



**HOME Program**  
By Sue Streck

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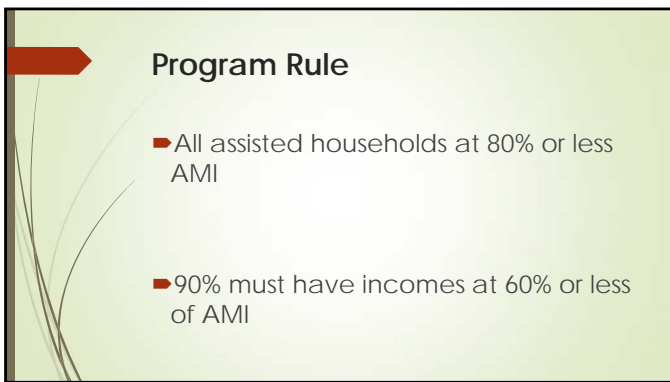
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**Program Rule**

- All assisted households at 80% or less AMI
- 90% must have incomes at 60% or less of AMI

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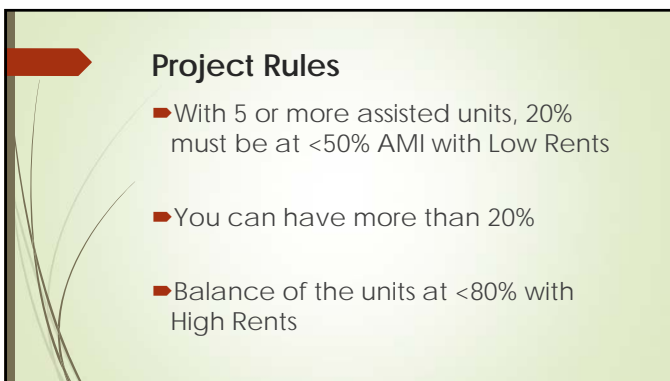
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**Project Rules**

- With 5 or more assisted units, 20% must be at <50% AMI with Low Rents
- You can have more than 20%
- Balance of the units at <80% with High Rents

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**Rental Occupancy Deadline**

- Must fill units by 18 months of completion
- Units not occupied within the first 6 months are tracked by HUD and PJ must provide strategy to meet the deadline.
- Critical to report occupancy to PJ
- PJ has to repay if deadline is not met

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**Written Agreement**

- Final Version serves as a valuable reference for property managers and PJ
- There can be changes with amendments
- Number of type and HOME assisted units
  - Bedroom distribution
  - Low HOME/High HOME
  - Fixed or Floating
  - Rent Limits

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**Written Agreement continued**

- Affordability Period
- Affirmative Marketing
- Definition of Income
- Enforcement Provision
- Certifications
  - Annual Certifications
  - Verifications
  - Over Income

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**Written Agreement continued**

- ▀ Lease Requirements
- ▀ Property Standards
- ▀ File Access
- ▀ Reporting Responsibilities
- ▀ Recordkeeping

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**Written Agreement Optional**

- ▀ Approval of Sale or Transfer
- ▀ Default Provisions
- ▀ Budget and Financial Reports Review
- ▀ Other Monitoring
  - ▀ Reserves
  - ▀ Change of Management or Ownership
  - ▀ Access to CPA/Auditor

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**Affordability Period**

- ▀ Period based on investment per unit
  - ▀ <\$15,000            5 years
  - ▀ \$15,000 - \$40,000    10 years
  - ▀ >\$40,000            15 years
  - ▀ New Construction    20 years
  - ▀ Refinancing            15 years

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**Affordability Period with LIHTC**

- Comply with HOME rules for affordability period and LIHTC rules for Tax Credit compliance period

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**Fixed or Floating**

- Designated in Written Agreement
- Stays the same for the duration of Affordability Period

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**Deed Restrictions**

- Always will apply
- Run with the title for at least the affordability period

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**What Counts as Income**

- Either IRS adjusted gross income or the Section 8
- Project for next 12 months
- It is in the Written Agreement and remains the same

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**Income Levels**

- $VLI \leq 50\%$  AMI and  $LI \leq 80\%$  AMI
- $\leq 60\%$  only at initial occupancy
- Income Targeting
  - For Initial and duration of the affordability period
  - New tenant can never be over 80% AMI
  - In place tenants can go over, but you can never "kick them out"
  - PJ can impose more restrictive targeting based on housing needs

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**Income Limits**

- Income Limits and Rents are set by HUD annually and the PJ is responsible to tell the Sites

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**Income Verifications**

- Must verify income at initial and verifications are good for 6 months
- At least 2 months of wage earnings
- Must verify all assets

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**Recertifications**

- Must recertify at least annually
- Household can self certify except must review documents every 6<sup>th</sup> year of the affordability period
- Anniversary date or lease renewal or where all tenants recertify

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**Rents**

- Low /High
- Maximum
- Contract
- Can never fall below threshold
- LIHTC/HOME must comply with both rules
- Mixed properties may have a chart provided by PJ

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**Utilities**

- ▶ PJ determines the Utility allowance
- ▶ HOME rents include cost of utilities and must be subtracted out

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**Unit Mix**

- ▶ In Written Agreement
- ▶ Monitored by PJ
- ▶ No cap on rent for existing tenants
- ▶ Rent changes occur at lease renewal

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**Fixed/Floating Units**

- ▶ Whatever is written in the agreement
- ▶ To Float the units must be comparable
- ▶ May do Unit Swaps

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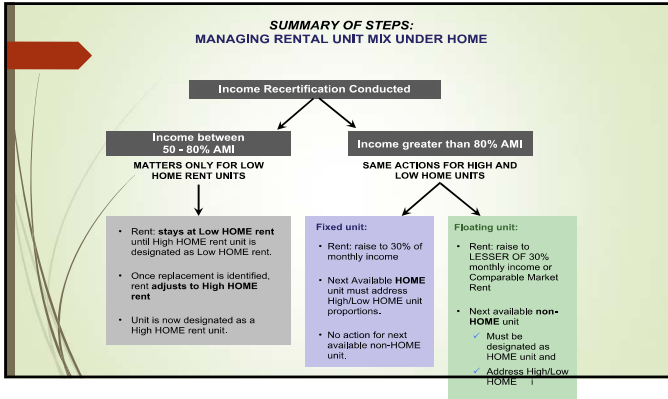
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**Student Rule**

- Uses the Section 8 Student Rule
- If <24 years old must meet one of the exceptions
  - Veteran
  - Married
  - Dependent child
  - Disabled and receiving S/8

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**Marketing & Tenant Selection**

- Must have a plan for accessible units
- PJ creates the plan to market affirmatively
- Must abide by Fair Housing
- Must keep records of marketing
- Maintain waiting list

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**Occupancy Standards**

- No set rule
- Okay for undersize
- Can't require a move if oversized

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**Leases Requirements**

- Initial must be a one year minimum
- Include rent and procedures for adjustments to rent
- Can be an addendum
- Certain clauses prohibited
- Must renew except for good cause

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**VAWA**

- Final rule from 12-16-16 applies
  - Notice of Occupancy
  - Emergency transfer plan
  - HUD Forms
  - Bifurcate a Lease

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**Inspections**

- ▶ Variety of codes may apply
- ▶ Written standards for rehab
- ▶ Ongoing for decent, safe, and sanitary with UFAS standards
- ▶ PJ may require more
- ▶ Remember LBP

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**Non-Compliance**

- ▶ PJ monitors and if not corrected may require legal action
- ▶ Formal report is required with possible drive by

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**Onsite Inspection**

- ▶ Within 12 months of completion
- ▶ Minimum of every 3 years
- ▶ May fall in line with LIHTC
- ▶ Written P&P for inspections
- ▶ Keep records

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**Compliance Monitoring**

- ▀ Rents, Income, Property condition, financial condition
- ▀ May have to repay HOME funds
- ▀ Must have a written plan which includes monitoring objectives, risk assessment, monitoring strategies

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**Annual Report to PJ**

- ▀ About Rent and Occupancy
- ▀ Financial and Non Financial
- ▀ Narrative Form
- ▀ Narrative on criminal activity, high turnover, high vacancy
- ▀ Work with PJ over troubled properties

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Thank you so much for your attention!

**Questions?**

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