

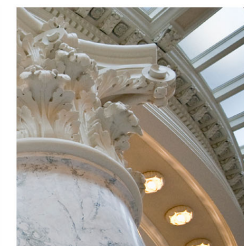
THE HFA INSTITUTE 2021

HOME Essentials

February 10, 2021



**MRBs and
Other Federal
Homeownership
Programs**
FEBRUARY 1 – 3



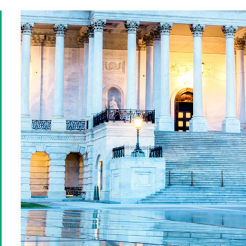
Housing Credit
FEBRUARY 3 – 5



**Section 8 and
Other Federally
Assisted
Multifamily
Housing**
FEBRUARY 8 – 10



**HOME and
Housing Trust
Fund**
FEBRUARY 10 – 12



Welcome & Introductions

- Sponsored by:
 - HUD's Office of Affordable Housing Programs
 - NCSHA
- Trainers:
 - Monte Franke, Franke Consulting Group
mlfranke@aol.com
 - Steve Lathom, TDA Consulting
slathom@tdainc.org



HOME...in an afternoon?

Part 1 (12:45 -2:15)

- Eligible activities
- Program partners
- Program administration

Part 2 (2:30 – 4:00)

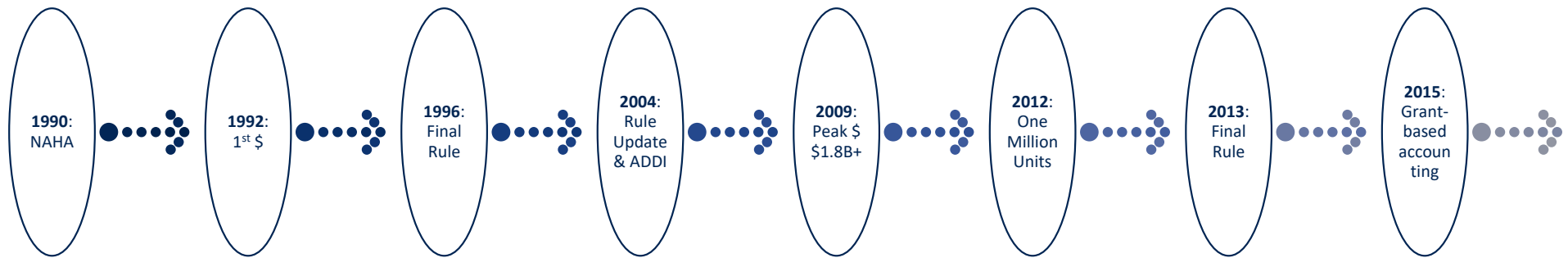
- General project requirements
- Assisted unit requirements

Part 3 (4:15 – 5:30)

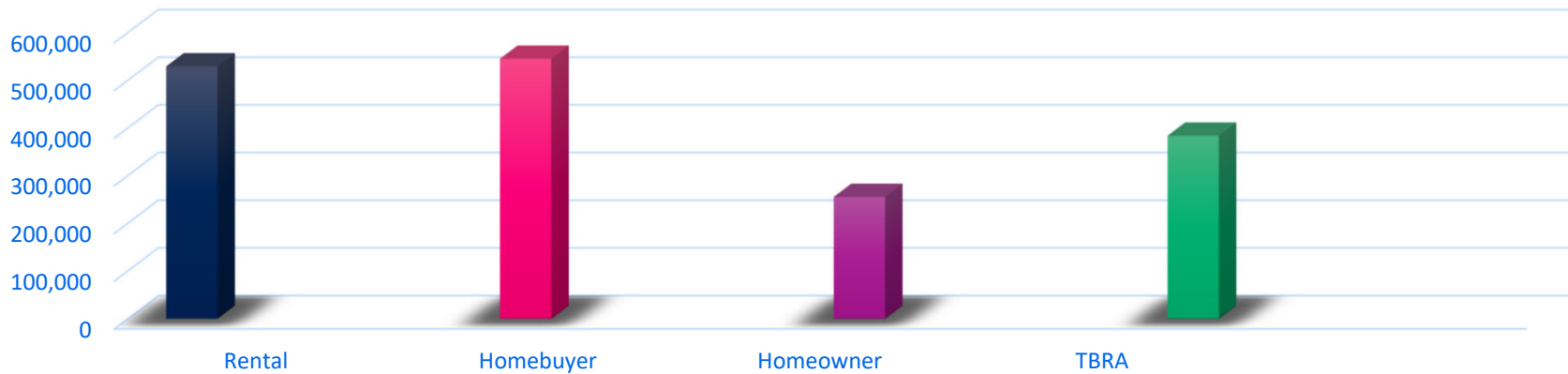
- Homebuyer/ Homeowner
- Rental
- TBRA



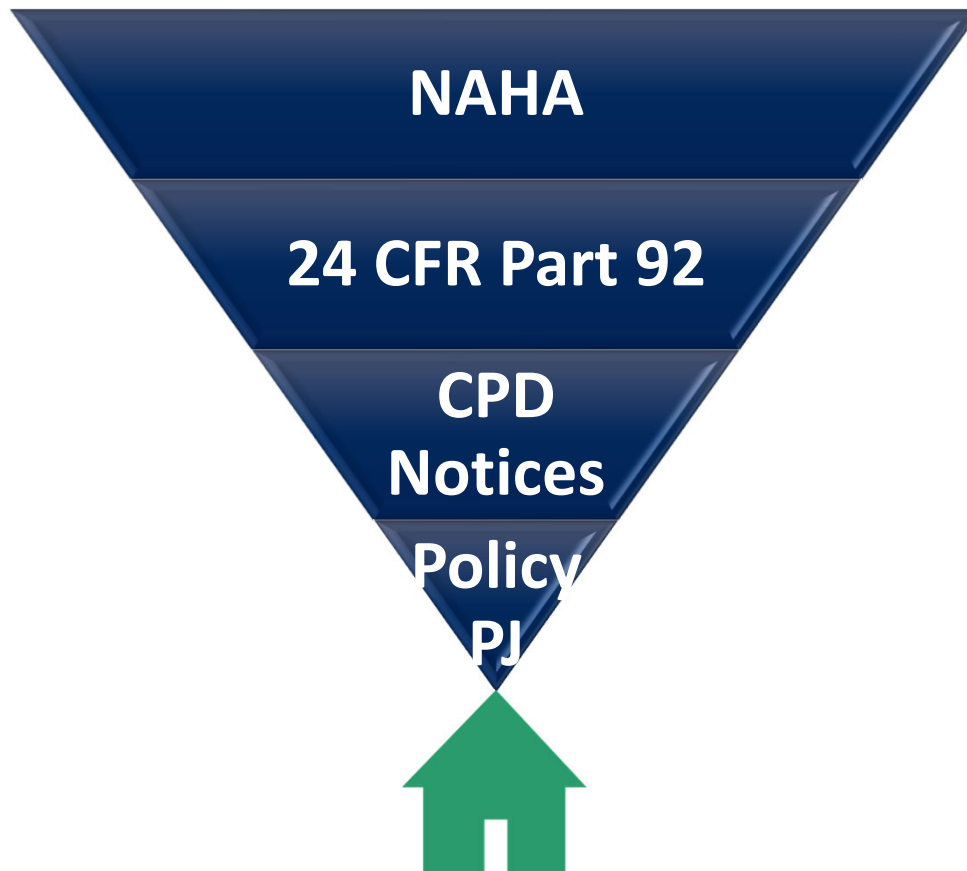
Program History



Completed HOME Units (through 12/20)

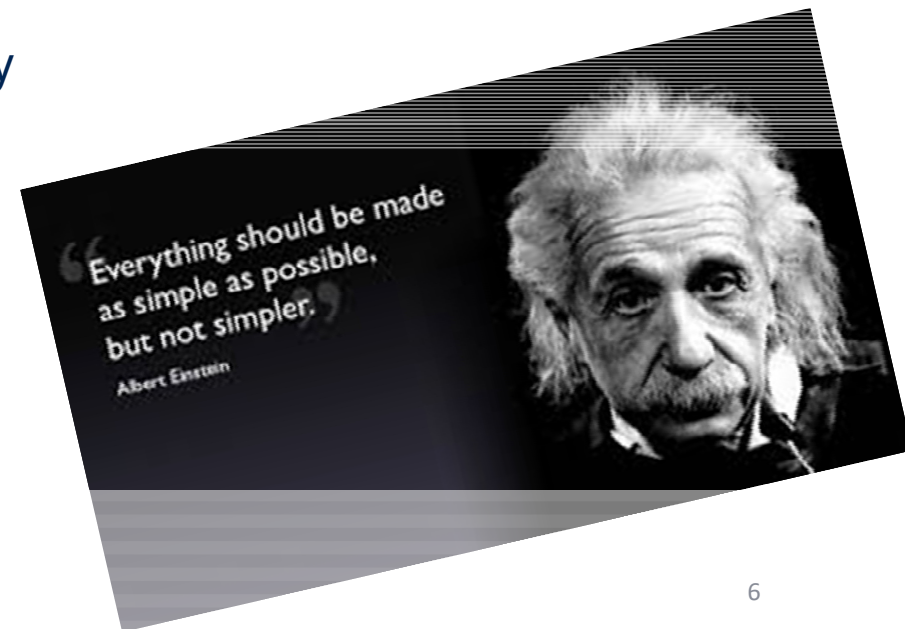


The HOME Policy Pyramid



The Rule: 24 CFR Part 92

- Key sections to read first!
 - 92.252: rental requirements
 - 92.253: lease requirements & prohibitions
 - 92.254: homeownership requirements
 - 92.250: project underwriting & max subsidy
 - 92.251: property standards
 - 92.203: income methods & documentation
 - 92.206/.214: eligible/ineligible costs
 - 92.504: written agreements
 - 92.508: recordkeeping
 - 92.2: definitions



Recent Part 92 Updates

- 2013 Final Rule
- Interim Final Rule on commitments: effective 1/3/17
 - Pre/post FY15 commitment/expenditure deadline
 - Revisions to reuse PI/Recapture/Repayment
- VAWA rule: effective 12/16/16
 - HOME is covered; PJ is covered housing provider
 - Owner disclosure; lease addendum
 - PJ report; emergency transfer plan
- Final Rule Housing Counseling: effective 1/13/17
 - Counseling only by HUD-approved counselor (compliance by August 2021)
- **Section 3 Final Rule (compliance 7/31/21)**



Recent HUD Guidance

- Notices:
 - CPD-20-01: Four-year project completion requirement
 - CPD-18-10: 24-month HOME commitment suspension
 - CPD-18-09: Homebuyer program policies and procedures
 - CPD-16-15: Cost allocation
 - CPD-15-11: Underwriting guidelines
- Other published guidance:
 - COVID-19 suspensions/waivers memos (April 2020 & December 2020)
 - HOMEfires Vol. 15, No. 1: Appraisal-based resale formulas
 - HOME FACTS Vol. 9, No. 1: Set up, fund & complete TBRA activities
 - HOME FACTS Vol. 8, No. 1: Multi-address activities in IDIS
 - HOME FACTS Vol. 7, No. 1: Receipt types (PI, repayment, recapture)



COVID-19 Suspensions & Waivers

- HUD issued two memos on April 10, 2020: thru 12/31/20
 - Availability of Waivers and Suspensions of the HOME Program Requirements in Response to COVID-19 Pandemic
 - Suspensions and Waivers to Facilitate Use of HOME-Assisted Tenant-Based Rental Assistance (TBRA) for Emergency and Short-term Assistance in Response to COVID-19 Pandemic
- HUD issued 2 revision/extension memos on December 4, 2020
 - Extended through **September 30, 2021**
 - Made various revisions/clarifications and added two new waivers
- HUD Exchange, HOME page, “**HOME COVID-19 Guidance**” link



Suspensions/Waivers

General

- Admin cap
- CHDO Set-Aside & Operating Expenses
- Match
- Citizen participation
- Income documentation
- Inspections (rental & TBRA)
- 4-year project completion
- 9-month sale of homebuyer units
- Troubled project operating reserve
- Maximum per unit subsidy

TBRA

- ConPlan certification
- Tenant selection
- Citizen participation
- Rent reasonableness
- Term of rental contract
- Income determinations
- Eligible costs & max subsidy
- Tenant protections - lease
- Housing quality standards
- Annual inspections



Eligible Activities & Costs



The Big Picture

- 4 categories of low income (LI) (<80% AMI) housing activities
- HOME provides capital funds, not operating*
- Projects & investment terms locally decided
 - Underwriting (subsidy layering) & cost allocation
- Program deadlines: commitment, completion & expenditure
 - PJ commitment: currently suspended by Appropriations
- HOME assisted units must meet requirements
 - Minimum period of affordability (POA): 5 – 20 yrs
- If requirements not met during POA, funds must be repaid



Eligible Activity Categories



Homebuyer



Rental

Owner-occupied rehab



TBRA



Eligible/Ineligible Uses/Costs

- Eligible uses/costs
 - Capital costs of permanent or transitional Low-Income housing units
 - Acquisition/Site Improvements
 - Rehab/New Constr.
 - Soft Costs (2-year lookback limit)
 - Initial operating deficit (<18 months)
 - TBRA
- Ineligible uses/costs
 - Non-housing space:
 - Commercial
 - Accessory structures
 - Non-low-income housing
 - Shelters and facilities
 - Off-site infrastructure
 - Except connections
 - Project reserves
 - Except Initial Op Deficits (aka “rent up”)
 - Public housing limits (92.213)

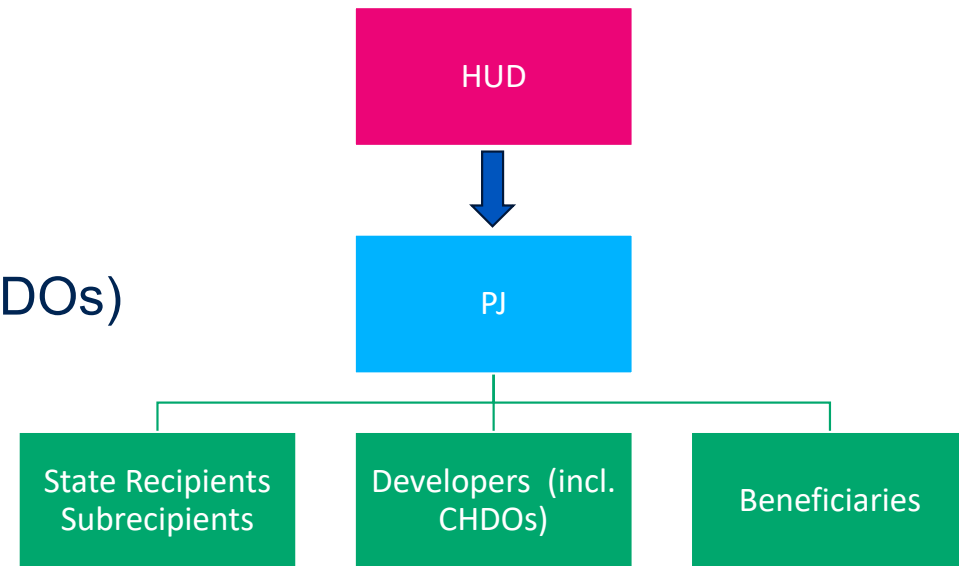


Program Partners & Roles



Key Participants and Roles

- HUD funds/monitors PJ
- PJ can fund:
 - State Recipients
 - Programs or projects
 - Subrecipients to run programs
 - Buyer DPA, HO rehab, TBRA
 - Developers (For-profit, nonprofit, CHDOs)
 - Low-Income beneficiaries
- Written agreements



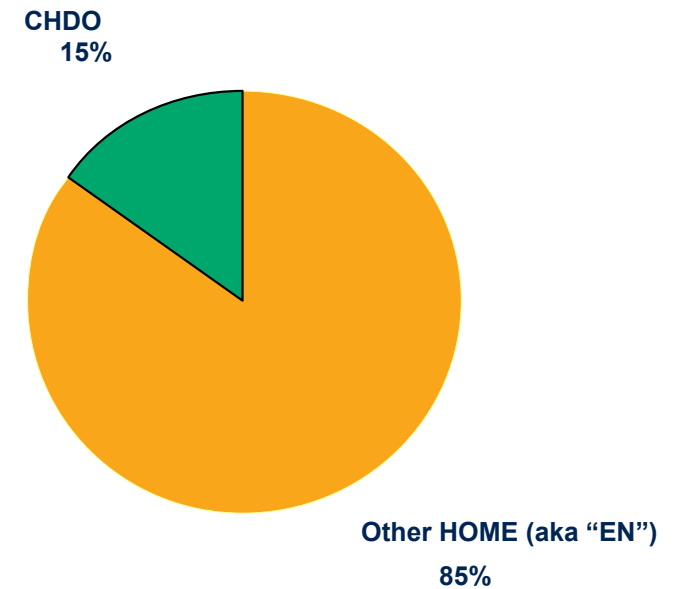
Subrecipients v. Developers

- Subrecipients
 - Not-profit or public agencies
 - Administrator; pass-thru assistance to others
 - Responsible for rules & uniform requirements (2 CFR 200)
 - Reimbursed for costs (admin & project delivery)
- Owner/Developers
 - For-profit or non-profit entity
 - Implements own projects
 - Only responsible for written agreement requirements
 - Fees as part of project costs



The CHDO Set-Aside

- 15% of PJ annual allocation reserved for CHDO projects:
 - Rental Housing & Homebuyer projects only
 - 92.300 definitions: owned/developed/sponsored
 - **COVID suspension: 0% FY 2017-20**
- Nonprofit must qualify as CHDO
 - At time of project commitment
 - Revised CHDO definition (92.2) capacity (staff)



Eligible CHDO Activities & Roles

- Project must involve development activity
 - New construction, rehab, or acquisition by CHDO
 - Rental or homebuyer, but not “DPA only,” owner-occupied rehab or TBRA
- CHDO must control project: owned, developed, sponsored by definitions (92.300)
 - Sole control: key development/management decisions
 - New owner definition (own, not necessarily develop)
 - Tax Credit projects under “sponsored by” definition (CHDO/subsidiary must be the sole general partner/managing member)



CHDO Certification at Funding

| Checklist Item | Set-Aside Project | Pre-Development Loan | Operating Expenses |
|--------------------------------|-------------------|----------------------|--------------------|
| 1. Legal Structure | ✓ | ✓ | ✓ |
| 2. Independence | ✓ | ✓ | ✓ |
| 3. LI Community Accountability | ✓ | ✓ | ✓ |
| 4. Capacity | ✓ | ✓ | ✓* |
| 5. Role | ✓ | ✓ | |
| 6. Pre-development costs | | ✓ | |
| 7. Operating expense eligible | | | ✓ |

*Exception: the operating assistance will allow CHDO to obtain staff capacity needed for project funding



Other CHDO Assistance

- In addition to CHDO set-aside, a PJ may offer CHDOs:

Operating assistance

- CHDO operating expenses, not project costs
- Up to 5% of PJ annual allocation from project fund (EN) (not set-aside)
- **COVID waiver: up to 10% of FY 2019-20 thru 6/30/21**

Pre-development loans

- TA/site control or seed money
- Up to 10% of CHDO commitments
- Forgivable under certain conditions



Program Administration

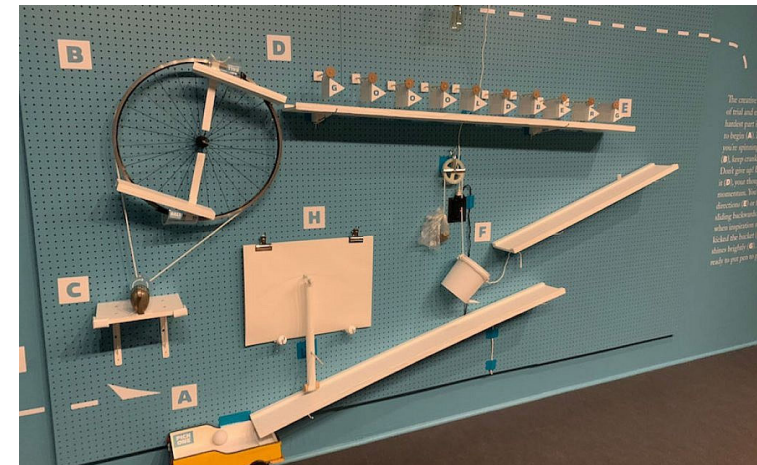


Levels of Administrative Requirements

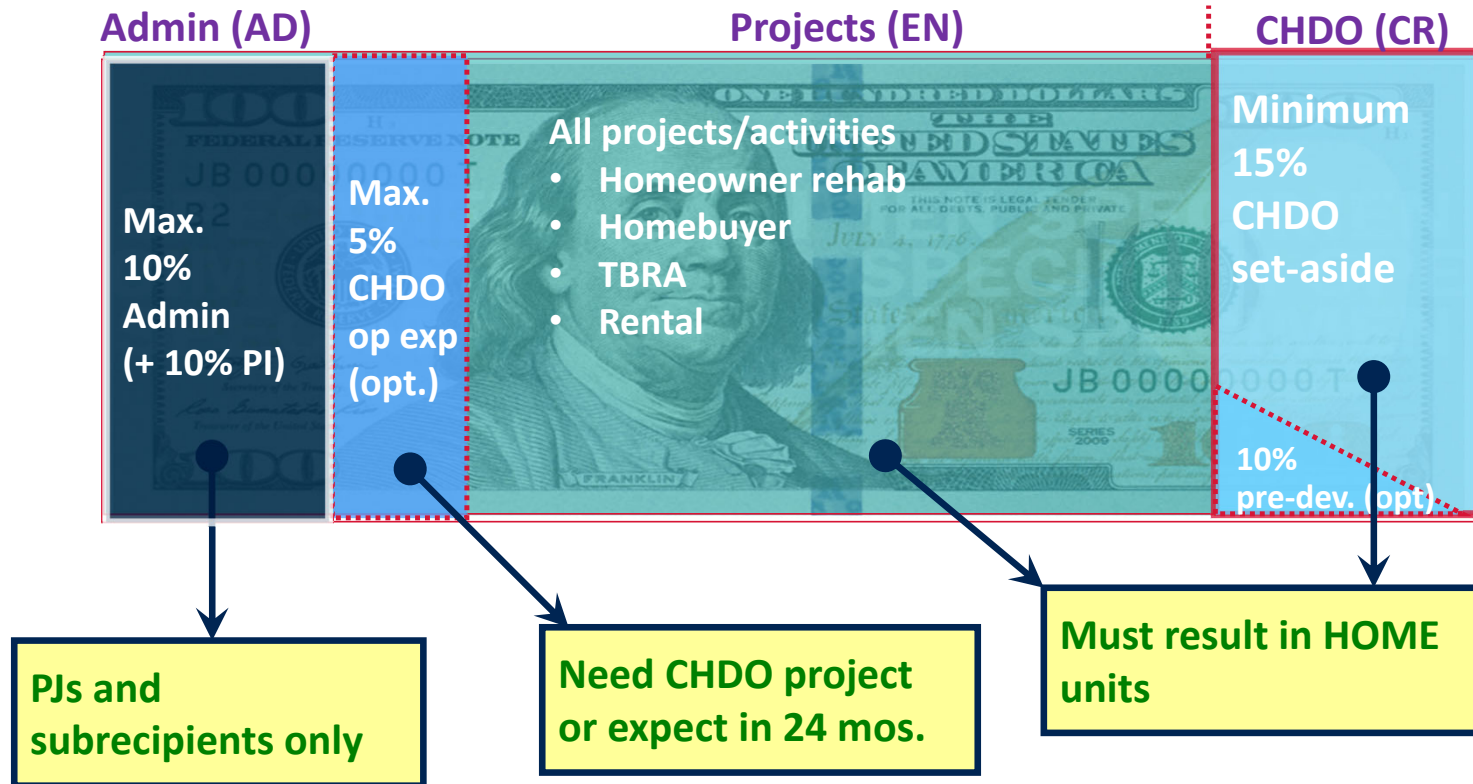


Allocating HOME Funds

- Congress: annual appropriation
- HUD: formula allocation - State & local PJs (& consortia)
- ConPlan/Annual Plan
 - Programs & projects
 - Priorities
 - Policies
 - Procedures
- Citizen participation & HUD approval



PJ Annual Allocation Breakdown



COVID Suspension: 0% for FY 2017-20

COVID suspension to 25% cap FY 2019-20

COVID waiver to 10% FY 2019-20 thru 6/30/21



Admin v. Project Delivery Cost

Administrative cost

- PJ administrative costs
 - General program management
 - Public information
 - ConPlan
 - Fair housing
 - Staffing & indirect costs (cost allocation)
- 10% of allocation (+PI) cap
 - COVID suspension: 25% cap FY 2019-20

Project delivery

- PJ/subrecipient direct project costs may be charged to admin or project:
 - Application & underwriting
 - Documents
 - Inspections
 - Project environmental reviews
 - Project compliance costs
- Subject to maximum subsidy limit
- Cannot pass project delivery costs on to low-income participant



HOME Expenditure Rules

- Program deadlines (Rule: 1/3/17, CPD-18-10)
 - Commitment: 24 months subrecipient, project & CHDO res (& local account funds)
 - **Suspended deadlines occurring in 2016-23 (CHDO reservations: 2018-2023)**
 - 36 months (total) for subrecipient/SR projects (**waived**)
 - Expenditure: 8/9 years from appropriation
 - **Five-year expenditure deadline removed for 2015 and later grants**
- Project deadlines:
 - Expect to draw w/in 12 months; but no auto de-obligation
 - 4 years from commitment to completion (see CPD-20-01)
 - 9 months to sell; 18 months to rent



Disbursement Rules

- PJ (& State recipients/subrecipients) must:
 - Meet Part 200 financial management standards (200.302-.303)
 - Disburse only for HOME-eligible costs (92.206-.209 & 2 CFR Part 200) based on approved budget
 - Document disbursements
- Reimbursed thru the Integrated Disbursement & Information System (IDIS)
 - Activity set-up & completion reporting
 - Draws from Treasury to Local Account



HUD IDIS Performance Reports

- Monthly activities & production reports (commitments, expenditures, activities)
- SNAPSHOT & Dashboard (performance)
- Deadlines
 - Deadline Compliance (disbursements; commitments currently suspended)
 - Expiring Funds
 - Open Activities
 - Vacant units



Program Income & Other Funds

- Types:
 - Program income (PI) – local account, eligible for 10% admin
 - Recapture (HP) – local account, no admin
 - Repayment (IU) – local account, no admin
 - CHDO proceeds – PJ may allow CHDO to keep
 - 1st reuse for HOME or other LI housing in written agreement; PJ monitors
- Administrative requirements
 - 12/2/16 Interim Rule (grant-based accounting) changes reuse requirement
 - No longer required to be disbursed 1st
 - PJ may accumulate for next Annual Plan activities
 - HOME FACTS Vol 7 No 1: IDIS receipt fund types



Match



- PJs must match 25% of HOME funds drawn for project costs:
 - Program requirement, not each project
 - No match required: Admin, CHDO Op Assistance, CHDO Pre-Dev Loans forgiven
 - Some PJs partial or full match waiver for disasters or economic distress
 - **COVID suspension of match for funds drawn 10/1/19 – 9/30/21**
- Administration
 - Cumulative match log & documentation
 - IDIS PR-33 match obligation & CAPER HOME Match Report as of 9/30 ea FFY
- Match Sources
 - 92.220 – must be permanent non-Federal contribution to HOME-assisted & some HOME-eligible projects (see CPD-97-03 p. 5)
 - 92.221 – timing of credit
 - Updated Match Notice expected



Eligible Match Sources

- Cash & “cash equivalents”
- Waived taxes, fees
- Donated land/property
- Infrastructure
- % of housing bonds
- Donated materials & labor
- Sweat equity
- Services/counseling



Recordkeeping

- Documentation is critical last step
 - OIG Integrity Bulletin on documentation (12/6/16)
- Program & project records: 92.508
- Five years after closeout
 - Legal docs: 5 years after completion of POA
 - Rental occupancy: 5 year rolling base



Monitoring

- Recipients reviewed at least annually
 - PJ must develop risk-based monitoring plan
- Ongoing rental monitoring:
 - 92.252(f)(2): owners must provide info annually to PJ
 - Certify property standards
 - 92.504(d) on-site sample of files & prop inspections:
 - Within 12 months of project completion & every 3 years (rental)
 - 92.504(d)(2) annual financial oversight, 10+ HAUs
- Ongoing homebuyer monitoring:
 - Inspected on delivery of assistance/completion
 - Principal residency & resale/recapture during POA



Questions



Part 2: Project & Assisted Unit Requirements

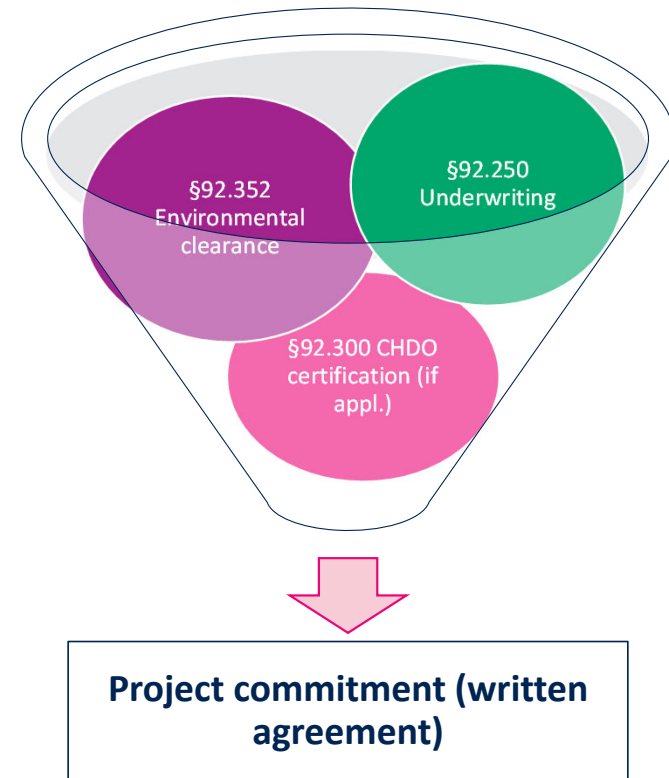


General Project Requirements



Project Commitment

- Notice CPD-15-09
- Legally binding written agreement required for commitment; all HOME requirements, including:
 - Underwriting
 - Environmental clearance
 - CHDO certification (if CHDO)



Cost Effective Use of Funds

- OMB cost principles: 2 CFR Part 200 Subpart E
 - Costs must be eligible, allocable, necessary, reasonable, documentable
- HOME requirements
 - Eligible/ineligible costs
 - Project underwriting/subsidy layering
 - Buyer underwriting standards
 - Cost allocation
 - Repayment (if doesn't meet requirements)



Project Underwriting

- Notice CPD-15-11
- All projects must be underwritten prior to commitment, PJ must have:
 - Project underwriting & subsidy layering guidelines (92.250(b))
 - Homebuyer underwriting guidelines (92.254)
- PJ certifies project underwriting in IDIS set-up



Underwriting Framework

- HOME investment no more than necessary to provide quality, financially viable housing for at least affordability period
- Return/profit to developer/owner is reasonable and not excessive
- Sources and Uses balance, including that all costs are reasonable
- Market assessment supports occupancy within deadlines
- Developer's experience and financial capacity is appropriate to project
- Firm written commitments for other project financing



Subsidy Layering

- Integrated with underwriting guidelines
 - Must consider all (public) sources in the project
- PJs may use layering reviews from HUD or State agencies, but must review results using own standards

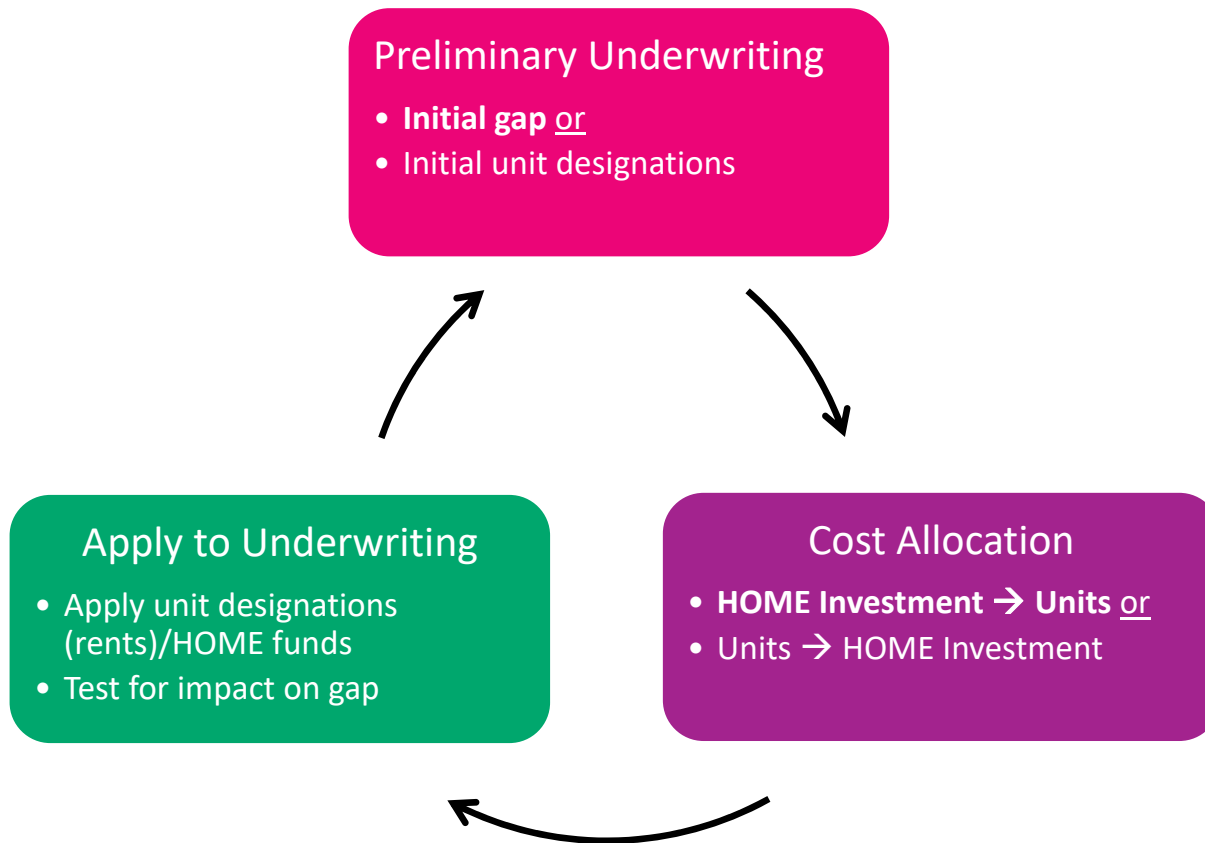


Cost Allocation

- HOME funds should not pay more than what is eligible & allocable to HOME assisted units
- In mixed-use and mixed-income projects, cost allocation determines
 - Minimum number of HOME units &
 - Maximum HOME investment (CPD-15-003)
- Notice CPD-16-15
 - Standard Method preferred
 - Proration & Hybrid Method permitted only if comparable units



Cost Allocation & Underwriting



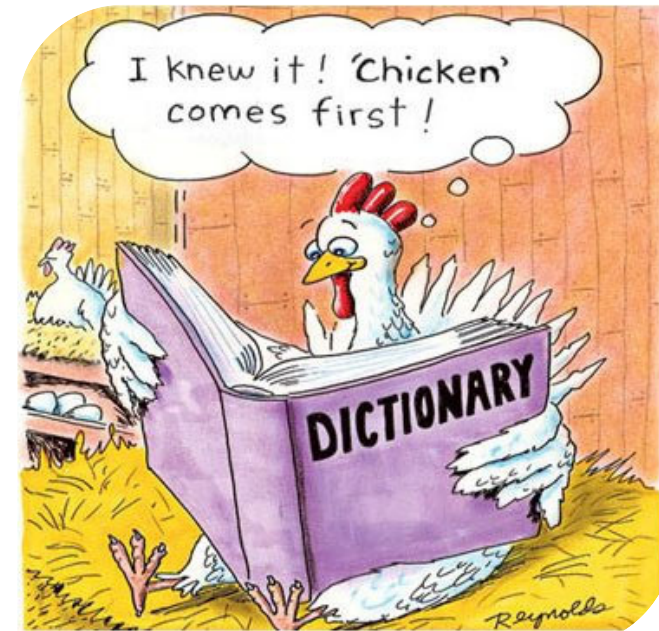
Environmental Review

- All projects subject to environmental review
 - Type of review varies by activity
- Limits on pre-clearance actions (58.22)
 - PJs can't commit/expend funds prior to clearance
 - Developer can't take choice limiting actions (including acquisition, construction, & demo, but exempt activities (planning, design, options & relocation) permitted
- PJ can make conditional commitments
 - Was permitted to meet commitment deadlines (currently suspended)
- Projects in progress: Stop, no-exempt work until clearance



Preliminary HOME Award

- PJ can make a ***preliminary*** award of HOME funds for a proposed project
 - Contingent on obtaining financing, completing environmental review, etc.
- Preliminary awards are not reservations or commitments!!
 - Do not satisfy PJ's 24-month commitment deadline (if applicable)
 - Activity may not be set up in IDIS



Form of Subsidy

- Full range of choices
 - Loans: interest or no interest, payments or deferred, forgivable over affordability period or balloon beyond
 - Grants
 - Interest subsidies
 - Equity investments & loan guarantees
- Construction & permanent financing
- Subsidy limits: Max HOME investment



Required Documents

- Written agreement (commitment):
 - Agreement between PJ & developer/owner
 - Required for commitment; execute before IDIS setup
 - Delineates compliance obligations
 - Defines developer & PJ roles & responsibilities
- Recorded documents (closing):
 - Note/mortgage, deed covenant, etc.
 - Recorded at closing
 - Governs disbursements & occupancy
 - Provides additional/separate basis for enforcement

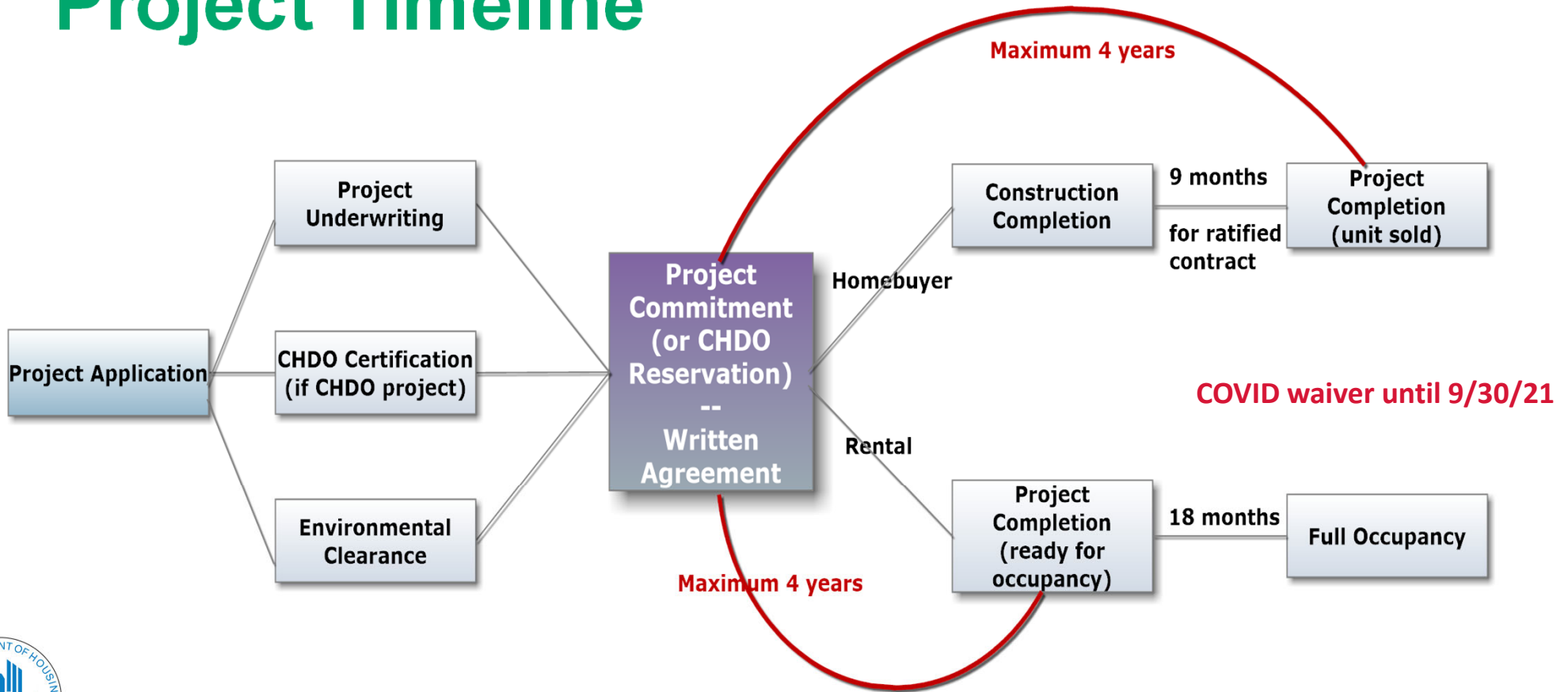


Project Deadlines

- Initial draw: expect within 12 months
 - No longer subject to auto cancelation
- Completion: 4 years commitment to completion (CPD-20-01)
 - Rental: construction completion & funds drawn
 - Lease-up may come later
 - Homebuyer: construction completion, funds drawn, **and** unit sold
 - PJ can request 1 year extension from HUD (see CPD 20-01)
 - **COVID waiver until 9/30/21**
- Occupancy:
 - 9 months to sell (or ratified sales contract) – **COVID waiver until 9/30/21**
 - 18 months to initially rent



Project Timeline



Other Cross-Cutting Requirements

- Relocation: URA & HCDA 1974 S. 104(d)
- Labor: Davis Bacon (if 12+ HAU)
- EEO, M/WBE, Section 3
 - Section 3 Final Rule (24 CFR Part 75, 9/29/20, eff. 11/30/20; new reporting for HOME commitments beginning 7/1/21)
- Fair housing & accessibility: Section 504 & FHAA



Assisted Unit Requirements

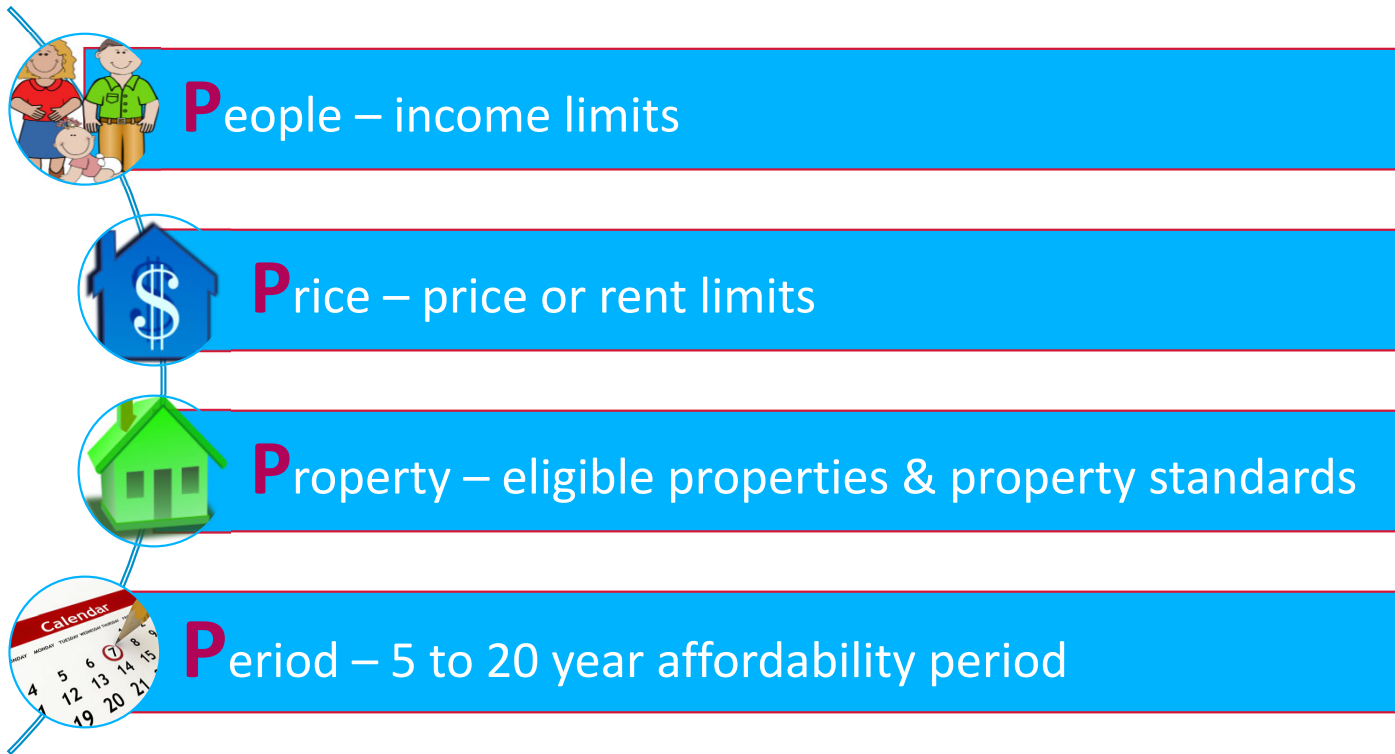


HOME Assisted Unit

- Any unit receiving HOME funds is considered ***HOME-assisted***
- HOME-assisted units are subject to all HOME requirements
 - Income limits, price limits, property standards, affordability period, etc.
- Unassisted units in mixed project are not subject to HOME requirements



The P's of HOME Unit Compliance



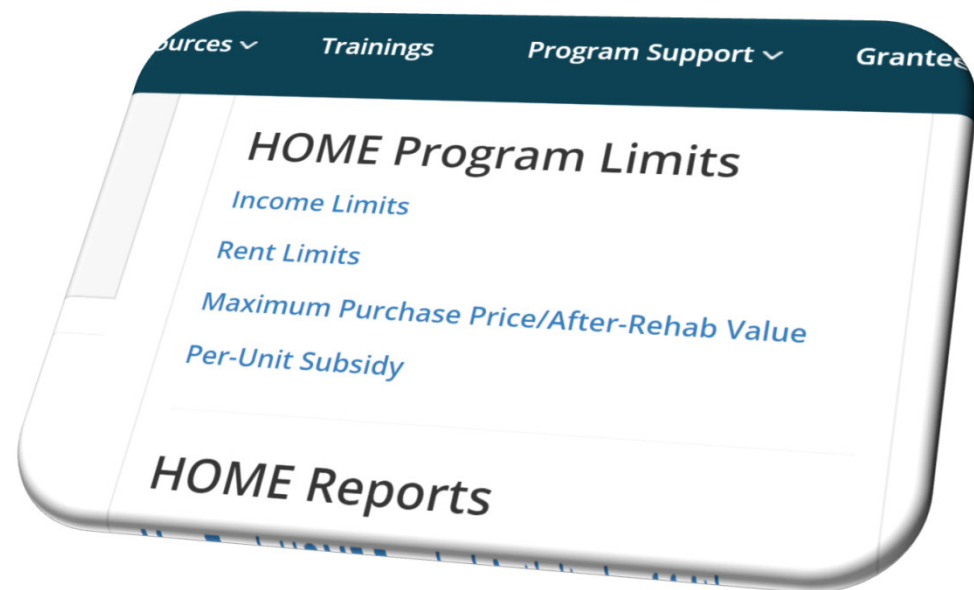
People: Income Eligibility

- All HAUs occupied by LI (80% AMI)
 - Deeper 50%/60% targeting for rental/TBRA units
 - Limits on student households
 - Presumed conflict of interest for PJ/subrecipients & developer/owners
- Income determinations
 - Definition: Part 5 or IRS 1040
 - Determined at delivery of assistance



Price: Affordability

- Homebuyer: sales price limit
- Rental: rent limits (adjusted for tenant paid utilities)
- Limits updated annually



Property: Property Standards

- All units must meet property standards to ensure decent & sustainable housing:
 - New Construction
 - Rehabilitation
 - Acquisition of Standard Housing
 - Manufactured Housing
 - Ongoing Rental
- PJ inspection requirements



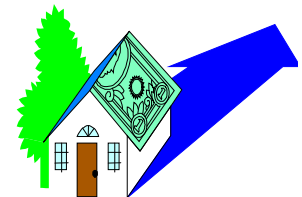
Property Standards, cont.

- All units must meet applicable state/local codes (or model codes in absence)
- Additional HUD standards
 - Federal requirements (e.g., LBP, accessibility, broadband)
 - Minimum deficiencies for existing housing



Period: Min. Affordability Period

| HOME Investment per Unit | Length of Affordability |
|------------------------------------|-------------------------|
| less than \$15,000 | 5 yrs |
| \$15,000 - \$40,000 | 10 yrs |
| more than \$40,000 | 15 yrs |
| refinancing of rental housing | 15 yrs |
| new construction of rental housing | 20 yrs |



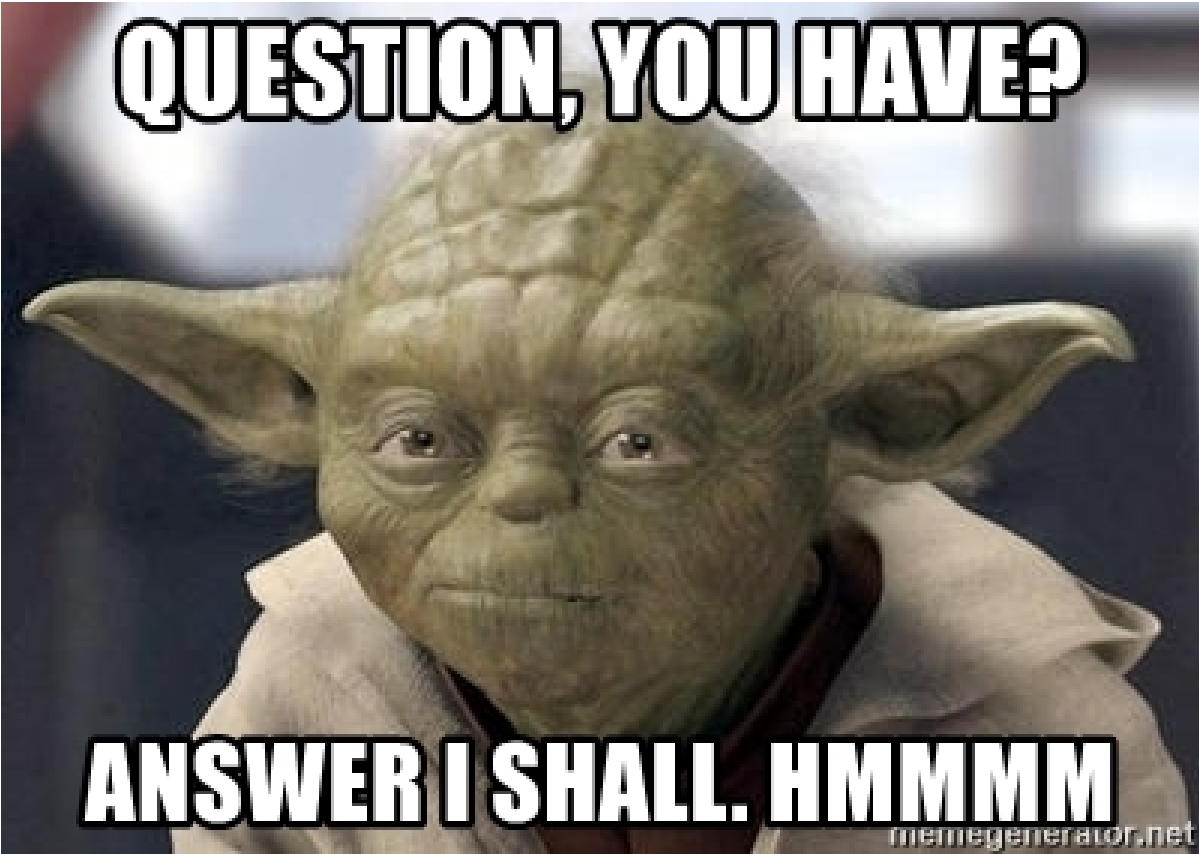
+ local extended use restrictions

A 5th P: PJ Policies & Procedures

- Beyond the rules, PJs have discretion to impose additional requirements, e.g.:
 - Lower incomes
 - Lower rents/prices
 - More stringent property standards
 - Longer affordability periods
 - Other priorities



Questions



Part 3: Requirements by Type of Activity

1. Homebuyer
2. Owner-Occupied Rehab
3. Rental Housing
4. TBRA



Homebuyer Requirements



Homebuyer



Rental

Owner-occupied rehab



TBRA



Homebuyer Assistance

- Eligible activities
 - Acquisition assistance (not CHDO-eligible)
 - Acquisition & rehab
 - New construction
- Forms of assistance
 - Development subsidies
 - Grants
 - Loans
 - Loan guarantees & other approved by HUD



Approaches to Buyer Assistance

1. Direct buyer assistance

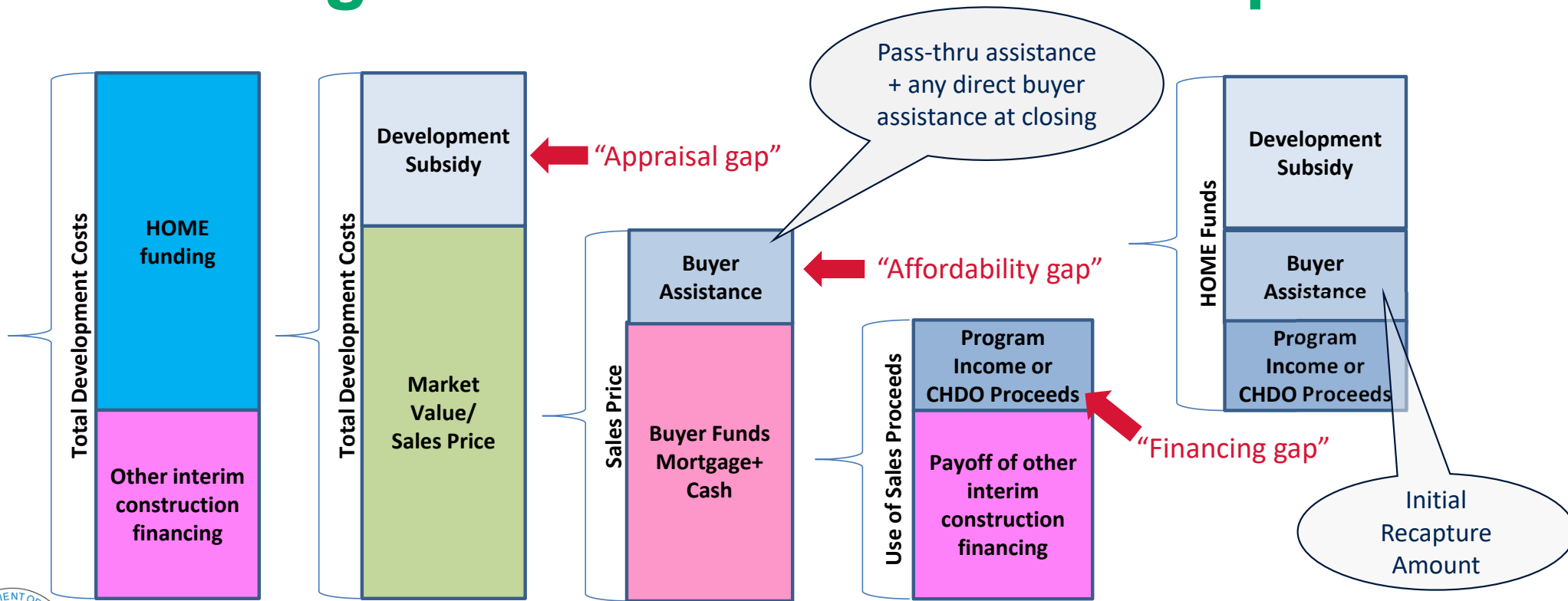
- Downpayment assistance
- Closing cost assistance
- 2nd mortgage gap assistance

2. Development assistance

- Development subsidy: development costs in excess of value/price
- Pass-thru assistance: used for development costs but passed through to buyer as part of purchase financing



Tracking HOME Assistance: Recapture



Unit Compliance: The 4 P's

1. People: eligible buyers less than 80% AMI

- Principal residency (no land or installment contracts)
- Buyer underwriting & counseling required – HUD-approved counselor
(compliance by August 2021)

2. Price:

- Price/value < 95% of area median value limit
 - Price or after rehab/construction value; see web site
- Sale (ratified contract) within 9 months completion (COVID waiver 9/30)
 - If not, convert to rental or repay
- Lease-purchase: complete w/in 3 yrs.



The 4 Ps, cont.

3. Property:

- Single/family, 2 - 4 unit, coop, condo
- Applicable standards, incl. 5 year useful life if rehab
- LBP: Subpart K or J (if rehab)

4. Period:

- Compliance period: minimum 5 - 15 years
- Principal residency
- Resale to low income or recapture direct assistance
- No ongoing inspections or income certification



Resale/Recapture Options

- Resale to Low Income Buyer
 - Price affordable to reasonable range of LI buyers and
 - Fair return to seller
- Recapture (PJ *may* allow assumption by subsequent LI buyer)
 - Out of net proceeds of sale
 - Options
 - Full recapture
 - Declining balance recapture
 - Shared net proceeds
 - Owner investment returned first
 - Models approved by HUD (ConPlan)
- Method(s) in Annual Plan; HUD approval; see CPD-12-003



Required Homebuyer Policies

- CPD 18-09
- 92.254(f) policies required:
 - Homebuyer underwriting standards
 - Responsible lending standards
 - Standards for refinancing and subordination of HOME loans
- Counseling required: HUD approved counselor (by August 2021)
- 92.254(e) buyer assistance thru lenders



Owner-Occupied Rehab Requirements



Homebuyer



Rental

Owner-occupied rehab



TBRA



Owner-Occupied Rehab

- PJ/subrecipient program activity,
 - Not a “development” activity; not CHDO-eligible
- Same requirements as homebuyer, except:
 - Inherited, life estate, living trust, beneficiary deed eligible
 - 95% AMV limit on after-rehab value
 - Property standards: written rehab standards
 - No minimum affordability period (determined by PJ)



Rental Housing Requirements



Homebuyer



Rental

Owner-occupied rehab



TBRA



Eligible Rental Activities

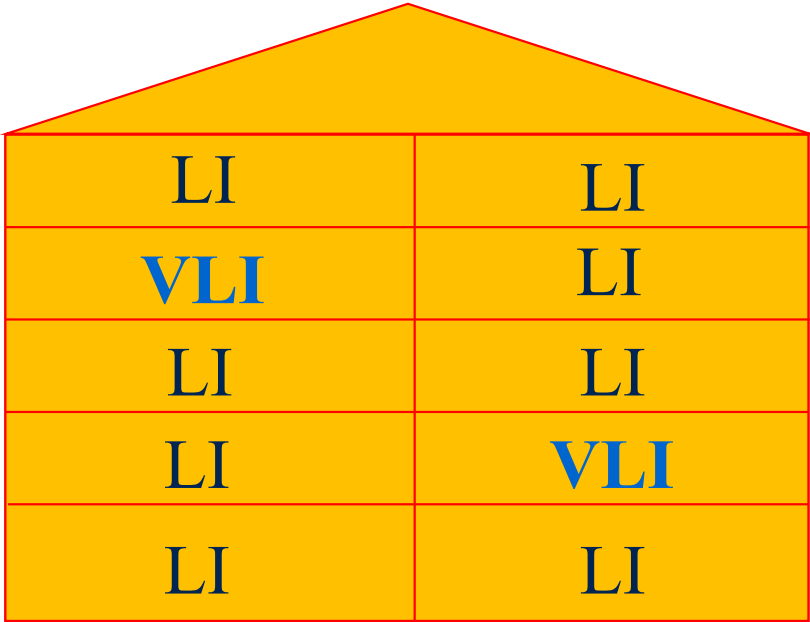
- Acquisition
 - Rehabilitation
 - Acquisition & rehab
 - New construction
-
- Transitional or permanent, not temporary housing or facilities

The 1st P: People

- All assisted units at 80% AMI (LI)
- *Project Rule*: If 5+ HOME units, 20% @ 50% of AMI (VLI)
- *Program Rule*: 90% of initial occupants at 60% AMI
 - Program requirement annually (IDIS/CAPER)
 - Does not apply to recertifications & turnovers
- 18 months to lease assisted units (or repay)
 - HUD requires reporting after 6 months
- Getting the unit mix right...and maintaining it



A HOME Rental Project...



| | |
|------------|------------|
| LI | LI |
| VLI | LI |
| LI | LI |
| LI | VLI |
| LI | LI |



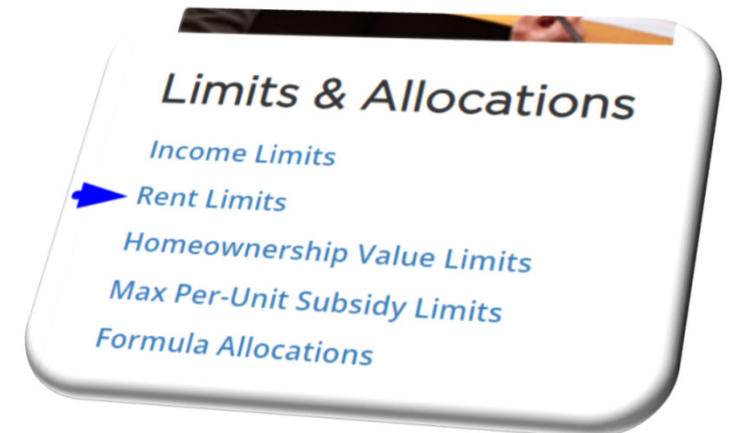
Initial Occupancy Prerequisites



The 2nd P: Price

- Low-HOME: 30% at 50% or FMR
 - Project based rental assistance exception
- High-HOME units: 30% at 65% or FMR
- All rents adjusted for tenant-paid utilities
 - PJ to establish project-specific allowances & update annually
 - HOMEfires Vol 13 No 2
- Adjusted annually by HUD
 - Link on HOME web page
- PJ must approve rents annually
- Limits on fees beyond rent (92.214)

| PROGRAM | EFFICIENCY | 1 BR | 2 BR |
|-------------------------|------------|------|------|
| HUD Metro FMR | | | |
| ▶ LOW HOME RENT LIMIT | 796 | 853 | 1023 |
| ▶ HIGH HOME RENT LIMIT | 956 | 1076 | 1248 |
| For Information Only: ▶ | | | |
| FAIR MARKET RENT | 956 | 1076 | 1248 |
| 50% RENT LIMIT | 796 | 853 | 1023 |
| 65% RENT LIMIT | 1016 | 1090 | 1309 |



Slide 78

SSL4 Changed to Low and High-HOME, added graphics; I always emphasize HUD does the math, PJs (and esp. owners) don't have to or get to
Stephen S. Lathom, 2/1/2021

The 3rd P: Property Standards

- Ongoing: state/local codes & HUD standards
- Lead-based paint & accessibility
- HAUs must pass inspection prior to occupancy
- Apply for the full compliance period
 - Owners certify annually
 - PJ requirement to inspect (within 12 months of completion + every 3 years)
 - **COVID waiver thru 9/30/21**



The 4th P: Period of Affordability

- Deed restriction in addition to written agreement
- Minimum affordability period
 - Less than \$15,000 HOME/un 5 yrs
 - \$15,000 - \$40,000 10 yrs
 - Greater than \$40,000 (or refi) 15 yrs
 - New construction 20 yrs
- During compliance period:
 - Income certs, rent limits, report (prop standards cert)
 - File review/unit inspections (within 12 mos + 3 yrs – COVID waiver thru 9/30/21)
 - Financial condition review
 - Distressed project workout guidelines (92.210)

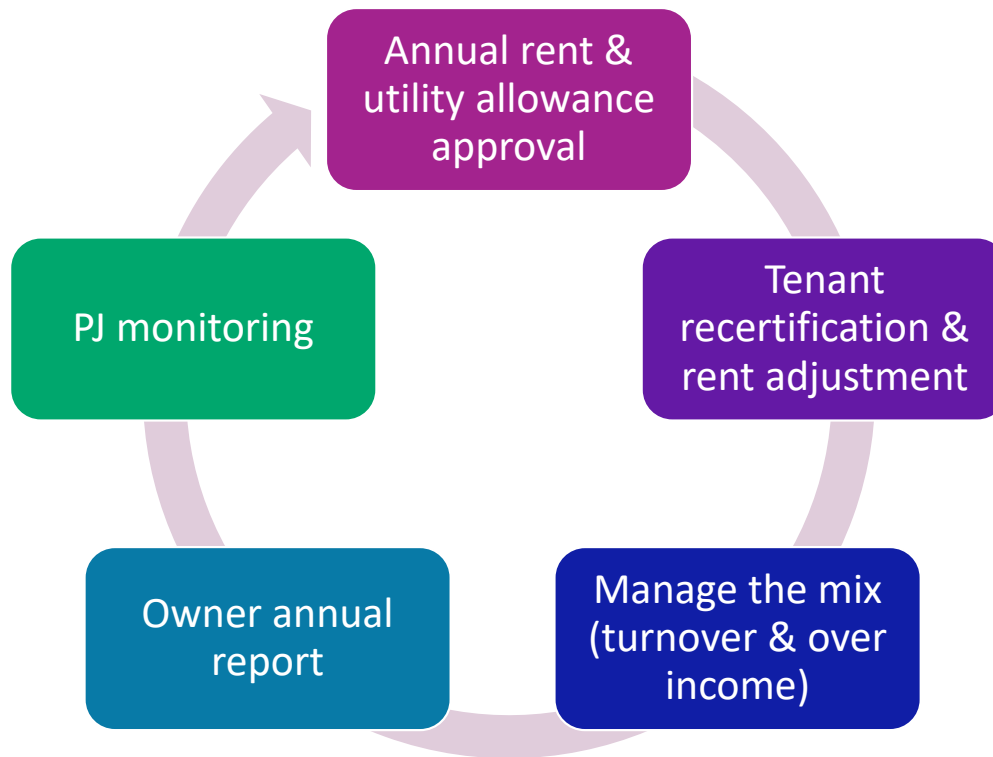


HOME + Other Funds

- HOME projects may have other public subsidies
 - General guidance: Comply with both HOME & the other program(s) requirements
 - But only for the HOME-assisted units
 - Usually following most restrictive rule will cover both programs, but not always – some rules are different
- PJ must monitor for HOME compliance
 - May coordinate if same agency or interagency agreement



Ongoing Compliance Annual Cycle



TBRA Requirements



Homebuyer



Rental

Owner-occupied rehab



TBRA



Eligible TBRA Activities

• Eligible

- Assist with rent, utilities, security/utility deposits
- Contracts up to 24 months
 - May be renewed subject to availability of HOME funding
- May be administered by PJ, or under contract to PHA or subrecipient

• Ineligible

- Tying to specific project
- Co-op or mutual housing units (unless rental)
- Overnight or temporary shelter
- Duplicating rental assistance programs that already reduce rent to 30% of income



Eligibility & Assistance

- Eligible households: < 80%, but TBRA part of 90% @ 60% program rule requirement
- Eligible units:
 - Public/private; no other rental subsidy
 - Reasonable rent
 - Property standards (Section 8 HQS)
- Assistance amount (up to 2 years):
 - Difference between payment standard & 30% of adjusted income
 - **COVID waiver for emergency TBRA (thru 9/30/21)**



Program Design Options

- Section 8 or locally designed
- Rent or security deposit
- Community-wide or targeted
 - Must address an unmet need in PJs' Con Plan; fair housing limitations
- Options: self-sufficiency, buyer, anti-displacement
 - Targeted assistance permitted, e.g. special needs/homeless (92.209(c)(2))
- **COVID emergency TBRA thru 9/30/21 – see waiver memos**
- Inspections & income determinations can be project-related costs
 - **COVID waiver on inspections thru 9/30/21**

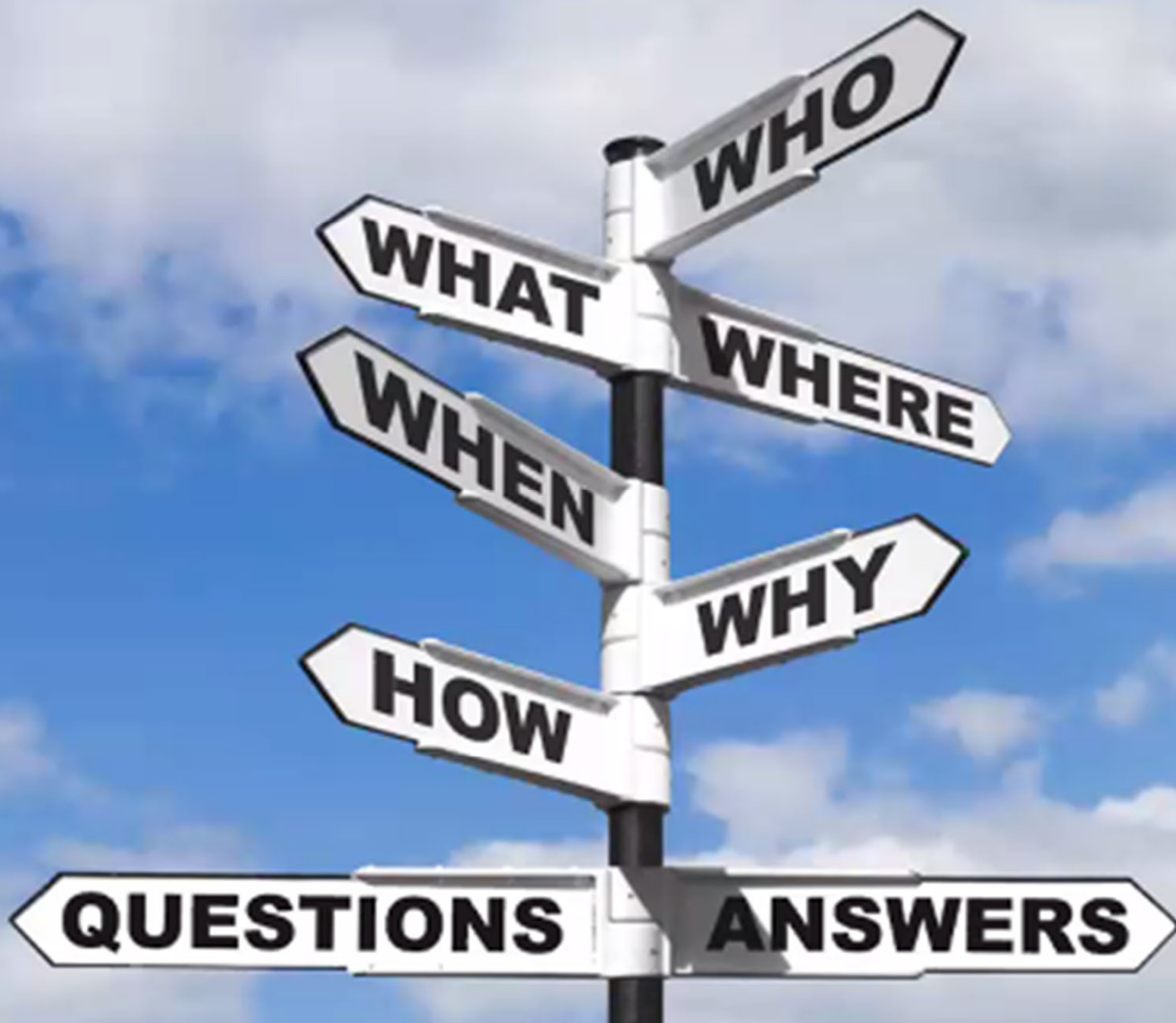


Wrap Up



WOOHOO!!!





Final Thoughts

1. The metric of HOME success is timely completed, occupied & sustainable units
2. PJs depend on partners to perform
 - If they're not ready, you can't commit
 - If they can't complete on time, you must repay
 - If they can't occupy, you must repay
 - If they can't sustain, you must repay
3. Don't wait for HUD to monitor; monitor yourself
 - Review your policies & procedures
 - Pay attention to deadlines (some suspended)
 - Document, document, document



HOME on the Web

- HUD HOME Program: www.hud.gov/homeprogram/
- HUD Exchange: www.hudexchange.info/home/
- Mailing list: www.hudexchange.info/maillinglist/





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