

THE HFA INSTITUTE 2022

Welcome and Breaking News from HUD



National Council of
State Housing Agencies



**MRBs and
Other Federal
Homeownership
Programs**
JANUARY 26 – 28



Housing Credit
JANUARY 10 – 12



**Section 8 and
Other Federal
Multifamily
Programs**
JANUARY 12 – 14



**HOME and
Housing Trust
Fund**
JANUARY 24 – 26



DISCUSSION LEADER

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HOME & HTF Breaking News

NCSHA HFA Institute – January 24, 2022



Budget & Policy News

HOME and HTF Funding

- FY 2022 HOME Budget
 - President's Request: \$1.85 Billion
 - House: \$1.85 Billion
 - Senate: \$1.45 Billion
 - Continuing Resolution through February 18th
- FY 2022 HTF Funding
 - FY 2021 amount was \$692,898,860
 - Last year's amount is a reasonable planning estimate for FY 2022
 - FY 2022 allocations should be announced in April



Build Back Better?

- BBB proposal includes \$25 billion for HOME, including:
 - \$10 billion for State and local PJs
 - \$15 billion set-aside for State PJs for extremely low-income households using HTF formula and limited to HTF activities (rental, limited homebuyer)
- HOME portion identical to regular HOME except for 4 statutory suspensions:
 - Qualification Threshold - prevent entry of new PJs
 - 24-month Commitment Deadline – gives PJs additional time to use funds
 - 15% CHDO set-aside – to expedite use of funds
 - 25% Match Requirement – to expedite use of funds
- ELI set-aside has broader statutory suspension provisions to permit adjustments necessary to serve target population (income targeting, rents, etc.)



HOME-ARP

- Development/roll-out of HOME-ARP Program was primary focus in 2021
- CPD Notice 21-10: Requirements for the Use of Funds in the HOME-American Rescue Plan Program, plus appendix issued Sept 13, 2021
 - Implementing notice and waiver alternative requirement documents separated to make notice plain English and user friendly
 - Notice has force of regulation
 - HUD designed notice to be as comprehensive as possible to minimize (but not eliminate) need to refer to cross-referenced regulations
- Most PJs are still in process of developing Allocation Plans
- Webinars, fact sheets, and FAQs posted on HOME-ARP HUDEXchange



COVID Waivers

- HUD extended certain waivers in 9/21/2021 memorandum
 - Waiver delaying ongoing inspections of HOME rental units and units occupied by HOME TBRA clients extended via September 2021 memo
 - Expired December 31, 2021
 - HOME PJs have 180 days to perform delayed inspections.
 - Four-Year Completion Deadline for HOME-assisted units extended through March 31, 2022
 - Maximum Per Unit HOME Subsidy Limit applicable to projects to which HOME funds are committed on or before March 31, 2022
 - Match requirements extended through FY 2022
- All other waivers expired on September 30, 2021



Upcoming Rulemaking

- HOME Grant-Based Accounting Rule – Final Rule anticipated 2022
- Housing Trust Fund – Final Rule anticipated 2023
- Affirmatively Further Fair Housing
 - HUD published an interim rule last July:
 - Rescinding 2020 Preserving Communities & Neighborhood Choice Rule
 - Restoring AFFH and other definitions and certification requirement from 2015 AFFH Final Rule
 - HUD is working on a proposed rule establishing a new AFFH framework
 - For more information:
www.hud.gov/program_offices/fair_housing_equal_opp/affh





Guidance & Training

HOME-ARP Guidance

- CPD Notice 21-10 – Implementation Notice & Appendix
- Fact Sheets
- Allocation Plan Template and Certifications
- FAQs
- Rent limits and income limits
- Program and Allocation Plan webinars
- www.hudexchange.info/programs/home-arp/
- You can send questions to Field Office or to HOMEARP@hud.gov



In Case You Missed It in 2021

- CPD Notice 21-07: Section 3 Guidance for HOME and HTF
 - Issued July 15, 2021
- HOME *FACTS* Vol. 10, No.1 – Accounting for Project Delivery Costs in IDIS
 - April 2021
- HOME *FACTS* Vol. 10, No 2 – Written Agreement Execution Date (in IDIS)
 - August 2021
- HOME*Fires* Vol. 16, No. 1 – Granting HOME Funds Loaned to Owners
 - September 2021



HOMEfires Vol. 16, No. 1

- Addresses common deal structure that violated HOME requirements
- HOME statute/regs preclude HOME funds from being granted to 3rd party (“sponsor”) that lends it to the project owner
 - HOME written agreement must be between PJ and project owner.
 - This is not a policy change
 - PJs can structure direct HOME loans to projects as residual receipt, forgivable loans, etc.
 - Without direct contractual relationship with owner, PJ has less leverage/weaker enforcement mechanisms to ensure compliance
 - Increases repayment risk to PJ
 - Any loan payments go to 3rd party; should be returned to PJ as HOME program income



Upcoming HOME-ARP Guidance

- FAQs
 - Rental housing
 - TBRA
 - Supportive Services
 - Non-congregate shelter
- Resource: Ask A Question Helpdesk for Allocation Plans
 - Please send all allocation plan questions to HOME-ARP AAQ



Upcoming HOME-ARP Training

- TA strategy is to get PJs assistance that is sustainable and builds transferable capacity to their administration of all grant programs.
- Allocation Plan
 - Consultation partners and types of information needed and gathered through consultation
 - Information to present during a public hearing to ensure meaningful citizen engagement
 - Development of preferences, including consideration of the CoC CE prioritization method
 - Video FAQ on how to submit the Allocation Plan in IDIS



Upcoming HOME-ARP Training

- Non-congregate Shelter
 - Webinar will use project examples to explore the development of non-congregate shelter (NCS) and how HOME-ARP funds might be applied to a similar project to meet the shelter needs of the qualifying households
- Rental
 - Underwriting template to assist in underwriting HOME-ARP rental projects
 - HOME-ARP LIHTC Guide
- Supportive Services
 - Effective Service Delivery - partnering with Supportive Service providers (policies & procedures, and sample agreements)



Upcoming HOME-ARP Training

- TBRA
 - PJ Sponsor - (new in TBRA)
 - Comparing HOME-ARP TBRA and CoC Rapid Rehousing
- Nonprofit operating & capacity building
 - Checklist for general operating cost versus capacity building



Upcoming HOME Guidance

- Updated CPD Notice on HOME Match
- HOMEfires about Acquisition Rehab
- HOMEfires about POA reduction for extended POAs
- HOMEfires about Lease Provisions
- HOTMA related changes to income guide & rental guide w/ training to follow
- Building HOME Manual



Upcoming HOME Training

- Homebuyer Program Policies and Procedures Workshop (web product)
- COVID-Related Webinar - HOME Administration in the COVID Era and Beyond
- HOME & HTF Opportunity Zones Webinar
- Leveraging Weatherization Assistance Program Funds with HOME & CDBG Webinar



Upcoming HTF Guidance & Training

- **Upcoming HTF Guidance**

- Guidance for HTF Subgrantees on HTF Allocation Plans
- HTF Monitoring Exhibits

- **Upcoming HTF Training**

- HTF Regulatory Overview Training (web-based product)





HOME-ARP Numbers

HOME-ARP Grants Update

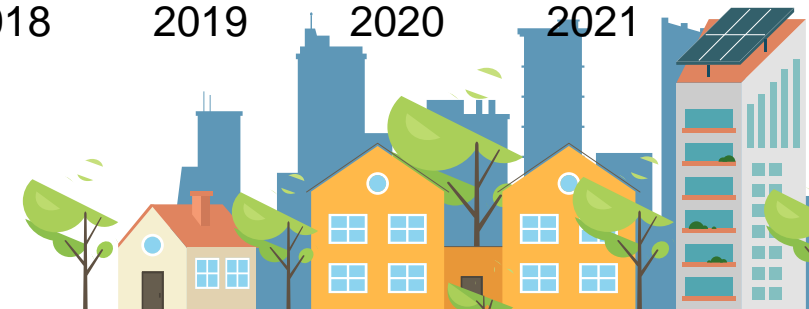
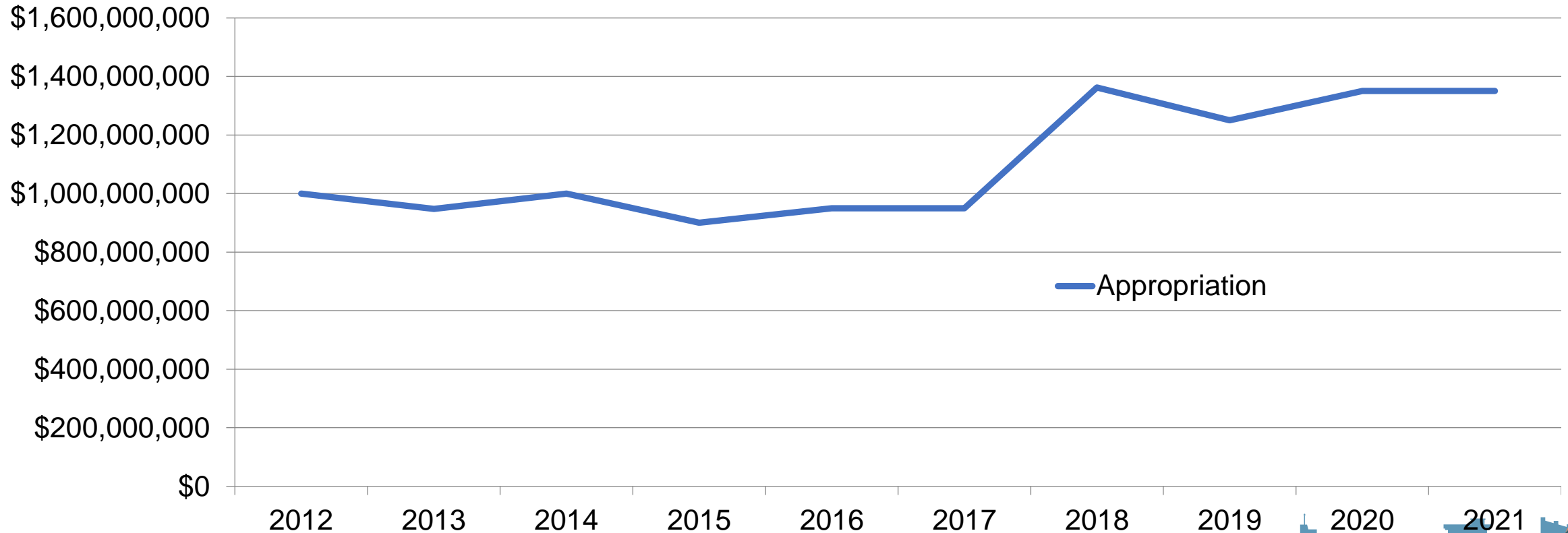
- All 651 HOME-ARP grants are obligated = \$4.925b
- 584 grants are contracted @ 5% = \$229m
- 58 PJs committed admin & planning funds = \$38m
- 20 PJs expended = \$291k for admin & planning
- 19 HOME-ARP Allocation Plans received
- 1 of those Allocation Plans has been approved
- There is no deadline for submitting the HOME-ARP allocation plan
- Remaining funds will be contracted once HUD accepts HOME-ARP allocation plan





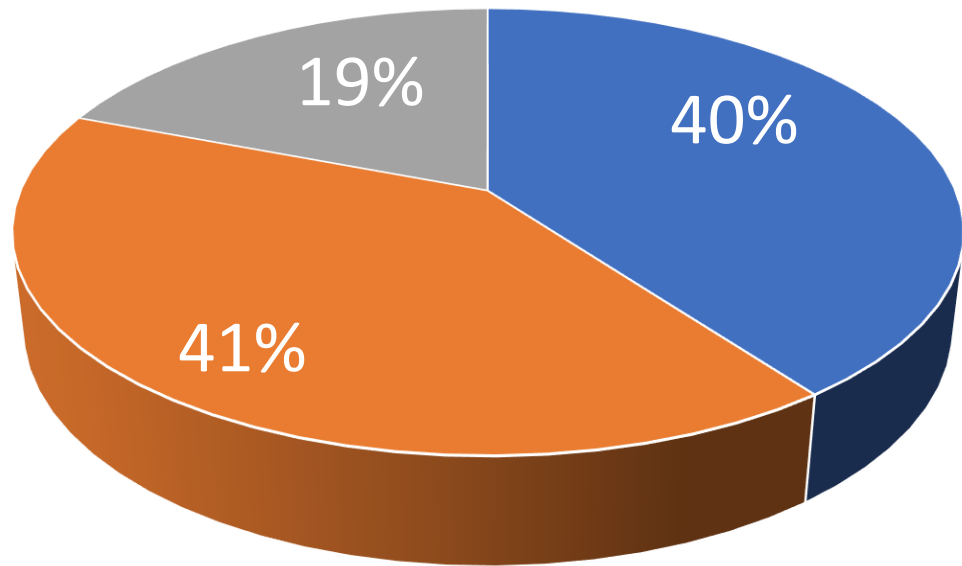
HOME Numbers

HOME Appropriations – 10 Year Trend



HOME Accomplishments Over Time - Units

Units Completed Since 1992



■ Rental ■ Homebuyer ■ Homeowner Rehab

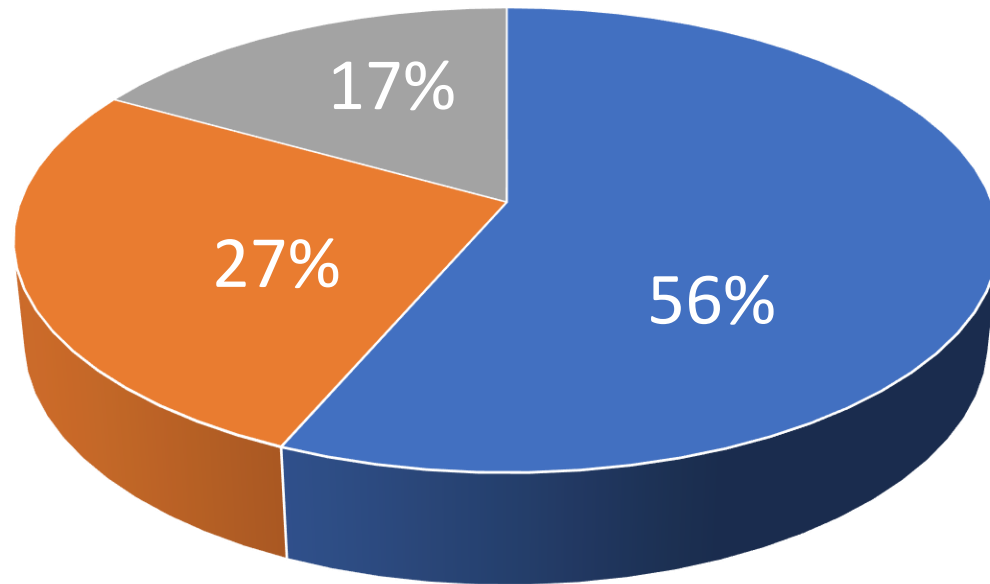
1,345,540 HOME units completed

360,770 households assisted w/TBRA



HOME Accomplishments Over Time - \$

\$ Expended for Completed Projects



■ Rental ■ Homebuyer ■ Homeowner Rehab

\$35.6 billion expended for completed units

\$2.7 billion expended for households assisted w/ TBRA



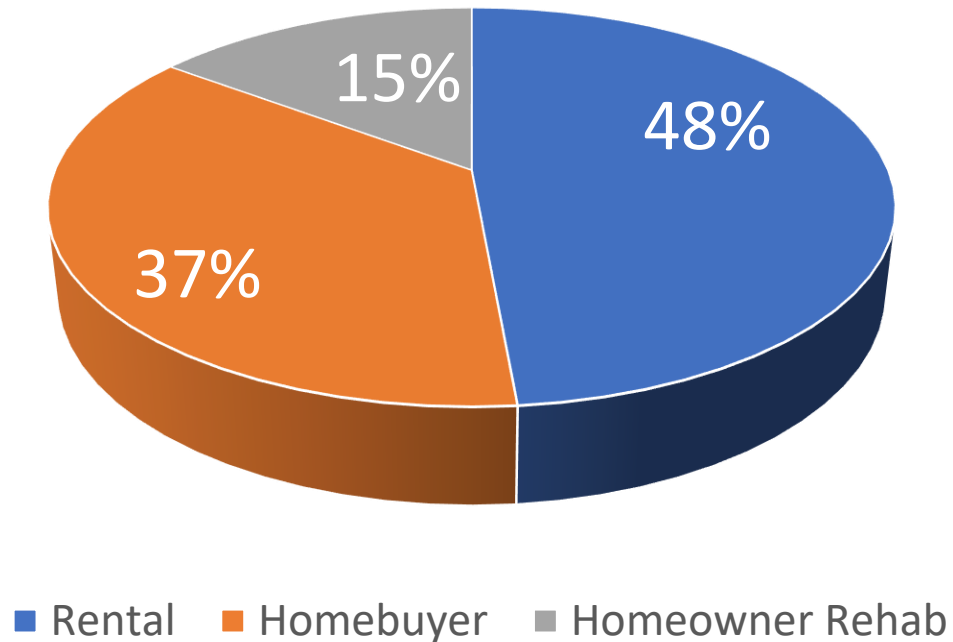
HOME Accomplishments Over Time

- Average HOME cost/unit = \$26,486
- Average TBRA/household = \$7,387
- Leveraging 4.59 : 1
- 58% of assisted units have beneficiaries < 50% AMI
- 96% TBRA households < 50% AMI
- Currently:
 - 8,109 rental, homebuyer, and homeowner rehab projects underway
 - Plus 3,817 TBRA activities



HOME FY 2021 Accomplishments

Units Completed FY 2021



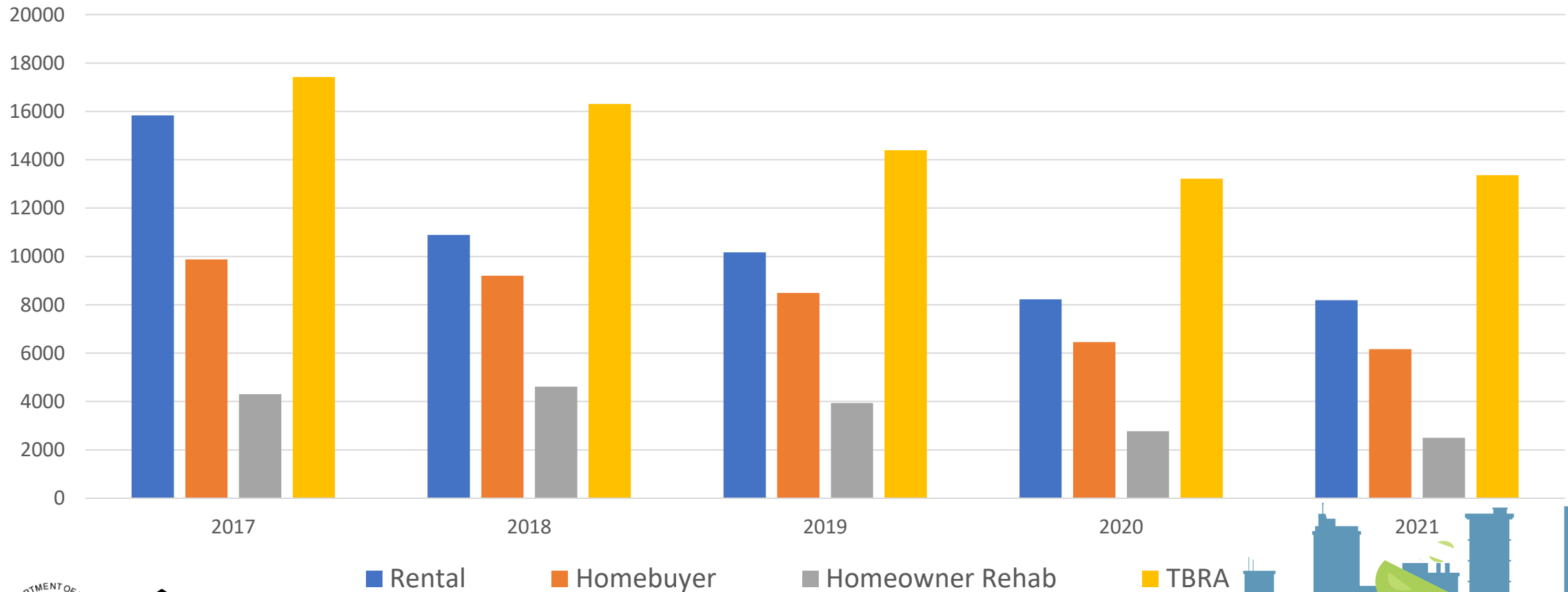
16,858 HOME units completed (down 3.4%)

13,362 households assisted with TBRA (up 1%)

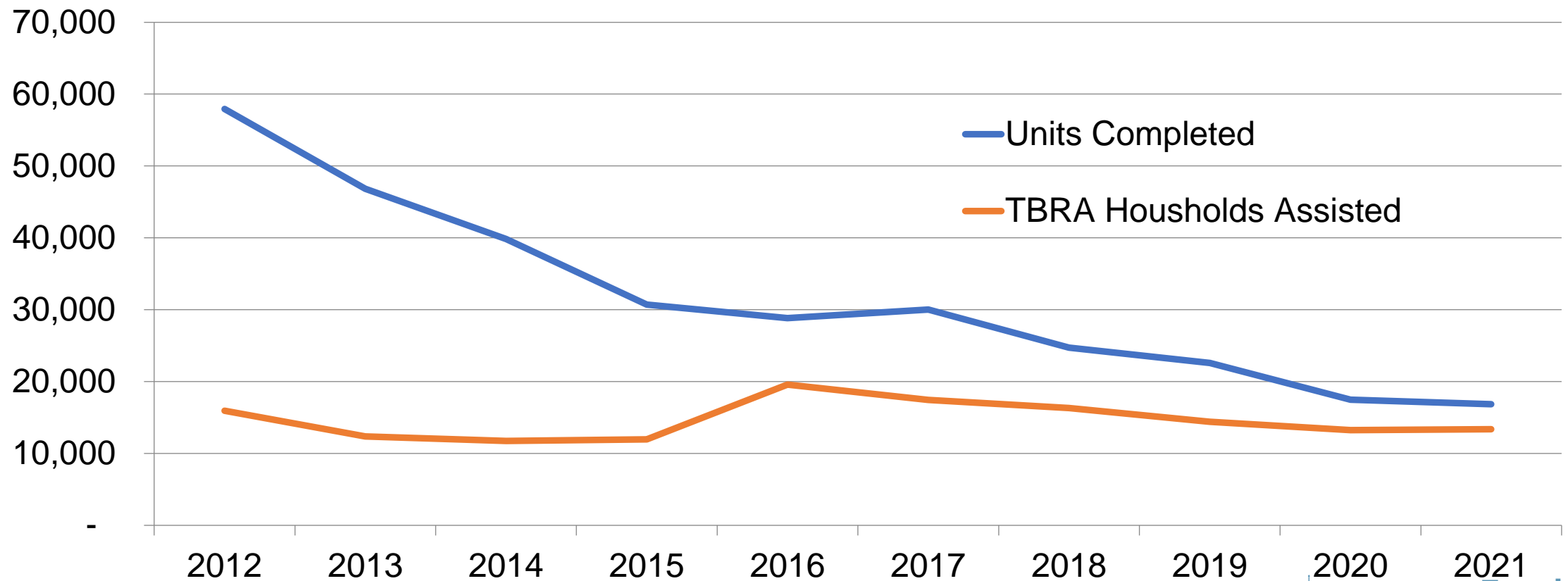


HOME Accomplishments - 5 Year Trend

HOME Units Completed + TBRA Households



HOME Accomplishments - 10 Year Trend



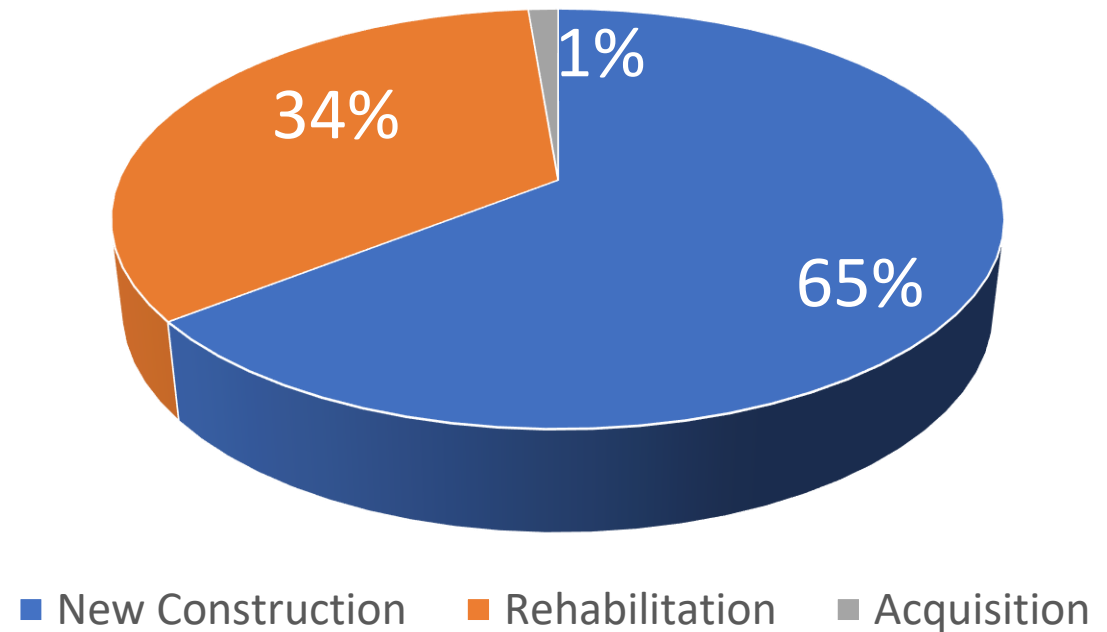


HTF Numbers

HTF Project Completions – to date

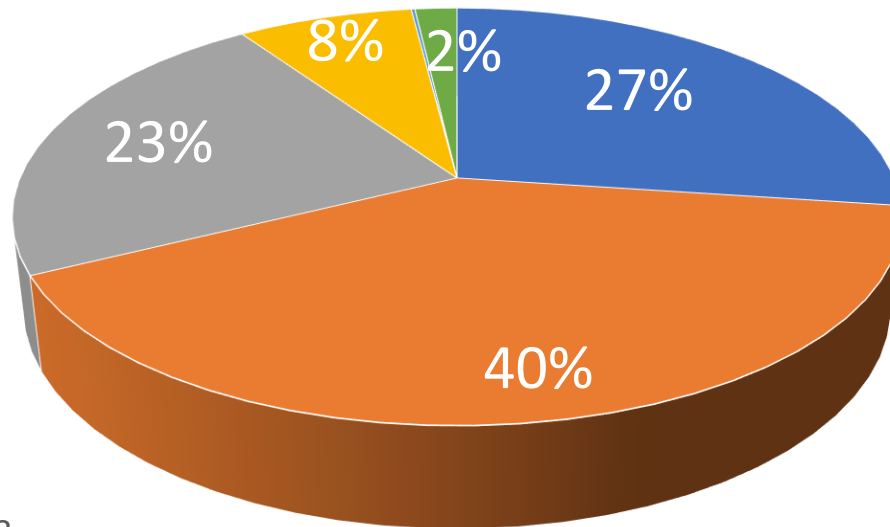
- 233 projects completed
- 1,927 HTF units
- \$192 million expended
- \$99,922 HTF/unit
- Avg. 8.25 HTF units/project
- Avg. HTF/project \$826,394
- Overall leverage ratio 9.31 : 1
- 519 projects underway

Completed HTF Projects



HTF Beneficiaries

Rental Assistance



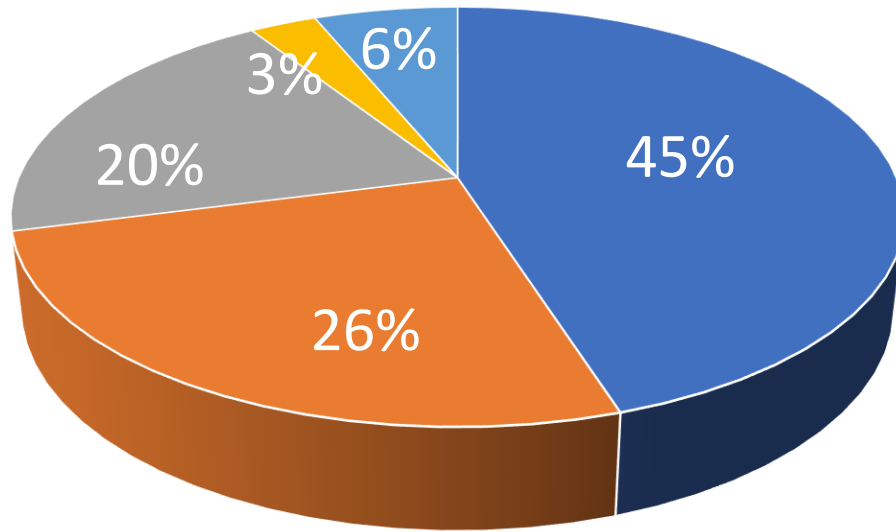
- No Assistance
- Project based Section 8
- Other Federal, State, or Local project based assistance
- Tenant based Section 8 (voucher)
- HOME TBRA
- Other Federal, State, or Local tenant based assistance

73% of HTF beneficiaries have some form of rental assistance



Other HTF Project Details

Household Type



- Single, non-elderly
- Single parent
- Other
- Elderly
- Two parent

- Units designated for:
 - 10.5% homeless individuals
 - 3.2% homeless families
 - <1% youth aging out of foster care





HOME Project Profiles



Homeownership

Did you integrate innovative strategies in a Homeownership project?

[Submit a Project Profile](#)



Submit a Project Profile

We invite you to share the great work you are doing in your community. View submission instructions and submit your story.

Learn About the HOME Program

Want to learn more about the HOME Program? HOME provides grants to state and local governments to create affordable housing for low-income households.

For over 20 years, the HOME Investment Partnerships Program (HOME) has provided formula grants to states and localities that communities use to fund a wide range of activities including constructing, acquiring, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income households. HUD is showcasing exemplary projects or programs for each of these HOME activity types: rental, homebuyer, homeowner rehabilitation, and tenant-based rental assistance. These projects or programs are innovative and/or replicable, and highlight the best of what partnerships between federal, state, local governments and communities can achieve with HOME funds.

Project Profiles



Questions?



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