



Department of Housing and Community Development

Proposition 1C, Affordable Housing Innovation Fund, Local Housing Trust Fund Program (LHTFP): Purpose

The program provides grant funds to eligible Local Housing Trust Funds dedicated to the creation or preservation of affordable housing.



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LHTFP: Current NOFA

- **\$16,275,000** : Existing LHTFs (Pre- 09/30/06)
- Applications accepted until 5:00 P.M. on February 18, 2009 for Existing LHTFs ONLY
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- **\$5,425,000** : New LHTFs (Post- 09/30/06)
- Applications accepted on an over-the-counter basis beginning on February 18, 2009 for New LHTFs



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LHTFP: Regulations

The California Department of Housing and Community Development developed regulations for the interpretation and implementation of the LHTFP.



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Summary of LHTFP Regulations

- 7150 Purpose and Scope
- 7151 Definitions
- 7152 Eligible Applicants
- 7153 Eligible Use of Funds
- 7154 Matching Fund Requirements
- 7156 Application Process
- 7157 Protection of Program Funds
- 7159 Legal Documents



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LHTFP: Section 7151 (k)

“Local Housing Trust Fund” is a public, joint public and private fund or charitable nonprofit organization described in Section 501(c)(3) of the Internal Revenue Code, which was established by legislation, ordinance, resolution (including nonprofit articles of incorporation) or a public-private partnership organized to receive specific revenue to address local housing needs.



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LHTFP: Section 7151 (k)

The key characteristic of a Local Housing Trust Fund is that *it receives Ongoing Revenues from dedicated sources* of funding sufficient to permit the fund to participate in the LHTF Program.



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LHTFP: Eligible Applicants

The following entities that have created, funded, and operate an existing or new LHTF

- City or County
- City and County
- Non-Profit Organization (501(c)3)



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LHTFP: Eligible Uses of Funds

- Acquisition
- Predevelopment Activities
- Construction
- Rehabilitation
- First-Time Homebuyers Downpayment Assistance



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LHTFP: Eligible Projects

- Rental housing projects or units within rental housing projects with affordability restrictions for 55 years
- Emergency Shelters, safe havens, and transitional housing as defined in Health and Safety Code Section 50801
- Homeownership projects as defined in the LHTFP Regulations: Section 7151(j)



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LHTFP: Program Grant Amount Limits

- LHTFP awards will be grants to the LHTF organization, to be dispersed as loans.
- Maximum grant is **\$2 million**
- Minimum grant is **\$1 million**



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LHTFP: Matching Funds Requirements

- Matching funds equal to or in excess of program grant
- Matching funds On Deposit at time of application, as defined in LHTFP Regulations: Sec. 7151(r)
- Funds restricted for housing use by State or Federal law not considered matching funds



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LHTFP: Program Income Restrictions

- At Least 30 Percent of program funds and match funds for eligible projects that are affordable to, and restricted for, extremely low income households
- No more than 20 Percent of program funds and match funds for eligible projects that are affordable to, and restricted for moderate income households whose income does not exceed 120 percent Area Median Income, adjusted for household size



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LHTFP: Program Income Restrictions

- All assisted rental units restricted for not less than 55 Years
- Program funds used on for-sale projects require deed restrictions in compliance with Health and Safety Code Section 50843.5(d)(3)



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LHTFP: Time Frame for Use of Funds

- LHTFP funds must be utilized by an eligible project within 36 Months of receipt of award.
- If the LHTF ceases operation or on-going revenues cease less than 5 Years from date funds are awarded, all unencumbered funds and future loan payments shall be remitted to the Department.



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LHTFP: Grantee Responsibilities

- Hold public hearing(s) to discuss project(s) that will be funded by LHTFP dollars
- Responsible for administering the program as proposed
- Continue in operation for at least five years after award
- Report annually to the Department



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LHTFP: Program Application

- Complete the LHTFP application
- Applications should be entirely filled to facilitate HCD's evaluation process.
- All required attachments must be provided
- HCD available for technical assistance in completing the application



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LHTFP: New LHTF Application Evaluation Criteria

Some of the criteria that will be used in evaluating Applications are as follows:

- The amount and sources of matching funds.
- The extent the total amount of LHTFP funds and matching funds are used for projects or units that serve persons and families of extremely-low income .
- The extent the total amount of LHTFP funds and matching funds are used for projects or units that serve persons and families with moderate incomes whose income does not exceed 120% of the area median income.



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LHTFP Information

<http://www.hcd.ca.gov/fa/ahif/lhtf.html>