

Housing Trust Fund Reviewer Requested Clarifications

1. **15% Set Aside for Special Needs.** This provision is found in Section 3(4)(c) of the ordinance and applies to the Housing Trust Fund proceeds in general. This is not a requirement that is specific to an individual local housing assistance plan. Jurisdictions may meet this on an individual basis or may work together on a joint project to meet this requirement.
2. **80% non-forgiven requirement.** This provision is found in Section 3(4)(b) of the ordinance and applies to the Housing Trust Fund proceeds in general. Jurisdictions are encouraged to meet this requirement on an individual basis to assure compliance across the board, but the HFA will monitor this on a fund wide basis.
3. **2:1 Leveraging requirement.** Section 3(4)(a) of the Ordinance specifically ties this requirement to funds distributed through a local housing assistance plan. Therefore, each jurisdiction must meet this requirement on an individual basis. LHAP Summary Charts (Exhibit B to the LHAP) do not need to reflect leveraging on funds held in contingency. Appropriate leveraging will be required when the funds are pulled into a specific strategy.
4. **Calculation of percentages.** The calculation of the 15% set aside for special needs and the 80% non-forgiven requirement will be made on allocation net the 10% administration cap. The Ordinance and Rules are not specific on this issue, but to do otherwise would make it difficult to meet the required percentages.
5. **Recapture and Equity Sharing Provisions.** Section 3(4)(g) of the Ordinance and Rule 5.501(6) of the Rules of the Housing Finance Authority discuss recapture and equity sharing. The Rules require that certain percentages of appreciated value be recaptured if an assisted dwelling is sold. Each jurisdiction may promulgate a formula for determination of appreciated value that may exclude items such as, but not limited to, eligible closing costs, owner's original investment, eligible improvements, outstanding mortgage liens, etc.
6. **Compliance and Monitoring.** If jurisdictions participate in joint projects with Housing Trust Fund proceeds, they may designate one jurisdiction as the lead agency for compliance and monitoring of the project.