mixed-use character, with commercial space on the first floor and the creation of 17 rental units (3 HTF-assisted) on the second and third floors.
- One project planned to create four permanent supportive housing units (all HTF-assisted) for people experiencing homelessness by converting a building originally constructed as a single-family home but used in the recent past as a small office building.

NEW HOMES CREATED THROUGH ACQUISITION AND REHABILITATION

As reported to NLIHC, seven states awarded \$5,358,247 in HTF to 10 projects that were categorized as “rehabilitation” or “acquisition and rehabilitation” projects. Further research showed that these projects were not to be preservation or adaptive reuse projects. NLIHC concluded that eight projects using \$4,658,247 in HTF were not mere acquisition and rehabilitation projects but in fact were projects that would create 49 new affordable housing units (24 HTF-assisted).

The projects that would create new units include:

- A project to acquire two vacant houses to rehabilitate, creating six units of permanent

supportive housing (all six HTF-assisted) for youth aging out of foster care. This activity was part of a larger project that includes new construction of townhouses (one fully ADA accessible) for LGBTQ youth. It also involves the conversion of a former pub to a drop-in center with a conference room for meetings and training sessions.

- A project to acquire a property formerly operated as a sober house that was vacated when the service provider ended operation. A new nonprofit acquired the three-story main building and adjoining carriage house. The main building would be substantially reconfigured from six units to 18 units, creating 12 new units (2 HTF-assisted). The carriage house would retain four units serving families. The target population to be served was made up of households with a member recovering from substance abuse. The first two floors of the main building would have shared living spaces for people needing mental health services, while the third floor would house those needing fewer supportive services.
- A project to acquire and substantially rehabilitate a property creating three three-bedroom units (all HTF-assisted) to provide permanent supportive housing for families experiencing homelessness.
- A project that acquired and rehabilitated an unoccupied two-family home. Upon completion, one unit was to provide permanent supportive housing for a household with a member who survived domestic violence. The other unit would be occupied by a family whose head was diagnosed with mental illness.
- A project that acquired and gut-rehabilitated three vacant and blighted buildings on a single lot, creating eight new units (3 HTF-assisted), including three three-

bedroom units and one four-bedroom unit for larger families.

- A project to acquire and substantially rehabilitate a long-vacant property to create four housing units (all four HTF-assisted) for people experiencing chronic homelessness.
- A project to create two new units (both HTF-assisted) by acquiring and rehabilitating a vacant building to provide permanent supportive housing for people experiencing homelessness. This project was part of an agreement that enabled a major developer to secure approval for a code variance to adaptively replace a non-conforming car sales and repair shop with a six-story market-rate residential building.
- A project that would create two new homes (both HTF-assisted) affordable to extremely low-income households because the nonprofit awarded the HTF funds had a practice of acquiring and rehabilitating

vacant single-family homes to rent to low-income households.

REHABILITATION ONLY

As best as NLIHC could determine, only two projects in two states fell under the category of “acquisition and rehabilitation.” These projects were anticipated to use \$700,000 in HTF funds for 29 units (11 HTF-assisted, meaning they must be affordable to extremely low-income households).

The standard rehabilitation projects include:

- One project that would have nine units (7 HTF-assisted) providing permanent supportive housing for people with disabilities.
- One project in a rural area that would have 20 units (4 HTF-assisted) for seniors.



*472 Essex Street, Community Housing of Maine
Priority for chronically homeless
Bangor, Maine*



*Envision Bank Home for Veterans, Father Bill's & MainSpring
PSH for formerly homeless veterans
Randolph, Massachusetts*

*Quaker Arts, HDC MidAtlantic
Preference for people involved in the arts,
Wilmington, Delaware*



OTHER RESOURCES IN HOUSING TRUST FUND-ASSISTED PROJECTS

Busy state staff who were not required to respond to queries from NLIHC tended to provide minimal information about other resources in HTF-assisted projects. Some simply replied with one-word answers (“yes,” for example) if appropriate. Others did not provide any additional information about other resources. Consequently, the following information offers an incomplete picture of the other resources used in HTF-assisted projects.

- Low-Income Housing Tax Credits (LIHTCs): 131 projects, 1,240 HTF-assisted units, in 44 states. Of these, 34 states awarded 9% LIHTCs to 76 projects with 659 HTF-assisted units, with 13 states exclusively using 9% LIHTCs. Twenty-eight states awarded 4% LIHTCs to 55 projects with 581 HTF-assisted units, with seven states exclusively using 4% LIHTCs. In addition, three states awarded both 9% and 4% LIHTCs to three projects with 18 HTF-assisted units. By infusing LIHTC projects with HTF-assisted units, a small number of units in such LIHTC projects will be more affordable to ELI households.
- No LIHTC: 62 projects, 501 HTF-assisted units, in 28 states
- HOME: 70 projects in 35 states
- Affordable Housing Program (AHP) of Federal Home Loan Banks: 32 projects in 23 states
- State and/or Local Housing Trust Fund: 43 projects in 19 states
- Other State or Local Programs: 116 projects in 40 states

Although NLIHC asked contacts in each state whether projects received private mortgages, contacts in most states did not offer this information. Of those that did, in 2018, 38 states had 107 projects with conventional private mortgages. In addition, 24 states reported 38 projects that received grants from private sources.

Another way to leverage private sources is through the deferred developer fee. Thirty-one states reported 76 projects that used deferred developer fees as a resource. Miscellaneous other sources included the following: eight projects used federal or state historic tax credits; seven projects used federal Capital Magnet Funds (three of them in Wisconsin); 38 projects used equity provided by owners, sponsors, developers, or other parties; one project used federal New Markets Tax Credits; two projects used federal Choice Neighborhoods Initiative funds; and two projects used federal Brownfields funds.



*River Flats, The Commonwealth Companies
19 units of supportive housing
Janesville, Wisconsin*



*10 Green Street, Concord Coalition to
End Homelessness
Conversion of office space to 4 units for homeless
Concord, New Hampshire*



*Pamala's Place, Gro Group and the
Housing Authority of Salt Lake City
PSH for homeless
Salt Lake City, Utah*



*Zilker Studios (under construction)
Foundation Communities and FC Zilker Housing LP
PSH for single adults transitioning from experiencing homelessness
Austin, Texas*

USE OF PROJECT-BASED RENTAL ASSISTANCE

According to their HTF Allocation Plans or requests for applications, the District of Columbia, Indiana, Kentucky, and Louisiana required applicants to have a commitment for Section 8 Project-Based Vouchers (PBVs). Sixteen states planned to provide competitive points to projects that either had a commitment for PBVs or that helped preserve a property that had Section 8 Project-Based Rental Assistance (PBRA), USDA RD Section 521 rental assistance, or HUD Section 811 rental assistance for projects serving people with disabilities. Four states had a preference for or planned to give “consideration” to projects with the aforementioned forms of project-based rental assistance, while two states had a priority for such projects.

Massachusetts typically pairs HTF with the Massachusetts Rental Voucher Program (MVRP), a state-funded, voucher-type rental assistance program that also provides \$1,500 per unit to help with the cost of providing supportive services. North Carolina requires 10% of all units developed with LIHTC equity (a project can opt to reserve up to 20% of units) to be reserved for people with disabilities. These targeted units are eligible for Key Rental Assistance, a North Carolina-funded project-based rental assistance program.

RURAL PROJECTS

Four states’ HTF Allocation Plans or requests for applications had provisions pertaining to rural projects: California set aside 20% of its HTF allocation for rural projects; Colorado placed rural projects in a third-level priority level out of five priority levels; Nebraska targeted 50% of one of its application options (CRANE projects that use LIHTC) for rural projects; and Utah awarded competitive points for rural projects.

Although NLIHC is not confident that all states reported which of their projects were in rural areas, 20 states reported 29 projects in rural areas receiving \$24,287,903 in 2018 HTF funds (\$28,184,728 in total HTF funds from other years’ allocations). These projects contained 1,146 units (249 HTF-assisted units with 2018 HTF funds, and 273 HTF-assisted units if not prorated to reflect HTF from other years’ allocations).

FORM OF ASSISTANCE

Five states' HTF Allocation Plans or requests for applications indicated that they provide HTF assistance in the form of grants: Arkansas, Indiana, Oregon, Tennessee, and Washington. Connecticut and Washington might provide some combination of grant- and loan-based assistance. Six states indicated that they provide zero-interest, deferred loans: Connecticut, Kentucky, Minnesota, New York, Ohio, and Texas. Four states indicated that they provide forgivable loans: Florida, New Mexico, Oklahoma, and Wyoming. Five states indicated that they offer low-interest loans but do not specify the interest rate: Arizona, California, Kansas, West Virginia, and Wyoming. Four states indicated that they offer loans with a range of interest rates: the District of Columbia (0%-3%), South Carolina (0%-3%), Washington (1%-3%), and Virginia (3%). Eight states indicated that one option available is HTF assistance in the form of a cash flow loan, some with zero percent interest and some with 1% or 3% interest rates. Those eight states are: Louisiana, Michigan, Mississippi, New Mexico, Texas, Washington, West Virginia, and Wyoming.

DURATION OF AFFORDABILITY PERIOD

The interim HTF regulations require HTF-assisted units to be occupied by extremely low-income households for at least 30 years. According to their HTF Allocation Plans or requests for applications, four states required a longer "affordability period": California (55 years, or 50 years if a project is on Native American lands), Maine (45 years), Maryland (40 years), and Washington (50 years in King County or Seattle, and 40 years elsewhere).

Six states indicated that a project would receive competitive points if the affordability period were greater than 30 years: Alabama, Arkansas, Louisiana, New Jersey, New York, and North Dakota. Three states gave priority, extra credit, or "consideration" if the affordability period was greater than 30 years: Colorado, Delaware, and Vermont. Three states offered points (Connecticut) or a preference (Minnesota and Mississippi) if the affordability period was greater than 35 years. Points were also awarded by New Hampshire, Oklahoma, and South Dakota for 40-year affordability periods. Rhode Island and Wyoming awarded a range of points for affordability periods in 10-year increments greater than 30 years. The District of Columbia awarded points for perpetual affordability.

NUMBER OF PROJECTS BY STATE

As the chart on page 8 shows, the number of 2018 HTF projects approved by states ranged from one project to ten projects.

As in every past year, Iowa and Minnesota devoted their entire 2018 HTF allocations to single projects (one project with 27 HTF-assisted units in the case of Iowa and one project with 11 HTF-assisted units in the case of Minnesota).

At the other end of the range, nine states invested their 2018 HTF allocations in more than five projects: California, Florida, Massachusetts, New Jersey, New York, North Carolina, Ohio, Pennsylvania, and Virginia.

Among the other states, six states made five awards, 10 states made four awards, 13 states made three awards, and 10 states made two awards.

AMOUNT OF 2018 HOUSING TRUST FUND AWARD PER PROJECT

According to their HTF Allocation Plans or requests for applications, 11 states established maximum amounts of HTF assistance per project. Five states had high maximums: Arkansas and Oklahoma (\$1 million), Alabama (\$1,350,000), Louisiana (\$2 million), and Texas (\$3 million). Tennessee's maximum per-unit award was \$900,000, South Carolina's was \$850,000, and Mississippi's was \$750,000. Virginia's maximum per-unit award was \$800,000, if at least 20% of a project's units served people with a disability (otherwise, the maximum was \$700,000). Ohio's maximum depended on which of three application options were used: one had a maximum of \$500,000, and others varied depending on whether a project also sought funds from HOME or the Ohio Housing Trust Fund. New Mexico had a \$400,000 maximum if a project used LIHTC; otherwise, the state imposed no maximum.

The amount of HTF awarded per project in 2018 varied considerably:

- Thirty-five projects across 21 states were awarded "small" (as defined by NLIHC) HTF amounts of \$500,000 or less. Massachusetts made the most such awards, with five of \$500,000 exactly, followed by Alaska with three.
- Eighty-nine projects across 30 states were awarded HTF amounts greater than \$500,000 but less than \$1 million. New Jersey made 11 such "medium" awards, followed by North Carolina and Pennsylvania with seven, Virginia with six, and Rhode Island, Utah, and Wisconsin with four.

- Forty-eight projects across 28 states were awarded HTF amounts greater than \$1 million but less than \$2 million, with Florida making six such “large” awards, Ohio making four, and Missouri and Texas making three.
- Twelve projects across 11 states made “very large” awards greater than \$2 million but less than \$3 million per project. Six states made “extra large” awards of more than \$3 million but less than \$4 million per project, with New York reporting four such projects.
- NLIHC is characterizing awards of more than \$4 million in HTF as “jumbo” awards. Three states – California, Georgia, and Michigan – made four awards of more than \$4 million but less than \$5 million. Michigan and New York each made awards of more than \$5 million but less than \$6 million. Finally, California awarded more than \$10 million to two projects.

Thirty-one projects in 18 states combined their 2018 HTF funds with some mix of 2016, 2017, 2019, or 2020 HTF funds. Of the 31 projects primarily assisted with HTF funds allocated in 2018, two also had some 2016 HTF funds, nine also had some 2017 HTF funds, 18 also had some 2019 HTF funds, and four also (adding up to 33 because two projects had HTF from more than two HTF allocation years).

NUMBER OF HOUSING TRUST FUND-ASSISTED UNITS BY STATES

The number of HTF-assisted units in projects given awards varies greatly across states. As noted earlier, two states invested their entire 2018 HTF allocations in single projects, but due to the differences in additional financial resources used, the number of HTF-assisted units in one project was 11 and in the other was 27.

Meanwhile, as noted earlier, nine states awarded their 2018 HTF allocation to more than five projects. Due to priorities established by these states as well as the differing amounts of HTF allocated to them, the number of HTF-assisted units among these nine states varied significantly. At the low end, New Jersey assisted 10 small projects with 25 HTF-assisted units. At the high end, California projected assisting six projects with 169 HTF-assisted units. Other states projected they would make awards to six projects as well but estimated these projects would involve fewer HTF-assisted units: Ohio (with 88 HTF-assisted units), New York (42), Virginia (39), and North Carolina (38). Among states awarding 2018 HTF funds to eight projects, Massachusetts estimated its awards would support 94 HTF-assisted units, followed by Pennsylvania (46) and Florida (43). Similarly dramatic variations in the number of projects awarded HTF money by state and the number of HTF-assisted units supported by state can be observed in the chart on page 8.

The range of total HTF-assisted units per state is as follows:

- 5-10 units per state: 1 state
- 11-20 units per state: 17 states
- 21-30 units per state: 9 states
- 31-40 units per state: 8 states
- 41-50 units per state: 4 states
- 51-60 units per state: 2 states
- More than 60 units: North Dakota (72), Nevada (75), Texas (85), Ohio (88), Massachusetts (94), and California (169).

SCALE OF PROJECTS

The overall sizes of projects based on the total number of units in a project (not just HTF-assisted units) vary greatly. To some extent, this might reflect state policies. At the lower end of the spectrum, for example, New Jersey policy resulted in 10 small-scale projects ranging in size from two to four units (all HTF-assisted) primarily intended to serve homeless individuals or families with varying supportive housing needs. Since HTF's inception, Idaho seems to have maintained a policy that in 2018 resulted in three of its five projects constructing small properties to assist two or four households, all HTF-assisted.

Toward the middle of the spectrum, Illinois policy targets its HTF allocation to permanent supportive housing projects that “are not a good fit for the LIHTC program” and therefore focuses on supporting projects with 25 or fewer units. Ohio offers two application options, one of which is targeted to projects that do not seek LIHTC funds and that will have fewer than 24 units. Nebraska sets aside 25% of its annual allocation for non-LIHTC, smaller-scale projects within areas of the state experiencing shortages of housing for populations with targeted needs. South Carolina's policy devotes HTF to its existing Small Rental Development Program (SRDP), which supports new construction of properties with at least eight units but not more than 24 units, 25% of which must be HTF-assisted. Wyoming has a “Small Rural Project Set-Aside” for projects with no more than 24 units in communities with populations of less than 15,000.

At the upper end of the spectrum, a number of states have one or more larger-scale projects – those involving approximately 100 or more units. Florida's policy is to infuse 4% LIHTC tax-exempt bond properties with four or six HTF-assisted units. Of Florida's eight 2018 HTF-assisted properties, seven have 96 or more total units, including a 180-unit project providing five HTF-assisted units and a 116-unit project providing six HTF-assisted units.

Other large-scale projects do not seem to be guided by state policy but rather by the applications received during a given year. For example, Georgia funded two large projects, one with 116 units (21 HTF-assisted) and a RAD project containing 200 units (16 HTF-assisted). Michigan’s two projects contained 119 units (10 HTF-assisted) and 125 units (35 HTF-assisted). Perhaps not surprisingly, five of New York’s projects had between 94 and 171 total units: a 94-unit project (seven HTF-assisted), a 96-unit project (six HTF-assisted), a 119-unit project (five HTF-assisted), a 148-unit project (nine HTF-assisted), and a 171 unit-project (six HTF-assisted). Three of Texas’s five projects have 94 or more units: one has 240 units (21 HTF-assisted), another has 174 units (17 HTF-assisted), a third has 110 units (14 HTF-assisted), and the last has 94 units (19 HTF-assisted). A state might have a mix of large and small projects. For example, two of Ohio’s projects are large – one has 264 units (27 HTF-assisted) and the other has 171 units (36 HTF-assisted) – while another two projects are small, with just 12 and 13 units (seven and five units of which are HTF-assisted, respectively).

The range of total units (not just HTF-assisted units) in projects is as follows:

- 10 or fewer than 10 units: 31 projects
- 11-20 units: 14 projects
- 21-30 units: 14 projects
- 31-40 units: 14 projects
- 41-50 units: 25 projects
- 51-60 units: 22 projects
- 61-70 units: 7 projects
- 71-80 units: 19 projects
- 81-90 units: 7 projects
- 91-100 units: 15 projects
- 101-110 units: 3 projects
- 111-120 units: 7 projects
- 121-130 units: 4 projects
- 131-140 units: 0 projects
- 141-200 units: 6 projects
- More than 200 units: 2 projects



*Juniper House, Cathedral Square Corp
Senior housing with 7 units targeted for homeless people
Burlington, Vermont*

CONCLUSION

In 2018 – the third year of HTF implementation – states appear to have maintained the course set in 2016. States continued to use most of their HTF resources to target projects that will serve people experiencing homelessness, people with disabilities, elderly people, or other special needs populations. Even in projects that did not target special needs populations, a surprising number of HTF-assisted units included three or more bedrooms to serve large households. States also continued to synchronize the process of awarding HTF funds with their long-standing processes for awarding resources from other programs to affordable housing projects.

Most of the 2018 HTF allocation – more than \$181 million – was used to construct new affordable housing units. Another \$7 million was used for adaptive re-use projects, creating more affordable housing in properties previously used for non-housing purposes. Although reported to HUD as “rehabilitation,” NLHC research showed that these projects used more than \$5 million to create new affordable housing. Meanwhile, \$41 million

of HTF was used to preserve existing affordable housing, helping to ensure that this stock does not revert to market-rate housing. Of that \$41 million, nearly \$18.5 million was used to help preserve earlier federal investment in affordable housing through HUD’s Project-Based Section 8 program and USDA’s RD Section 515 program.

The HTF remains an essential source of gap financing, used in conjunction with the HOME Investment Partnerships Program (HOME), the Federal Home Loan Banks’ Affordable Housing Program (AHP), other state affordable housing programs, including state or local Housing Trust Funds. The HTF was used as gap financing for 131 projects also using the Low-Income Housing Tax Credit (LIHTC) program’s equity investments in 2018, meaning that some units in LIHTC projects will serve extremely low-income households. It is interesting to note that 62 projects in 28 states did not rely on LIHTC equity; in these cases, state policies tended to use HTF strategically for smaller projects not conducive to the LIHTC process.



Mercy Rosa Franklin Place, Mercy Housing Northwest

Seniors, 20 units have a preference for elderly veterans

Tacoma, Washington

PHOTOS

HOUSING TRUST FUND PROJECTS ACROSS THE COUNTRY



*Residences at North Hill, Community Housing Partners
Two units have preference for people with developmental or intellectual disabilities
Alexandria, Virginia*



*The Mary Ann, REACH Community Development
Beaverton, Oregon
Photo, Cheryl McIntosh of Quanta Collective*



*2050 Grand Concourse, Unique People Services
PSH for single adults, 58 units for those with chronic mental illness and 28 units for those with HIV/AIDS
The Bronx, New York City, New York*



*The Spire, AHC Inc.
First preference for people with intellectual and developmental disabilities
Alexandria, Virginia*



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