



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-7000

OFFICE OF THE ASSISTANT SECRETARY FOR
COMMUNITY PLANNING AND DEVELOPMENT

May 17, 2016

Dear HTF Grantee,

Congratulations on receiving your first Housing Trust Fund (HTF) allocation! The Office of Community Planning and Development is looking forward to working with you to roll out the first new housing production program specifically targeted to extremely low-income households since the Section 8 program was created in 1974.

Now that you know your allocation amount, there are a few next steps to follow. If your governor has already sent a letter to HUD designating the agency responsible for administering your State's HTF program, no further communication is necessary for your State to indicate your intention to accept the FY 2016 HTF grant. You should also begin the citizen participation process for development of your HTF allocation plan if you did not already include HTF in your Consolidated Plan participation process. HTF allocation plans are due to HUD by August 16, 2016. If you do not believe your State will be able to meet that deadline, please contact your local HUD Field Office about submitting a waiver request.

As you develop your allocation plan, I would like to stress the importance of providing funding priority for projects based on geographic diversity. The geographic distribution priorities your State establishes in its HTF allocation plan must be consistent with the State's certification that it will affirmatively further fair housing, and with any applicable Analysis of Impediments. In addition, projects funded with HTF must comply with civil rights and fair housing statutes. If you will be using HTF funds for new construction of rental housing, keep in mind that you must comply with site and neighborhood standards requirements established in the HTF interim rule.

Finally, I strongly urge you to take all available steps to ensure the affordability of HTF units to extremely low-income households as you are selecting projects for HTF funding and setting rent levels for these units. In the case of rental housing projects, the HTF allocation plan must include a funding priority that considers the extent to which the project has Federal, State, or local project-based rental assistance that will make HTF units affordable to extremely low-income households. In the absence of available project-based rental assistance, I encourage you to employ other mechanisms—such as locating HTF units in market rate housing projects that can generate internal subsidy for HTF units—for ensuring that rents are affordable to extremely low-income households. Later this year, HUD intends to issue additional guidance about strategies for making housing affordable to extremely low-income households in the absence of project-based rental assistance, as well as serving special needs populations such as homeless families and veterans.

Again, thank you for partnering with us in the inaugural year of the Housing Trust Fund. Please continue to let us know how we can be of assistance to you to ensure the success of the program.

Sincerely,

A handwritten signature in black ink, appearing to read "Harriet Tregoning", written over a white background.

Harriet Tregoning
Principal Deputy Assistant Secretary