

State of Florida

Proposed

**National Housing Trust Fund Allocation Plan
for Florida**

**Including proposed Substantial Amendments
to the State of Florida's 5-Year Consolidated Plan**

and 2016 Annual Action Plan

Proposed June 28, 2016

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Introduction

Purpose

The purpose of this new plan and substantial amendments to the State of Florida's 5-year Consolidated Plan and Annual Action Plan for 2016 is to include the new National Housing Trust Fund (NHTF) program as part of the suite of now five federal programs administered by the State of Florida.

Overview

The new NHTF program, which will be administered by Florida Housing Finance Corporation, is added to the four others covered in the Consolidated Plan, which are: the Community Development Block Grant (CDBG) program, administered by the Florida Department of Economic Opportunity (DEO); the Emergency Solutions Grant (ESG), administered by the Florida Department of Children and Families; the Housing Opportunities for Persons with AIDS (HOPWA) program, administered by the Florida Department of Health; and the HOME Investment Partnerships (HOME) program, also administered by Florida Housing Finance Corporation.

The National Housing Trust Fund Program

The NHTF program was established under Title 1 of the Housing and Economic Recovery Act of 2008 as a block grant to the states. Funding for the program comes from a small percentage of new business generated by Fannie Mae and Freddie Mac. Funding for the program was suspended during the recession, but starting in 2015, these two entities were directed to begin setting aside funds for this purpose. Each year the funds will be turned over to HUD, which is the federal administrator of the program. HUD sets the allocation for each state based on a formula out of the \$173.6 million in national funding available for all states in the program. Unlike the other four programs mentioned above, which also flow to many local areas of the state, NHTF program funding will be administered at the state level only.

The broad purpose of the program is to increase and preserve the supply of rental housing for extremely low- and very low-income households. The bulk of the program is targeted toward rental housing, although up to 10 percent may be used for homeownership activities.

Each state is required to develop a new NHTF allocation plan that is then incorporated into its Consolidated Plan and associated Annual Action Plan. These existing plans provide the outline for the state's priorities and allocation approaches for the programs listed above. This document provides the proposed NHTF allocation plan and the proposed substantial amendments to the State of Florida Consolidated Plan and 2016 Annual Action Plan.

Citizen Participation in Development of the NHTF Allocation Plan

The proposed plan was developed through a process of citizen engagement and participation. On February 24, 2016, Florida Housing Finance Corporation held an NHTF workshop at the Holiday Inn Westshore-Airport in Tampa to outline program requirements and initial implementation ideas. The

workshop was well attended and Florida Housing staff received comments from developers, academics, advocates for extremely low-income households, homeless persons and persons with disabilities, local government officials, providers of supportive housing and services, and concerned citizens. Staff from the Florida Department of Economic Opportunity (DEO) were also in attendance. Notice of the workshop was published in the Florida Administrative Register, posted to the Florida Housing Finance Corporation website, and emailed to the following stakeholder groups: developers, local housing officials, and special needs and homeless housing and service providers, as well as low-income and disability advocates.

On April 28, 2016, Florida Housing held another workshop to answer questions and receive comments on the draft NHTF allocation plan, which was made available for public review before the meeting. The workshop was held at Florida Housing's offices in Tallahassee and also was available by teleconference. Notice of the workshop was posted on April 8, 2016, to the Florida Housing website, emailed to the individuals listed above and published in the Florida Administrative Register.

These workshops were held before HUD released the state NHTF allocation amounts, which were released on May 5, 2016. This document provides the final, proposed allocation plan and associated substantial amendments to the state's Consolidated Plan and Annual Action Plan.

On June 28, 2016, the state announced the commencement of a final 30-day public review and comment period, ending with a telephonic public hearing to be held on July 28, 2016. To assist the public in its review of the proposed allocation plan and associated substantial amendments, the State of Florida Consolidated Plan and Annual Action Plan are posted on DEO's website:

- Consolidated Plan: click [here](#) or go to <http://www.floridajobs.org/community-planning-and-development/assistance-for-governments-and-organizations/community-development-block-grant-program/state-of-florida-consolidated-plan>; and
- 2016 Annual Action Plan: click [here](#) or go to <http://www.floridajobs.org/community-planning-and-development/assistance-for-governments-and-organizations/florida-small-cities-community-development-block-grant-program/annual-action-plan>.

For more information about the public hearing, please go to Florida Housing Finance Corporation's website at www.FloridaHousing.org and click on the National Housing Trust Fund link under "Current Events."

For more information on the proposed plan or hearing, please contact Nancy Muller at nancy.muller@floridahousing.org or Nicole Gibson at nicole.gibson@floridahousing.org, or call them at (850) 488-4197.

National Housing Trust Fund Allocation Plan for Florida

Florida's FY 2016 HTF Allocation Amount: \$4,598,821

Introduction

The National Housing Trust Fund (NHTF) is a new federal affordable housing production program that will complement existing state efforts to increase the supply of affordable housing for extremely low- and very low-income households. Congress established the NHTF through the Housing and Economic Recovery Act of 2008. On January 30, 2015, HUD published an [Interim Rule](#), which guides implementation of the NHTF by the states. HUD plans to issue a final rule for the NHTF after states have had experience administering the program and are able to offer comments regarding the initial implementation.

In years that total NHTF funding exceeds \$1 billion nationally, at least 75 percent of each state's allocation must benefit households at or below the federal extremely low income (ELI) level, which is 30 percent of area median income, or households with incomes below federal poverty level, whichever is greater.¹ In Florida, the ELI level is greater than the federal poverty level. Up to 25 percent may be used to benefit very low income households (those at or below 50 percent of area median income). However, in years when total national funding is less than \$1 billion, 100 percent of each state's allocation must benefit ELI households. In 2016, the total amount of funds available for the national trust fund is \$173.6 million. Thus, it is likely that the program will serve 100 percent ELI households for the foreseeable future.

The Governor has designated Florida Housing Finance Corporation as the entity to administer the NHTF program in Florida.

State Preference for Use of NHTF - (§ 91.320(k)(5)(vii))

The state may limit the beneficiaries or give preferences to a particular segment of the ELI population. The state may also allow rental housing owners to limit tenants or give a preference in accordance with § 93.303(d)(3). However, these limitations or preferences must be described in this plan.

The State of Florida will give a preference to the following segments of the ELI population, which will also be integrated into the written agreements with the recipients of NHTF:

- Persons and households with incomes at or near the Supplemental Security Income (also known as SSI) level² and that are:
- Persons with special needs, defined in [Florida Statute](#) at 420.0004(13); or
- Homeless persons and households, defined in [Florida Statute](#) at 420.621(5); or

¹ In some of its programs, Florida Housing utilizes a different "Florida ELI" level based on the Florida minimum wage. All references to ELI in this plan refer to the federal ELI level of up to 30 percent of area median income.

² For context, the SSI income level is currently \$8,796 per year for a single occupancy household.

- Persons and families at risk of homelessness.

These households have limited access to high quality, affordable housing, and few new units of housing or rental assistance affordable to these residents are being made available. Households that receive SSI as their only income are at median income levels of approximately 22 percent. Using the most recent census data, there are approximately 162,000 cost burdened renter households (i.e., those paying more than 30 percent of one's income for rent and utilities) with incomes up to 20 percent of area median income in Florida. In a June 2016 evaluation of resident incomes served throughout Florida Housing Finance Corporation's rental portfolio, out of 154,000 units reporting, only 63 were targeted to renters with incomes this low, because current programs are not financially structured in such a way to allow rents to be low enough to serve this income group. Targeting households at this level would allow Florida to add a new lower income level to the Florida ELI units already being financed through state housing programs.

Florida will prioritize use of NHTF funds for developments that commit to integrate a small number of NHTF-funded units serving the populations described above into general occupancy affordable housing properties. These are properties that serve family and elderly households with a range of incomes up to 60 percent of area median income in most cases.³ NHTF-financed units will comprise only a small portion of total units in any property, but may be in addition to other Florida ELI units provided at the property. NHTF funding will be blended with other program financing, such as Low Income Housing Tax Credits, to finance general occupancy properties that include these units. Any development that has more than five NHTF-assisted units will be required to submit an Affirmative Marketing procedures in accordance with the requirements at § 93.350, together with the signed written agreement.

NHTF Funding Priorities - § 91.320(k)(5)(i) and Recipient Application Requirements - § 91.320(k)(5)(ii)

The state of Florida will distribute NHTF funds by selecting applications submitted by eligible recipients on a competitive basis through Florida Housing Finance Corporation's Request for Applications (RFA) process. Funds will be made available in tandem with other financing geographically across Large, Medium and Small counties over a period of three to five years.⁴ These RFAs will make financing available directly to recipients submitting applications to develop rental developments that meet the criteria outlined in this allocation plan, more specific criteria described in each RFA, and criteria required by federal and state statute and rules governing other programs included in the RFA. These RFAs will be part of a comprehensive annual funding plan that is adopted by Florida Housing Finance Corporation's

³ "Family" properties are general occupancy properties that serve households of any size and age. "Elder" properties are general occupancy properties that serve households of any size, but set aside all or most units for elders. At these properties, the head of household must be 55 or older.

⁴ Pursuant to Section 420.5087, Florida Statutes, large counties are those with a population of 825,000 or more; medium counties are those with a population of more than 100,000, but less than 825,000; and small counties are those with a population of 100,000 or less.

Board of Directors to distribute financing across geographic areas of the state based on the need for rental housing in each area.

The Florida Housing Board of Directors will make funding selections based on recommendations from a staff review committee which will score all applications. The following threshold criteria must be met by all applicants:

- The development must be permanent rental housing – that is, it must provide a permanent home to residents who meet all lease requirements – and each NHTF-designated unit may have no more than two bedrooms;
- The NHTF-designated units must remain affordable to ELI households through a Land Use Restriction Agreement for no less than 30 years, and the development as a whole must remain affordable at designated income levels for a minimum of 30 years;
- The applicant must certify that it understands that by receiving NHTF funds, it commits to set aside the required number of units in its property for the priority households specified in this plan; and
- The applicant must show via its developer experience its ability to obligate NHTF funds and undertake eligible activities in a timely manner; that is, there must be a reasonable expectation that the development will be placed in service within 24 months.

In addition to applicable rules, statutes and RFA criteria, applications for funding submitted by eligible applicants will be reviewed according to the following criteria:

- Provision of a description of the eligible activities to be conducted with the NHTF funds;
- The extent to which the application makes use of non-federal funding sources; and
- The extent to which a proposed development has federal, state or local project based rental assistance.

Applicants for NHTF funding must meet minimum qualifications and demonstrate their proficiency as developers and asset managers. In their applications or before preliminary loan awards receive final approval, eligible recipients must:

- Certify to Florida Housing Finance Corporation that they will comply with the requirements of the NHTF program and that housing units assisted with the NHTF will comply with NHTF requirements;
- Demonstrate their financial capacity to undertake, comply with and manage the eligible activity;
- Have experience and capacity to conduct eligible NHTF activities by demonstrating ability to own, construct, manage and operate an affordable multifamily rental housing;
- Show familiarity with the requirements of other federal, state or local housing programs that will be used in conjunction with NHTF funds to ensure compliance with all applicable requirements and regulations of such programs through demonstrated experience with developing, owning and managing affordable multifamily rental housing developments; and
- Explain their understanding and management practices related to leasing to homeless households or persons with special needs.

Other Selection Criteria. Florida Housing Finance Corporation shall give funding preference to applicants that commit to participate in the state’s “Link Strategy,” which requires applicants awarded financing to work with at least one Special Needs Household Referral Agency working in that county that will refer eligible homeless, at-risk homeless or special needs households for residency in the NHTF-financed units.

In RFAs that offer NHTF funding, a preference will be specified for applicants that commit to develop Tenant Selection Plans that include, at a minimum, income and credit strategies specified by Florida Housing Finance Corporation that recognize that the ELI households to be served may have credit, income, criminal and rental histories that may be a barrier to tenancy at the property.

Applicants for NHTF funding will be incentivized to include accessible and green features in their developments, and proximity to public transit and other amenities such as grocery stores will be scoring factors, with developments closer to such amenities generally receiving more favorable scoring. These criteria, in addition to the criteria above, have all been deemed of equal relative importance; that is, if an applicant does not meet these criteria, they will not receive funding.

Additional criteria may be added that is of less relative importance than the above criteria. Depending on the source of financing being offered, local government contributions and other leveraging strategies will be incorporated into RFAs. Typically, RFAs for general occupancy properties prioritize new developments that are further away from existing affordable rental properties serving the same general occupancy demographic population.

Use of NHTF Funds

Florida will use NHTF project funds to pay for all or some of the following eligible costs: development hard costs, demolition, acquisition of real property, related soft costs and operating cost reserves (not to exceed one-third of the state’s annual allocation). Awards of NHTF funds will be made in the form of 0 percent, 30-year forgivable loans in order to minimize project debt and maximize affordability to ELI households. Funding will be allocated only for new construction, including redevelopment in which a new property is built to replace a demolished property. If demolition of occupied units is required, Tenant Relocation Information is required at the time of application per the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. Up to 10 percent of the state’s NHTF allocation will be used for administration, as allowed by NHTF regulations.

Rehabilitation Standards - § 91.320(k)(5)(iv) and § 93.301(b) – NHTF funds will not be used for rehabilitation of housing.

Resale and/or Recapture Provisions - § 91.320(k)(5)(v) and § 93.304(f) and HTF Affordable Homeownership Limits- § 91.320(k)(5)(vi) and § 93.305 – NHTF funds will not be used to assist first-time homebuyers.

Refinancing of Existing Debt - § 91.320(k)(5)(viii) and § 93.201(b) – NHTF funding will not be used for the refinancing of existing debt.

Maximum Per-Unit Development Subsidy Amount - § 91.320(k)(5) and § 93.300(a)

The maximum per-unit NHTF subsidy limit is provided in the table below for zero, one and two bedrooms, based on three geographic locations as specified. Units with more bedrooms will not be financed with NHTF funds.

NHTF Maximum Per-Unit Development Subsidy Amounts

Maximum Subsidy Limits for 0-1 Bedroom Units – New Construction Only			
Construction Type	Miami-Dade, Broward, Palm Beach Counties	Monroe County	Remainder of Florida
Garden – Wood	N/A	N/A	\$183,100
Garden – Concrete	\$236,200	\$332,400	\$215,100
Mid-Rise – Wood	N/A	N/A	\$215,100
Mid-Rise – Concrete	\$256,800	\$362,300	\$234,500
High-Rise	\$305,000	N/A	\$280,100
Maximum Subsidy Limits for 2 Bedroom Units – New Construction Only			
Construction Type	Miami-Dade, Broward, Palm Beach Counties	Monroe County	Remainder of Florida
Garden – Wood	N/A	N/A	\$211,000
Garden – Concrete	\$271,700	\$384,000	\$248,600
Mid-Rise – Wood	N/A	N/A	\$248,600
Mid-Rise – Concrete	\$295,900	\$419,200	\$271,500
High-Rise	\$352,700	N/A	\$325,100
Add this factor to the all above limits if a development is subject to the requirements of the Davis-Bacon Act			\$5,000

* N/A means the Construction Type is not allowed or is inappropriate for the location.

These limits are based on compilation of data about non-luxury developments and reasonable land costs around the state through years of administering Low Income Housing Tax Credits and other program funding, combined with information about the current cost environments in these areas. The limits specify different amounts based on three geographic cost regions of the state, as well as five development types, ranging from garden-style wood apartments to high rise concrete buildings. Florida Housing Finance Corporation updates its cost limitations regularly based on current actual contracts that deliver affordable housing units, inclusive of any required green features; industry review; construction trends; and stakeholder feedback.

The limits developed by Florida Housing Finance Corporation are based on historic information and analysis of two components in considering an appropriate maximum: the cost to acquire land and

develop a property, and the level and cost of the debt associated with the property, which differs by program.

The typical sources of financing in an affordable rental development in Florida include housing credit equity, a traditional first mortgage, local government resources and a deferred developer fee. The housing credit equity does not have any repayment requirements and the local government resources are typically cash flow dependent. The objective of providing NHTF funding is to lower any loan or other debt on a property to ensure that the development is financially feasible.

All developments receiving NHTF awards will be subject to credit underwriting and undergo a subsidy layering review to ensure that financing awarded is no greater than what is needed to make the development financially feasible. Florida Housing Finance Corporation may specify lower NHTF maximum limits in specific RFAs.

Proposed Substantial Amendments to the Consolidated Plan

ES-05 Executive Summary: § 91.320(b)

1. **Introduction**, page 1, is amended to add: The Florida Department of Economic Opportunity administers the Small Cities Community Development Block Grant (CDBG) program, the Florida Department of Health administers the Housing Opportunities for Persons with AIDS Grant (HOPWA) program, the Florida Department of Children and Families administers the Emergency Solutions Grant (ESG) program, and the Florida Housing Finance Corporation administers the HOME Partnerships Program (HOME) and will administer the National Housing Trust Fund Program (NHTF) beginning in 2016.
2. **Summary of the objectives and outcomes identified in the Plan Needs Assessment**, page 2, is amended to add: The highest priorities for the NHTF program are:
 - production of affordable rental housing units for extremely low income residents with a preference for persons with special needs, and persons who are homeless or are at-risk of homelessness.
3. **Evaluation of Past Performance**, page 3, is amended to add: As NHTF is a new program being funded in 2016 for the first time, no previous performance has occurred to be evaluated.
4. **Summary of citizen participation process and consultation process**, page 5, is amended to add at the end of section 4: When HUD announced that the states would begin to receive NHTF program funds starting in 2016, Florida Housing Finance Corporation planned and held two public meetings, the first on February 24, 2016, in Tampa and the second on April 28, 2016, in Tallahassee and also via statewide telephonic conference. After the final draft plan was published online to allow a noticed 30-day public comment period, ending on July 28, 2016. The final public hearing was held on July 28, 2016, in Tallahassee and was made available statewide telephonic conference. The meetings were advertised in the Florida Administrative Register and notices were emailed to five extensive listservs covering all local community development and housing departments, the rental development community, and stakeholders representing and working with extremely low income, homeless and special needs populations. ANY WRITTEN COMMENTS RECEIVED WILL BE ATTACHED AFTER PUBLIC HEARING.
5. **Summary of public comments**, attached to this document to follow existing Attachments, starting on page 178; *SUMMARIES OF ALL COMMENTS WILL BE ADDED HERE AFTER PUBLIC HEARING.*
6. **Summary of comments or views not accepted and the reasons for not accepting them**, page 5, is amended to add at the end of the section: All the comments received were considered in development of the proposed NHTF Allocation Plan. TO BE FINISHED AFTER PUBLIC HEARING BASED ON RESPONSE TO COMMENTS RECEIVED.

7. **Summary**, page 5, the sentence is amended to add: , and extremely low income units for persons and households with special needs, or who are homeless or at risk of homelessness through the NHTF program.

PR-05 Lead & Responsible Agencies: § 91.300(b)

1. **Describe agency/entity responsible for preparing the Consolidated Plan and those responsible for administration of each grant program and funding source**, page 7, add: NHTF Administrator, Florida, Florida Housing Finance Corporation, Nicole Gibson, nicole.gibson@floridahousing.org

PR-15 Citizen Participation: § 91.115 and § 91.300(c)

1. **Summary of citizen participation process/Efforts made to broaden citizen participation**, page 13, add to the Public Comment section referenced here: When HUD announced that the states would begin to receive NHTF program funds starting in 2016, Florida Housing Finance Corporation planned and held two public meetings, the first on February 24, 2016, in Tampa and the second on April 28, 2016, in Tallahassee and also via statewide telephonic conference. After the final draft plan was published online to allow a noticed 30-day public comment period, ending on July 28, 2016. The final public hearing was held on July 28, 2016, in Tallahassee and was made available statewide telephonic conference. The meetings were advertised in the Florida Administrative Register and notices were emailed to five extensive listservs covering all local community development and housing departments, the rental development community, and stakeholders representing and working with extremely low income, homeless and special needs populations.

SP-10 Geographic Priorities: § 91.315(a)(1)

1. **Table 51**, pages 86-87, revise per underlined/strikethrough words:
 - **“Identify the neighborhood boundaries for this target area” section:** FHFC works with both the public and private sector throughout the state to assist in determining the affordable housing needs that can be served through the HOME, NHTF and other housing programs.
 - **“Include specific housing and commercial characteristics of this target area” section:** HOME and NHTF are ~~is~~ statewide, and the characteristics of local areas where HOME and NHTF might be used are wide ranging.
 - **“What are the opportunities for improvement in this target area?” section:** For affordable housing funding through the HOME and NHTF programs, the opportunities are simply to assist in financing more housing and access to housing, including more housing for extremely low-income households.
 - **“Are there barriers to improvement in this target area?” section:** For affordable housing through the HOME and NHTF programs, the most important barrier is having enough funding to meet the need.

2. **General Allocation Priorities**, page 89, add to the section end: NHTF program funds will be made available in tandem with other financing as part of a comprehensive annual funding plan that is adopted by FHFC's Board of Directors to distribute financing across geographic areas of the state based on the need for rental housing in each area. NHTF funding will be made available across large counties (825,000+ population), medium counties (<100,000 and <825,000 population) and small counties (up to 100,000 population) over a period of 3-5 years to ensure geographic distribution and to respond to rental needs studies carried out by and for FHFC.

SP-25 Priority Needs: § 91.315(a)(2)

1. **Table 52, #9 Priority Need Name: Affordable Rental Housing, Population**, page 95, add:
 - Persons and Families that are Homeless or At Risk of Homelessness
 - Persons with Special Needs
2. **Narrative**, add the following to the Unique Appendices, SP-25 section starting on page 187: Based on need studies, FHFC's supportive housing strategy developed in concert with stakeholders and legislative direction over ten years, as well as the public workshops held before and as the NHTF allocation plan was developed, there is a high need for units that are affordable to extremely low income persons, particularly those with incomes at the Supplemental Security Income (SSI) level. These households have limited access to decent, affordable housing, and few new units of housing or rental assistance affordable to these residents are being made available with current program resources. Households that receive SSI as their only income are at median income levels of approximately 22 percent. Using the most recent census data, there are approximately 162,000 cost burdened renter households (i.e., those paying more than 30 percent of one's income for rent and utilities) with incomes up to 20 percent of area median income in Florida. These households have limited access to high quality, affordable housing, and few new units of housing or rental assistance affordable to these residents are being made available with current program resources. In a June 2016 evaluation of resident incomes served throughout Florida Housing Finance Corporation's rental portfolio, out of 154,000 units reporting, only 63 were targeted to renters with incomes this low, because current programs are not financially structured in such a way to allow rents to be low enough to serve this income group. In particular, there is a need for units to serve persons and families at this income level who have special needs or who are homeless or at risk of homeless and need access to supportive services along with the housing to help them live independently in their communities. Thus, an additional priority is to provide housing units for these households integrated into general occupancy affordable housing properties (i.e., properties that serve family and elderly households with a range of incomes up to 60 percent of area median income in most cases) to provide opportunities for residents at this income level to live integrated in their communities.

Although the number of units developed for these households will change over the five-year planning period based on funding, the focus of this housing will remain the same.

- Annual Affordable Rental Housing Goals
 - Production of new units: 66 units
- Annual Affordable Housing Goals
 - Rental units constructed: 66 units

SP-30 Influence of Market Conditions: § 93.315(b)

1. **Table 53, New Unit Production section**, page 99, add: Local land use policies and jurisdiction comprehensive planning goals that support the development of accessible multifamily housing stock for lower income renters, including those with incomes at SSI levels, persons with disabilities and their families, persons and families that are homeless, and those at risk of homelessness; and that support an integrated housing approach to allow persons and families that need supportive services to live integrated in their communities.

SP-35 Anticipated Resources: § 91.315(a)(4); § 91.320(c)(1) and (2)

1. **Introduction**, add the following to the Unique Appendices, SP-30 section starting on page 188: For fiscal year 2016, the state NHTF Program will receive a total allocation of \$4,598,821. All of this funding (minus 10 percent for administration) will be reserved for applicants that commit to set aside a small portion of units in their developments to serve households with incomes at approximately 22 percent of area median and that are homeless, at risk of homelessness, or include an adult person with a special need. Funding will be made available in tandem with Low Income Housing Tax Credits through one or more competitive Requests for Application that are based on state and federal requirements, including the NHTF program regulations.
2. **Table 54**, add to the bottom of the table a new row:
Program: NHTF
Source of Funds: public-federal
Uses of Funds: New construction of affordable rental housing
Expected Amount Available Year 1 \$: 4,598,821
Program Income \$: 0
Prior Year Resources \$: 0
Total \$: 4,598,821
Expected Amount Available on Remainder of ConPlan: 13,796,463
Narrative Description: The annual allocation will be allocated to eligible NHTF categories per 24 CFR 93
3. **Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**, add the following to the Unique Appendices, SP-35, at the very end of this subsection on page 191:

National Housing Trust Fund – Provides funds to developers of affordable rental housing that construct new housing for extremely low income households. This funding can assist FHFC in creating financing opportunities with some or all of the programs listed here to enable assisted units to serve lower income residents than could be done by each program separately.

4. **Second sentence** at the top of page 103, revise: In addition, land donated or provided at below market value to a developer receiving HOME or NHTF funds will lower the overall cost of affordable housing development.

SP-45 Goals: § 91.315(a)(4) and § 91.315 (b)(2)

1. **Table 57, Goals Summary**, on page 108 add to the bottom of the table a new row:
Sort Order: 12
Goal Name: Affordable Rental Housing for Extremely Low Income Households
Start Year: 2016
End Year: 2019
Category: Affordable Housing
Geographic Area: STATEWIDE
Needs Addressed: Affordable Rental Housing for Extremely Low Income Households
Funding: NHTF: \$18,395,284
Goal Outcome Indicator: 66 units added to serve extremely low income households
2. **Goal Descriptions Table**, on page 110 add to the bottom of the table a new row:
12 – Goal Name: Affordable Rental Housing for Extremely Low Income Households; Goal Description: The NHTF program has allocated \$4,598,821 from the 2016 annual funding allocation to fund affordable rental housing for extremely low income households through an RFA process. Funding may be used for activities including construction, demolition, acquisition of real property, related soft costs and operating cost reserves funded with operating assistance.

SP-80 Monitoring: § 91.330

1. Add the following to the Unique Appendices, at the very end of section SP-80 on page 199:
FHFC must perform onsite inspections of each NHTF-assisted project at completion, per § 93.404(d). For rental housing, the property must be inspected during the period of affordability to determine that the housing complies with the applicable property standards. Because NHTF funding will be layered with other affordable rental financing, additional more stringent monitoring requirements may also be required. The provisions below are required per NHTF regulations:
 - The onsite inspections must occur 12 months after project completion and at least once every three years thereafter during the period of affordability;

- If there are observed deficiencies for any inspected items, a follow-up onsite inspection must occur within 12 months or other reasonable timeframe established by grantee;
- Life-threatening health and safety deficiencies must be corrected immediately;
- On an annual basis, the property owner must certify to the grantee that each building is suitable for occupancy;
- Inspections must be based on a statistically valid sample of units appropriate for the size of the HTF-assisted project; and
- The grantee must verify the information submitted by project owners.

Proposed Substantial Amendments to the 2016 Annual Action Plan

AP-05 Executive Summary: § 91.320(b)

1. **Introduction**, first paragraph on page 1, revise the following sentence: The Florida Department of Economic Opportunity administers the Small Cities Community Development Block Grant (CDBG) program, the Florida Department of Health administers the Housing Opportunities for Persons with AIDS Grant (HOPWA) program, the Florida Department of Children and Families administers the Emergency Solutions Grant (ESG) program, and the Florida Housing Finance Corporation administers the HOME Partnerships Program (HOME) and the National Housing Trust Fund (NHTF) Program.
2. **Summarize the objectives and outcomes identified in the Plan**, on page 2 add to the end of this section:
The highest priorities in the NHTF program are:
 - production of affordable rental housing for extremely low income households.
3. **Summary of Citizen Participation Process and consultation process**, add to the bottom of this subsection: In addition, with the new NHTF program funding just coming available in mid-2016 after the proposed 2016 Plan was submitted to HUD, meetings and solicitations for public comments occurred via notices in the Florida Administrative Register; listserv email announcements; a website devoted solely to the new funding with information, workshop notices, a public comment section; and two workshops on February 24, 2016 and April 28, 2016; and the final 30-day public comment period, ending with the final public hearing on July 28, 2016.
2. **Summary of public comments**, *TO BE PROVIDED AFTER COMPLETION OF THE JULY 28, 2016, PUBLIC HEARING AS AN ATTACHMENT.*
3. **Summary of comments or views not accepted and the reasons for not accepting them**, page 4, is amended to add at the end of the section: All the comments received were considered in development of the proposed NHTF Allocation Plan. *TO BE COMPLETED BASED ON COMMENTS RECEIVED AT PUBLIC HEARING.*
4. **Summary**, page 5, the sentence is amended to add: , and extremely low income units for persons and households with special needs, or who are homeless or at risk of homelessness through the NHTF program.

PR-05 Lead & Responsible Agencies - § 91.300(b)

2. **Table 2 and Narrative**, page 6, add: NHTF Administrator, Florida, Florida Housing Finance Corporation, Nicole Gibson, nicole.gibson@floridahousing.org

AP-10 Consultation

1. **Introduction**, add to the end of the subsection on page 7: When HUD announced that the states would begin to receive NHTF program funds starting in 2016, Florida Housing Finance Corporation planned and held two public meetings, the first on February 24, 2016, in Tampa and the second on April 28, 2016, both in person in Tallahassee and via statewide telephonic conference. The final draft plan was published online to allow a noticed 30-day public comment period, ending on July 28, 2016. The final public hearing was held on July 28, 2016, in Tallahassee and also was made available statewide telephonic conference. The meetings were advertised in the Florida Administrative Register and notices were emailed to five extensive listservs covering all local community development and housing departments, the rental development community, and stakeholders representing and working with extremely low income, homeless and special needs populations.

AP-12 Participation

1. **Summary of citizen participation process/Efforts made to broaden citizen participation.** **Summarize citizen participation process and how it impacted goal-setting**, revised to add a paragraph at subsection end, page 13: When HUD announced that the states would begin to receive NHTF program funds starting in 2016, Florida Housing Finance Corporation planned and held two public meetings, the first on February 24, 2016, in Tampa and the second on April 28, 2016, in Tallahassee and also via statewide telephonic conference. After the final draft plan was published online to allow a noticed 30-day public comment period, ending on July 28, 2016. The final public hearing was held on July 28, 2016, in Tallahassee and was made available statewide telephonic conference. The meetings were advertised in the Florida Administrative Register and notices were emailed to five extensive listservs covering all local community development and housing departments, the rental development community, and stakeholders representing and working with extremely low income, homeless and special needs populations.

AP-15 Expected Resources: § 91.320(c)(1) and (2)

1. **Introduction**, add the following to the Unique Appendices, at the end of the subsection on page 3: In 2016, the NHTF Program will receive a total allocation of \$4,598,821 for fiscal year 2016. Ninety percent of this funding, or \$4,138,939, will be made available in tandem with other affordable rental financing through a Request for Applications process for developments that commit to provide a small portion of extremely low income units that meet NHTF program requirements. Ten percent of the total allocation, or \$459,882, will be used by Florida Housing Finance Corporation for administrative costs.
2. **Table 6**, add new row on page 17:
Program: NHTF
Source of Funds: public-federal
Uses of Funds: New construction of affordable rental housing

Expected Amount Available Year 1 \$: 4,598,821

Program Income \$: 0

Prior Year Resources \$: 0

Total \$: 4,598,821

Expected Amount Available on Remainder of ConPlan: 13,796,463

Narrative Description: The annual allocation will be allocated to eligible NHTF categories per 24 CFR 93

3. **Explain how federal funds will leverage those additional resources (private, state and local funds), including a description of how matching requirements will be satisfied**, add the following to the Unique Appendices, at the very end of this subsection on page 3: NHTF does not require matching funds; instead NHTF program funds will be made available in tandem with other affordable financing, which may include Multifamily Mortgage Revenue Bonds, Low Income Housing Tax Credits, State Apartment Incentive Loan Program or HOME Investment Partnerships program funds, as part of a comprehensive annual funding plan adopted by FHFC's Board of Directors. NHTF funding will assist in creating financing opportunities with some or all of the programs listed here to enable assisted units to serve more extremely low income residents than could be done by each program separately.
4. **Last sentence** at the bottom of page 17, revise: In addition, land donated or provided at below market value to a developer receiving HOME or NHTF funds will lower the overall cost of affordable housing development.

AP-20 Annual Goals and Objectives: § 91.320(c)(3) and (e)

1. **Table 7, Goals Summary**, on page 21 add to the bottom of the table a new row:
Sort Order: 12
Goal Name: Affordable Rental Housing for Extremely Low Income Households
Start Year: 2016
End Year: 2020
Category: Affordable Housing
Geographic Area: STATEWIDE
Needs Addressed: Affordable Rental Housing for Extremely Low Income Households
Funding: NHTF: \$4,598,821
Goal Outcome Indicator: 16 units added to serve extremely low income households
2. **Goal Descriptions Table**, on page 23 add to the bottom of the table a new row:
12 – Goal Name: Affordable Rental Housing for Extremely Low Income Households; Goal Description: The NHTF program has allocated \$4,598,821 from the 2016 annual funding allocation to fund affordable rental housing for extremely low income households through an RFA process. Funding may be used for activities including construction, demolition, acquisition of real property, related soft costs and operating cost reserves funded with operating assistance.

AP-25 Allocation Priorities: § 91.320(d)

- 1. Introduction**, page 24, first sentence revised as follows: The following chart reflects the planned percentage distribution of the FFY 2016 Small Cities CDBG program, ESG program, HOME program, NHTF Program and the HOPWA program.
- 2. Table 9**, on page 24, add to the bottom of the table a new row for NHTF: Under the column heading Affordable Rental Housing, specify 100, and under the column heading Total (%), specify 100.
- 3. Reason for Allocation Priorities**, page 24, revise the first and last sentences in this paragraph as follows:

The percentages, described in Table ~~8~~ 9 above, place an emphasis, or priority, on the types of projects that will be funded for each of the ~~four~~ five HUD funded grant programs described in the 2015-2020 Consolidated Plan. . . . The allocation percentages, for each individual grant program, were determined based on the needs presented in the Needs Assessment section of the 2015-2020 Consolidated Plan, the comments and survey responses received during the citizen participation process conducted during the development of the Consolidated Plan and the NHTF Allocation Plan, and based on applications received in the past.
- 4. How will the proposed distribution of funds will address the priority needs and specific objectives described in the Consolidated Plan?**, add new paragraph to the subsection end in the Unique Appendices, page 5: The NHTF Program will address one primary objective with its FFY 2016 allocation: to increase Affordable Rental Housing Activities for extremely low-income households, with a preference for those who are homeless, at risk of homelessness and/or have special needs.

AP-30 Method of Distribution: § 91.320(d) and (k5)

- 1. Introduction**, revise first sentence on page 26 as follows: This section of the FFY 2016 Annual Action Plan describes how each annual allocation of Small Cities CDBG, ESG, HOME, NHTF, and HOPWA program funds will be distributed geographically throughout Florida.
- 2. Table 10** is revised by adding a new section at the bottom of the table on page 44 as follows:

5. State Program Name: National Housing Trust Fund Program
Funding Sources: NHTF
Describe the state program addressed by the Method of Distribution: NHTF funds will be used in tandem with other financing programs, such as Low Income Housing Tax Credits, to provide necessary financial support to create new, 30-year affordable rental housing for extremely low-income households. FHFC will allocate NHTF funds through a competitive Request for Applications process directly to eligible recipients.

Describe all of the criteria that will be used to select applications and the relative importance of these criteria:

The criteria listed below have all been deemed of equal relative importance; that is, if an applicant does not meet these criteria, they will not receive funding.

- The development must be permanent rental housing and each NHTF-designated unit may have no more than two bedrooms;
- The NHTF-designated units must remain affordable to ELI households through a Land Use Restriction Agreement for no less than 30 years, and the development as a whole must remain affordable at designated income levels for a minimum of 30 years;
- The applicant must certify that it understands that by receiving NHTF funds, it commits to set aside the required number of units in its property for the priority households specified in this plan;
- The applicant must show via its developer experience its ability to obligate NHTF funds and undertake eligible activities in a timely manner;
- The provision of a description of the eligible activities to be conducted with the NHTF funds;
- The extent to which the application makes use of non-federal funding sources;
- The extent to which a proposed development has federal, state or local project based rental assistance.
- Certification must be made to FHFC that applicant will comply with the requirements of the NHTF program and that housing units assisted with the NHTF will comply with NHTF requirements;
- Show familiarity with the requirements of other federal, state or local housing programs that will be used in conjunction with NHTF funds to ensure compliance with all applicable requirements and regulations of such programs through demonstrated experience with developing, owning and managing affordable multifamily rental housing developments; and
- Commit to provide a Tenant Selection Plan during credit underwriting to carry out management practices related to leasing to homeless households or persons with special needs;
- Commit to participate in the state’s “Link Strategy” which requires applicants awarded financing to work with at least one Special Needs Household Referral Agency working in that county that will refer eligible Homeless, at-risk homeless or special needs households for residency in the NHTF-financed units;
- Commit to meeting specified green building and accessibility standards; and
- Propose developments in locations that are proximate to public transportation options and amenities such as grocery stores and pharmacies.

If only summary criteria were described, how can potential applicants access application manuals or other state publications describing the application criteria? (CDBG only): Not applicable

Describe the process for awarding funds to state recipients and how the state will make its allocation available to units of general local government, and non-profit organizations, including community and faith-based organizations (ESG only): Not applicable

Identify the method of selecting project sponsors (including providing full access to grassroots faith-based and other community-based organizations). (HOPWA only): Not applicable

Describe how resources will be allocated among funding categories: Ninety percent of the \$4,598,821 NHTF allocation will be used to finance affordable rental units for extremely low income households, and ten percent of the allocation will be used by FHFC for administrative costs pursuant to § 93.202.

Describe threshold factors and grant size limits: Pursuant to § 91.320(k)(5) and § 93.300(a), funding limits are based on maximum per-unit development subsidy amounts specified by FHFC and the portion of units that will be required to be set aside in a larger property to serve the populations targeted through the NHTF program. For example, if four units out of 100 total units must be set aside for this purpose, the grant size limit will be based on the per-unit limit multiplied by four. FHFC has specified per-unit limits by unit mix (zero, one and two bedrooms); based on construction type (e.g., garden-style wood, high rise, etc) and for three geographic cost regions of the state. While a development may have a mix of unit sizes and bedrooms, NHTF units with more than two bedrooms will be prohibited.

What are the outcome measures expected as a result of the method of distribution? In 2016, it is expected that the NHTF program will assist in financing construction of 16 affordable rental units to serve extremely low-income residents.

- 3. Discussion,** revise the first sentence on page 45 to say: In conclusion, the distribution methods in place for each of the ~~five~~^{four} HUD-funded grant programs described above are aligned with the current federal regulations and are standard for each annual allocation cycle.

In addition, add a new sentence to the end of the paragraph on page 45: The NHTF program bases allocation methods on a competitive Request for Application process to ensure that, over time, properties assisted with NHTF funds will be geographically dispersed throughout the state, but allocated only to experienced, qualified applicants that meet specific criteria to ensure that a high quality development is built and then offers opportunities for residency to extremely-low income populations that will be served with this funding.

AP-35 Projects

- 1. Introduction,** add a paragraph to the end of this subsection on page 47: NHTF developments will be selected through a statewide, Request for Application process. Eligible applicants (including non-profit and for-profit developers and public housing authorities) will apply for NHTF funding in tandem with other primary affordable financing, e.g., Low Income Housing Tax Credits. This program will offer financing only for new construction of multifamily rental properties. NHTF funds will assist in bridging the gap between a development's primary financing and its total development costs.

AP-50 Geographic Distribution: § 91.320(f)

- 1. Description of the geographic areas of the state (including areas of low-income and minority concentration) where assistance will be directed,** revise Unique Appendices by adding paragraph to end of subsection on page 9: The NHTF program described in this Plan will base its statewide allocation distribution on geographical factors that will be part of a comprehensive annual funding plan adopted by Florida Housing Finance Corporation’s Board of Directors to distribute financing across geographic areas of the state based on the need for rental housing in each area. To ensure geographic distribution and to respond to rental needs studies carried out by and for FHFC, funding will be offered through Requests for Applications in large counties (825,000+ population), medium counties (<100,000 and <825,000 population) and small counties (up to 100,000 population) over a period of 3-5 years.
- 2. Rationale for the priorities for allocating investments geographically,** add an additional paragraph on page 51 as follows: The proposed approach to allocating NHTF funds will respond to rental needs studies carried out for and by FHFC on a regular basis. While additional data is evaluated, the foundation of these studies is a detailed review of cost burden information – that is, evaluating by county how many renters at various incomes and by demographic groups are paying more than 30 percent of their income for their housing and utilities.

AP-55 Affordable Housing: § 91.320(g)

- 1. Introduction,** first sentence on page 52 is revised as follows: All ~~four~~five of the federal funded grant programs, CDBG, HOME, ESG, NHTF, and HOPWA, described in the 2015-2020 Consolidated Plan have strategies to achieve affordable housing goals each year.

In addition, add a sentence to the end of the paragraph on page 52 as follows: The NHTF program will work in tandem with other affordable housing programs to finance new units for extremely low-income residents.

- 2. Table 14 - One Year Goals for Affordable Housing by Support Requirement,** revised on page 52 by adding an additional group as follows:

Homeless	37 <u>70</u>
Special-Needs	33 <u>34</u>
Total	750 <u>816</u>

- 3. Table 15 - One Year Goals for Affordable Housing by Support Type,** revised on page 52 as follows:

The Production of New Units	300 <u>366</u>
Total	848 <u>914</u>

- 4. Discussion,** on page 52 revised as follows: In conclusion, affordable housing continues to be a top priority for HUD funded grant programs in the state due to the apparent need documented

state-wide for all segments of the population. All goals, objectives and strategies to expand affordable housing efforts in each of the ~~five~~^{four} grant programs, described throughout this Annual Action Plan, align with the 2015-2020 Consolidated Plan and will be implemented in accordance to the allocation distribution methods described in the previous sections of this document.

AP-65 Homeless and Other Special Needs Activities: § 91.320(h)

- 1. Introduction**, on page 56 revised as follows: The Department of Children and Families, through the ESG Program, provides funding for activities such as Emergency Shelters, Street Outreach, and Homeless Prevention and Rapid Re-Housing for homeless persons throughout Florida. Each of the funding categories has eligible activities that can be implemented with ESG funding to achieve annual goals and objectives. The Florida Department of Health, through the HOPWA Program, provides funding for housing opportunities for persons with HIV/AIDS. Florida Housing Finance Corporation, through the NHTF program, will provide funding for permanent rental housing to serve households that are homeless or at risk of homelessness, and/or have special needs, with property managers required to work with approved supportive services providers to seek these tenants. These ~~three~~^{two} federal funding programs described in the 2015-2020 Consolidated Plan target specific segments of the special needs population in Florida, but the CDBG and HOME programs do not directly fund special needs populations.

- 2. Helping homeless persons (especially chronically homeless individuals and families, families with children, veterans and their families, and unaccompanied youth) make the transition to permanent housing and independent living, including shortening the period of time that individuals and families experience homelessness, facilitating access for homeless individuals and families to affordable housing units, and preventing individuals and families who were recently homeless from becoming homeless again**, add a paragraph to the end of this subsection on page 57 as follows: Homeless persons will also be assisted to transition into permanent housing as a result of the creation of extremely affordable units set aside for homeless persons integrated into larger general occupancy through the NHTF program. Tenants for these units will be referred by supportive services providers such as CoC agencies and other providers serving homeless persons.

- 3. Helping low-income individuals and families avoid becoming homeless, especially extremely low-income individuals and families and those who are: being discharged from publicly funded institutions and systems of care (such as health care facilities, mental health facilities, foster care and other youth facilities, and corrections programs and institutions); or, receiving assistance from public or private agencies that address housing, health, social services, employment, education, or youth needs**, add a sentence to the end of first paragraph in this subsection on page 58 as follows: The NHTF program will provide additional opportunities for these providers to work with properties at NHTF-funded properties to transition persons being discharged from various facilities, programs and institutions to affordable, independent housing

integrated into the community, and with service supports from the referring supportive services provider and partners.

AP-75 Barriers to Affordable Housing: § 91.320(i) - No edits proposed.

AP-85 Other Actions: § 91.320(j)

1. **Introduction**, page 60, revised as follows: In this section of the Annual Action Plan, we will examine the additional actions, if any, that will be developed and implemented by each of the ~~five~~^{four} HUD-funded, state administered grant departments and agencies, for the purpose of expanding outreach to areas of Florida that have been identified as underserved or have specific obstacles that must be addressed with program funding.
2. **Actions planned to foster and maintain affordable housing**, revised on page 62 to add the following at the subsection end: The goal of the state NHTF program is be used in tandem with other affordable financing to add new units to the supply of decent, affordable rental units in Florida.
3. **Actions planned to enhance coordination between public and private housing and social service agencies**, page 63, revised as follows: ~~No actions are planned to enhance coordination between public and private housing and social service agencies.~~ Through the state's existing "Link Strategy," developers receiving financing through a number of FHFC's affordable rental development programs must reserve a small portion of units for tenants referred by an approved supportive services agency working in the community where the property is located. Populations served through this strategy include homeless persons and persons with special needs (including persons with disabilities, survivors of domestic violence and youth aging out of foster care). Properties financed with NHTF funding will also be required to implement this approach, with the addition of those at risk of homelessness being able to be served. Florida Housing Finance Corporation is working with other state agencies to implement this strategy.

Appendix

The final document submitted to HUD will include a summary of public comments received.