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**City of Las Vegas
Neighborhood Services Department**

**SUBRECIPIENT/DEVELOPER
PROGRAM
MANUAL**

**HOME INVESTMENT PARTNERSHIPS PROGRAM
(HOME)/LOW INCOME HOUSING TRUST FUND (LIHTF)**



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Introduction

The City of Las Vegas (City) administers Housing and Urban Development (HUD) HOME Investment Partnerships Program (HOME) and Low Income Housing Trust Fund (LIHTF) funding through its Neighborhood Services Department (NSD), Neighborhood Development Division (NDD). HOME funding is used to support housing activities that benefit low-income (up to 80% of median income) and very low-income (50% or less of median income) households. LIHTF funding is used to support housing activities that benefit households whose income does not exceed 60% or less of median income. LIHTF funds are always recapturable upon sale or transfer of title of property.

This manual sets forth policies and procedures for the administration of programs and projects funded by the City's HOME/LIHTF program. Although some portions of these procedures are complicated and involve complex Federal regulations and policies; this manual summarizes the essential elements for proper program operation.

No handbook can address every type of administrative/accounting problem or situation that may arise during the course of the contract year; therefore the City's NDD staff is available to respond to requests for clarification or additional information.

In the event that new procedures or policies are implemented during the contract period, NDD staff will provide timely notification and technical assistance.

This manual is neither intended to be all-inclusive nor so restrictive that it cannot be amended.

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I. Program Description

A. HOME Objectives:

The National Affordable Housing Act of 1990 created the HOME Investment Partnerships (HOME) Program. This federal program is designed to strengthen public-private partnerships and to expand the supply of decent, safe, sanitary, and affordable housing. The City of Las Vegas receives an annual allocation of federal HOME, State HOME, and Low Income Housing Trust Fund.

B. State HOME

State HOME funds are HOME funds received by the State of Nevada and passed down to the Participating Jurisdictions for use by Subrecipient/Developers. Rental units developed with State HOME must be rented to tenants with incomes at or below 60 percent of the area median income. The regulations for State HOME funds are the same as for Federal HOME funds with the following exceptions:

- They are fully recapturable upon sale or transfer of title; and
- The projects will be monitored by the State, as well as the City

C. Low-Income Housing Trust Fund (LIHTF)

The Low-Income Housing Trust Fund (LIHTF) was created by the Nevada State Legislature. LIHTF monies are raised by a real estate transfer tax, and are to be used for welfare and affordable housing purposes. Since they are non-federal LIHTF may be used as the 25 percent match required by federal HOME. All LIHTF funds have a 30-year affordability period and are fully recapturable upon sale or transfer of title. LIHTF funds are disbursed by the State of Nevada directly to the City. They may be used with HOME funds as a match for a project, or alone for affordable housing efforts that could have been funded through HOME. The units must be rented to persons whose income does not exceed 60% area median income. All Subrecipient/Developers are required to adhere to HOME program regulations.

D. Eligible City HOME funds Activities:

- Production/acquisition of Rental Housing;
- Moderate rehabilitation – less than \$25,000 per unit (Rental or Homeowner);
- Substantial rehabilitation – more than \$25,000 per unit (Rental or Homeowner);
- New construction;
- Site improvements;
- Homebuyer assistance.

E. Activities NOT eligible for HOME funds:

- Public housing modernization;
- Tenant subsidies for special mandated purposes under Section 8;
- Matching funds for other programs;
- Annual contributions contracts;
- Operating subsidies for rental housing.

F. HOME/LIHTF Eligible project costs:

- Development hard costs - cost of constructing or rehabilitating housing;
- Refinancing costs – cost to refinance existing debt secured by housing that is being rehabilitated with HOME funds;
- Acquisition costs – cost of acquiring improved or unimproved real property;

- Related soft costs – reasonable and necessary costs associated with the financing or development (or both) of new construction, rehabilitation, or acquisition of housing assisted with HOME funds;
- Down payment and closing costs
- Mortgage Buy Down
- HOME funds may be committed to a project up to one year after a HOME funded project is completed but the amount of HOME funds in the project may not exceed the maximum per-unit subsidy amount established under CFR 92.250. An existing multifamily project not previously HOME funded will be considered for HOME funds for rehabilitation on a case by case basis.

G. Rental Housing Rules

- HOME/LIHTF funds must be invested in units that are occupied by families whose incomes do not exceed 60 percent of the Area Median Income (AMI); See APPENDIX (“A”)
- In projects of five (5) or more HOME units, 20 percent of the HOME units must be rented to persons whose income does not exceed 50 percent AMI.

H. Homebuyer Downpayment Assistance

1. Program Description

The city of Las Vegas established its Homebuyer Assistance Program in 1995 for the purpose of providing down payment and qualified closing cost assistance to homebuyers whose income is at or below 80 percent of the area median income (AMI). The program has been designed and expanded to aid those who wish to purchase homes within the city of Las Vegas city limits, have good credit, and qualify for the mortgage payments but do not have the cash for the down payment and closing costs.

The city will allocate a portion of its federal HOME money to create a fund for distribution to qualified non-profits (Subrecipients) who will become the primary contact point for interested homebuyers and will be responsible for determining applicant eligibility and levels of financial assistance.

2. Subrecipient Funding

To ensure the Program’s success, there must be a balance between the amount available in the fund and the rate at which the participating Subrecipient commit and expend their funds. Each project (homebuyer applicant) will be set up for the estimated amount required at close of escrow, not to exceed \$10,000 or 6% of the purchase price, whichever is greater. This funding allocation will remain available for 60 days from the date of funding allocation or until the close of escrow. After 60 days, the Subrecipient will be re-evaluated concerning the allocation base. After close of escrow, each Subrecipient will have 30 days to prepare and submit their package.

3. Subrecipient Qualifications

Only non-profit agencies, public or private, with current 501 C (3) status are eligible to apply as a Subrecipient of the City of Las Vegas Homebuyer Downpayment Assistance Program (DPA). A Request for Proposal (RFP) process is utilized to determine which Subrecipients will participate in the program. Neighborhood Services staff will review the proposals for threshold and eligibility and forward successful proposals to City Council for approval.

4. Homebuyer Eligibility

In order to qualify for the program, a potential homebuyer must:

- be able to secure a first mortgage loan
- have a total gross household income at or below 80 percent of the area’s median income, adjusted for family size as determined annually by HUD; See APPENDIX (“A”)

- attend a homebuyer counseling program provided by a HUD-certified housing counseling agency
- make a minimum investment of \$500.00 by the close of escrow (in some cases up to 3 percent of the loan)
- have been a resident of the city of Las Vegas for one year or be a Clark County resident for at least one year prior to moving into the city
- not have total assets exceeding \$10,000 (this excludes two vehicles, subject property, and furniture and fixtures) Assets include but may not be limited to the following: checking, savings, and money market accounts, bonds, stocks, mutual funds, IRAs, pension funds, 401(k)s, boats, and motor homes.
- May not own any other property

5. Property Eligibility

Property to be purchased must meet the following criteria:

- Be located within the city of Las Vegas city limits
- May be a single family home, condominium, or manufactured home and lot
- Maximum purchase price must be at or below HUD's 203(b) FHA Maximum Mortgage Limit as determined for the city of Las Vegas - See APPENDIX ("A")
- New construction or existing. If existing, must be owner occupied or have been vacant for at least six months. There are three exceptions to this qualification:
 - Present renter is the homebuyer
 - Tenant was evicted for cause or
 - Tenant moved voluntarily

NOTE: SELLER MUST SIGN AN AFFIDAVIT TO THIS EFFECT AND SUBRECIPIENT MUST KEEP THE SIGNED AFFIDAVIT IN THE APPLICANT FILE

- Must have a Housing Quality Standards (HQS) inspection and meet HQS acceptability criteria at time of initial occupancy (it will be seller's responsibility to pay for any repairs required for the property to pass the HQS inspection)

6. Homebuyer applicant:

Must occupy as principal resident during the period of HUD affordability must accept a deed restriction for a five-year term from the date of Completion Report may not allow any liens or encumbrances on the property for the five-year affordability period

Prior to close of escrow on properties built after 1978, a visual assessment of the painted surfaces of the property is required to identify deteriorated paint and/or paint stabilization of deteriorated paint surfaces. HUD requires that only Certified Clearance Technicians make this visual assessment and certify the clearance examination.

Prior to close of escrow on properties built before 1978, the home must be tested for lead based paint by an Environmental Protection Agency (EPA) State of Nevada certified risk assessor. If it is determined that the chosen home has lead based paint anywhere on the building, the home will be disqualified from the city's HOME program.

7. Program Management

In addition to providing direct financial assistance, Subrecipient will provide a range of technical assistance services including, but not limited to, inspections, cost estimating, document preparation and loan administration. Upon approval by city staff, participating Subrecipient may charge for these project

delivery services based on what is reasonable and customary and based on actual cost incurred in conforming to city of Las Vegas requirements.

Project delivery costs are staff costs incurred by the Subrecipient for each home closed and must be supported by detailed documentation demonstrating eligible costs incurred (related to a specific address). An estimate of such fees must be disclosed to the homebuyer in writing. Staff hours devoted to the project as well as hourly wages and back up payroll records will be required.

Developers, builders, realtors, etc., are precluded from receiving HOME funded down payment assistance. Subrecipients participating in the city of Las Vegas Homebuyer Downpayment Assistance Program may not enter into any agreement to commit city of Las Vegas HOME funds to them for this purpose.

It is the responsibility of the participating Subrecipients to ensure that prior to purchase, the proposed unit meets the required HQS, is not an historic property, and that it is located outside of the flood plain area (or adequate flood insurance is obtained) and not within a Runway Clear Zone (or if so located, a disclaimer must be obtained from the potential homebuyer). These HQS inspections must be conducted by a HUD certified HQS inspector.

The participating Subrecipients will be required to provide to the city annual reports of their program's progress and accomplishments. In addition, they will be required to conduct annual follow-up of all homebuyers participating in the program to verify they meet principal occupancy requirements during the specific period of affordability which will be kept on file at the Subrecipient's location subject to inspection during city staff monitoring visits. Also the Subrecipients must check Clark County Recorder's files for liens.

All participating Subrecipients will be expected to respond to any issues which arise concerning recapture, refinancing, or foreclosure of properties which were purchased through the city of Las Vegas HOME funded Homebuyer's Assistance Program.

In addition, Subrecipients must follow all other program requirements referenced in the city of Las Vegas, Neighborhood Development Division HOME Program Subrecipient Program Manual.

8. Participating Lenders

The Subrecipients are required to issue a Request For Proposal (RFP) to solicit mortgage lenders that shall offer preferred terms to clients participating in the Subrecipient's DPA Program. Subrecipient shall provide to applicant lenders a copy of their DPA program and a copy of the federal HOME regulations to which they will be required to adhere (24 CFR Part 92) in the RFP package. To protect HOME-assisted homebuyers from predatory lending practices, ensure competitive pricing, and promote efficient project administration, all participating Subrecipients must establish written procedures and a process to pre-approve the lenders. Subrecipients should use the following criteria in evaluating potential lenders:

- Capacity of the organization
- Commitment to serving nontraditional markets
- Quality of loan product(s)
- Public outreach process to solicit lender participation
- Format review of lender proposal
- Training to familiarize participating lenders with HOME program requirements
- On-going assessment of lender performance and review of lender products

Once submissions are received from lenders through the request for proposal process, a formal review process should be undertaken. Following lender selection, Subrecipients are responsible for ensuring they receive information and instruction concerning HOME Investment Partnership Program federal

regulations as well as their own DPA Program. Subrecipients will be responsible for monitoring their selected lenders' performance through on-going assessment and review of products (at least yearly). If clients desire to use a lender not included on the Subrecipient's list, the lender must apply to the Subrecipient and receive approval according to the formal process established by the Subrecipient to select lenders for the program. The lenders will be required to follow their stated policies and procedures to determine eligibility of the first mortgage loan. Once a homebuyer has been qualified, the lender may then refer them to the Subrecipient as a potential HOME funds recipient. The city of Las Vegas reserves the right to limit the duration of participation from successful lender respondents to the Request for Proposal.

9. Subrecipient Reimbursements:

It will be each Subrecipient's responsibility to review and certify Items 1 through 7 below for each request for payment through written signature on the pay request.

Subject to the following conditions, reasonable and customary downpayment and closing costs will be paid with the HOME loan:

1. Assumes HOME-eligible buyer
2. Assumes close of mortgage escrow (If the loan does not close, HOME funds cannot be expended)
3. Minimum amount of any loan must be \$1,000
4. Maximum reimbursement may not exceed \$10,000 or 6% of purchase price whichever is greater for households with incomes 80% or below AMI
5. Assumes all costs meet the conditions established for the lender product as determined by the agreement between the Subrecipient and the lender
6. HOME financial assistance will involve zero interest, deferred payment, forgivable loan, secured by a Deed of Trust on the property being purchased
7. Assumes that all costs have been disclosed to borrower as required by law

Reasonable and customary closing costs as follows:

1. Loan origination fee (up to 1%)
2. Loan discount fee (up to 1%)
3. Appraisal fee – market limit amount per lender proposal
4. Credit report
5. Recording fee
6. Document filing fee
7. Title insurance
8. HQS inspection fee (\$75 maximum)
9. Residential warranty (\$350/1 year maximum)
10. Escrow fee
11. Flood Certification fee
12. Flood insurance premium
13. Flood insurance reserves (two month maximum)
14. Hazard insurance premium reserves (two month maximum)
15. Private mortgage insurance reserves (two month maximum)
16. Mortgage insurance premium – market limit amount per lender proposal
17. First lender processing fee}
18. Property tax reserves (two month maximum)
19. Prepaid interest (30 days) maximum
20. Delivery Costs – up to 15 percent of the HOME assistance or a maximum of \$1,275 per home, whichever is less. Must be supported by detailed documentation demonstrating eligible costs incurred.

NOTE: COSTS NOT SPECIFIED ABOVE IN ITEMS 1 THROUGH 20 WILL NOT BE CONSIDERED REIMBURSABLE WITH HOME FUNDS

10. Recapture Provisions

The HOME Program will require a deferred loan period of five years for loans of \$10,000 or less. The participating Subrecipient will be required to recover all of the HOME assistance provided to the homebuyer if the following occurs:

- the housing does not continue to be the principal residence of the homebuyer
- the property is sold or title is otherwise transferred during the period of affordability
- the property owner has breached the terms of the HOME agreement
- death of the last surviving homebuyer of the property during period of affordability

The required recapture provisions will be enforced through the execution of a Loan Agreement between the Subrecipient and the homebuyer which will include the signing of a Promissory Note, a Deed of Trust, and a Request for Notice.

11. Foreclosure/Payoff/Refinancing

Foreclosure: Should the homeowner's property go into foreclosure proceedings, the Subrecipient will take all precautions necessary to ensure the HOME funds invested in the property are protected. The Subrecipient should also offer counseling to the homebuyer prior to entering into foreclosure. Should the Homebuyer lose possession of the property through foreclosure, the City must be properly notified by a Request for Notice of Default and a written notice from the Homebuyer submitted in a timely manner in order that the City be included in the division of net proceeds from the foreclosure sale and this amount will satisfy the repayment of the HOME Program funds. The Subrecipient will be required to acknowledge and agree that the city of Las Vegas will require repayment of the HOME funds from the net proceeds (if any) from the foreclosure sale and this amount will satisfy the repayment of the HOME Program funds.

Payoff: Should the homeowner repay the HOME funds invested in the property, the Subrecipient shall issue a check to the city of Las Vegas in the amount of the HOME funding along with a Deed of Reconveyance which the city will then execute and send to the Subrecipient.

Refinancing: Refinancing of an HOME-assisted property is allowable only for the following situations (unless the HOME money is repaid to the city in the refinancing process):

- to lower the interest rate and monthly payment on the first mortgage by a minimum of \$50 per month;
- to allow the borrower to secure a loan to cover emergency non-insured property damage to the home;
- to allow the borrower to secure a loan to cover major, non-insured medical treatment.

City of Las Vegas will not subordinate its position for other credit debt or loans which do not meet the criteria noted above. In addition, the City will not subordinate its position if the borrower is refinancing to "cash-out" their equity for any reason.

In order to expedite refinancing, the applicant must request the Subrecipient send a written request to the city of Las Vegas Neighborhood Services Director explaining the reason for a subordination request.

Supporting documentation for the reason of the requested subordination must be included. Additionally, the new refinanced amount must be at or below HUD's 203(b) limit FHA Maximum Mortgage Limit as determined for the city of Las Vegas. The Subrecipient must receive written consent to the subordination request from the Neighborhood Services Director and will be responsible for informing the applicant that the processing of subordination agreements by the city may take up to five weeks after receipt of a correctly formatted agreement. The city of Las Vegas will only approve one subordination request per year per applicant, and only if it fulfills the requirements above. Applicants may refinance the property if the HOME money is being paid back to the city in the process – see "Payoff" paragraph above.

12. Additional Subrecipient Responsibilities

The following is a list of activities the Subrecipient will be responsible for implementing to ensure the success of the program:

- **Marketing and Outreach**

An affirmative action plan must be developed and implemented to insure that information and access for the program is made available to a broad spectrum of the community with an emphasis on traditionally under-served populations.

A plan must be developed and implemented for conducting targeted outreach to residents and tenants of public housing, trailer parks, and manufactured housing, and to other families assisted by public housing agencies.

- **Homebuyer Education**

All HOME-assisted homebuyers must complete a city-approved homebuyer education course conducted by a HUD-certified counselor. A copy of each homebuyer's certificate of completion must be maintained in the file by the Subrecipient. Prior to commitment of HOME funds, homebuyers must be informed of all requirements and fees charged to participate in the homebuyer program, including the requirement to sign a Deed of Trust and the requirement of flood insurance if the property is located in a flood plain. In addition, the homebuyer must be educated concerning the hazards of lead-based paint and the lead-based paint requirements and a signed acknowledgement of this education by the homebuyer indicating that he has received this training and understands the dangers of lead based paint must be obtained and maintained by the Subrecipient in the project file. The Subrecipient should provide the potential homebuyer with the steps of the program process

- **Determination of Income Eligibility**

Technical eligibility of the household will be performed by the Subrecipients staff, independent of the financial analysis performed by other entities, e.g. lenders, realtors. Household income eligibility will be performed in accordance with procedures identified in HUD's *Technical Guide for Determining Income and Allowances for the HOME Program, Third Edition* (HUD-1780-CPD), using the most current HUD HOME Program Income Limits. An Income Eligibility Package must be completed on each household to include at a minimum an income and asset questionnaire, Household Income Declaration Form, and source documents used to verify income.

13. Commitment of HOME Funds

Subrecipient should not commit HOME funds to a homebuyer project until the following has occurred:

1. Prospective Homebuyer has completed the required Homebuyer education course.
2. Household has been approved for a first mortgage loan through an approved lender.
3. Subrecipient has received authorization from city staff that sufficient funds are available (city staff receives this verification through the issuance of a project number).
4. Subrecipient has determined the homebuyer is capable of homeownership and maintenance of same.

Commitment of funds will be for a minimum period of 60 days. The Subrecipient must have a written policy concerning the procedures to be followed if the homebuyer is unable to close escrow within the time allowed. Homebuyer must sign this policy acknowledging that they have read, understand, and agree to its terms.

NOTE: Because Subrecipient are only authorized allotments in increment reservations of a maximum of \$10,000 of HOME funds at one time, timely closing of escrow and submission of packages will be important to their ability to continue approving additional loans.

14. Project Set-ups

A project set-up is initiated when a Subrecipient sends to city staff a Set-Up report. Depending on the funding year, this report is either submitted to the County or the City will initiate the Set-Up and obtain a project number. A set-up will not be authorized until the city has obtained specific project number either through this process or from the County. Once the project number is issued to the homebuyer, funds are encumbered for the project for the minimum 45 day period. When a project is cancelled, the Subrecipient must provide written notification to the city of the cancellation within 30 days of canceling a project.

Authorization to commit funds means that the Subrecipient will be reimbursed for HOME eligible costs it incurred per program guidelines on behalf of an HOME eligible homebuyer.

- Set up package will be submitted to City after the following:
 - Prospective buyer has completed their Homebuyer Counseling Class.
 - Prospective buyer has received pre-approval from a mortgage company.
 - Prospective buyer has located property and has entered into a purchase contract with the seller contingent on receipt of federal funds.

- Set-Up Package will consist of the following:
 - HOME Project Set Up Report with estimated downpayment assistance
 - Copy of certificate of completion of Homebuyer Counseling Class
 - Copy of pre-approval from mortgage company
 - Copy of accepted purchase contract with seller

Once the funds have been set aside for the individual homebuyer, the Subrecipient will need to assure that escrow closes within 60 days. The day that escrow closes, the Subrecipient will e-mail the Neighborhood Programs Officer and inform him/her of the closing. The Subrecipient will have 30 days from that point to submit the Completion Package to the City.

15. Project Completions

Once the Subrecipient receives a copy of the recorded Deed of Trust and a final HUD-1, the Subrecipient may submit a completion report and request for reimbursement. This must be mailed to the city and include:

1. Completion Report
2. Revised Set-up Report with actual funding required
3. Request for Funds with original signature
4. Funds Applied Worksheet
5. Copy of Subrecipient's check to title company
6. Copy of refund check, if applicable
7. Copy of all checks from title company or homebuyer to the Subrecipient
8. Copy of final settlement statement (final signed HUD-1)
9. Copy of Recorded Deed of Trust (NOTE: copy of signed original must be recorded within 30 working days from close of escrow)

10. Signed Loan Agreement
11. Signed Promissory Note
12. Certified File Checklist
13. Proof of homeowners insurance
14. Recorded Request for Notice
15. Appraisal
16. Proof property passed HQS inspection
17. Lead based paint certification, if applicable
18. Proof of flood insurance, if applicable
19. Sellers Affidavit
20. FEMA report

16. Monitoring/Reporting

Subrecipient will be responsible for standard HOME reporting requirements. In addition, the Subrecipient must maintain the files with all updated material for five years after the ending of the period of affordability.

17. Lead Base Paint (LBP) Requirements

If the home that the prospective HOME-funded homebuyer has chosen was built prior to 1978, prior to close of escrow, the seller (at their expense) must have the home tested for lead based paint by an Environmental Protection Agency (EPA) State of Nevada certified risk assessor. If it is determined that the chosen home has lead-based paint anywhere on the building, the home will be disqualified from the city's Homebuyer Assistance Program.

For properties built after 1978, prior to close of escrow, a visual assessment of all painted surfaces contained in the proposed property to be purchased, must be conducted. The Subrecipient is required to make a visual assessment of the painted surfaces of the property to identify deteriorated paint and/or paint stabilization of deteriorated paint surfaces. HUD requires that only Certified Clearance Technicians make this visual assessment and certify the clearance examination to identify deteriorated paint and/or paint stabilization of deteriorated paint surfaces. A written evaluation of the visual assessment must be kept in the client file along with the certification of the Clearance Technician.

I. Tenant Based Rental Assistance (TBRA)

1. PURPOSE

To provide improved access to affordable rental housing and prevent homelessness among low income persons whose income does not exceed 60% Area median income adjusted for family size. TBRA provides families with a stable place to live while they are transitioning to self-sufficiency.

2. Eligible Cost

Partial grants to cover the amount of funds needed for the following:

- Rent payment assistance.
- Utility allowance payments (electric, gas, and water, excluding phone).
- One time security deposit assistance.

Monthly rental assistance paid on behalf of the program participant may not exceed the difference between the Rent Payment Standard set for the unit and 30 percent of the family's monthly adjusted income calculated using the Section 8 definition of annual gross income found at 24 CFR Part 5. The Minimum Tenant Payment, as required by 24 CFR 92.209 (h)(2), is established at ten (10) dollars per month.

This program is 100 percent tenant-based. The housing assistance goes with the individual/family participant and is not controlled in any way by the housing owner. The participant is free to use his/her assistance anywhere within Clark County, including the cities of Henderson, Boulder City, Mesquite, North Las Vegas and Las Vegas, where the owner is willing to participate. Participation by private sector housing owners is strictly voluntary.

3. FUNDING

City of Las Vegas federal HOME Investment Partnerships Program (HOME) funds and Low Income Housing Trust Funds (LIHTF).

4. ELIGIBLE PERSONS

Tenant-based rental assistance may only be provided to individuals and families whose income is at or below 60% area median income. Incomes of participating tenants must be verified before assistance is provided and re-verified monthly and the rental assistance adjusted accordingly.

5. TENANT SELECTION POLICY

Participants must complete in full all application paperwork and provide identification documentation and citizenship for all household members.

- Preference will be given to the following:
 - Single parents or families with children
 - Veterans
 - Seniors over the age of 62
 - Other homeless or about to be homeless individuals

Participants must commit to working with case manager on an individualized plan to achieve self-sufficiency at the end of the lease agreement, which may include but is not limited to job training opportunities, vocational rehabilitation programs, parenting classes, job search activities, credit counseling, savings plans, and applications for other forms of assistance. Failure to follow these plans may result in a termination of the agreement, causing funding to be revoked. In addition, participants who have failed to demonstrate a commitment to following case plan recommendations in the past may not be considered for funding support.

Household income may not exceed 60% of the area median income adjusted for family size as determined annually by HUD.

6. TYPES OF ASSISTANCE:

Monthly Assistance: The following type of assistance will be offered to eligible households in the form of a grant without repayment required:

Rent /Utility Allowance Payment Assistance

- The program will pay the reasonable monthly rental payments on selected rental unit to the owner on behalf of the participant and will pay monthly utility costs not to exceed the Utility Allowance to the utility company. Rental assistance shall be offered as based on the policies and procedures of the Subrecipient agency administering the program and determined by employing the Rent Payment Standard less utility allowance. Each individual will work with the Subrecipient staff to establish a one year program of assistance.

- The length of time rental assistance will be available will be determined by participant's completion of program goals and benchmarks not to exceed one year.

One-time security deposit as a grant

- The program will pay the security deposit on the selected rental unit to the owner on behalf of the participant. The maximum amount of HOME/LIHTF funds that may be provided for the security deposit is the equivalent of two months' rent for the unit.

7. LEASE PROVISIONS:

All renter households assisted under this program shall produce a written lease which has been signed for a period of no less than one year, unless by mutual agreement between the tenant and the owner. Copies of these leases must be kept in the Subrecipient's tenant files.

8. ELIGIBLE UNITS:

- a.) Qualified transitional housing operated in accordance with a recognized transitional housing program is eligible.
- b.) Available rental housing.
- c.) Tenants must use TBRA assistance in units that meet Section 8 Housing Quality Standards (HQS). Inspections must be made prior to initial occupancy and annually during the length of the TBRA assistance. The Housing Quality Standards include a basic occupancy standard of two persons per living/sleeping area.
- d.) All units must rent for a reasonable amount, compared to rents charged for comparable, unassisted units.
- e.) For units built before 1978, the owner must provide documentation from a qualified person certifying that the property is lead based paint free. Otherwise, units built prior to 1978 are not TBRA-eligible units.

9. PROCEDURES:

- a.) The Subrecipient agency will advertise the TBRA Program in a manner best suited to reach the target population to be served which is persons with incomes at or less than 60% area median income.
- b.) Potential applicants must fill out an application in person at the Subrecipient agency or their designee office. If a physical disability or inability to access public transportation exists, individual visits with the case manager at an alternate location may be available on an individual basis.
- c.) Applicants must provide acceptable, third party verification of all sources of gross income (this should include employment, benefits, pensions, food stamps, etc), and all assets for the family for documentation of initial eligibility and interim re-examination of income as the household size, composition, and income changes.
- d.) In addition, applicants must provide copies of birth certificates and /or Social Security cards and picture ID, State of Nevada Medical cards with Children's social security number, as applicable for all persons who reside in the household.
- e.) Applicants also provide a goals statement describing why they are viable candidates for assistance, to include how they plan to demonstrate that they will be in a position to maintain their housing expenses after the termination of assistance under this program.
- d.) If applicant is approved, financial assistance will be paid directly to the landlord or the utility company.
- e.) The Subrecipient agency will conduct a needs assessment with the participant and make appropriate referrals for other forms of assistance.

- f). Participant must agree to provide copies of financial documentation to assist in the development and implementation of their plan to maintain their housing costs after the period of assistance.
- g). Applicant provides rental agreement with the names of all household members as stated on the application. Utility bills must be in name of at least one of the residents of the household.
- h). Participant must agree to a maximum tenant payment of 30% of household adjusted monthly income as defined in 24 CFR 5.611 and a minimum tenant payment of ten (10) dollars per month.

10. SUBRECIPIENT RESPONSIBILITIES:

- a). Will be responsible for screening and selecting potential program participants in accordance with the Selection Criteria set forth in Item 5.
- b). Will review the rental lease to ensure the agreement complies with the HOME federal regulations 24 CFR 92 and will verify that lease agreements entered into for the tenant based rental assistance program will only include rents payments which do not exceed the Program Rent Payment Standard.
- c). Will provide monthly reports indicating the number of individuals entering the program, along with all required demographic information; the progress of existing participants; the amounts paid for each individual; and other benchmarks for the program which will be stipulated in their Subrecipient Agreement.
- d). Will coordinate with other service providers to ensure the participants have access to their identified needs, training, and care.
- e). Implement “rent reasonableness” (EXHIBIT “L”) procedures to insure standardization of rent information collected from each landlord.
- f). Provide written termination procedures to each participant and maintain a signed copy that client received it in the file.

11. TERMINATION OF ASSISTANCE

Any violation of the material provisions of the lease, income eligibility, or illegal activities will be cause for termination from the Program, in accordance with the provisions of the Program. The Subrecipient will terminate participant rental assistance for any violation so designated in the participant’s TBRA agreement/plan with the Subrecipient to include participant failure to cooperate in determining eligibility or for misrepresentation.

II. ADMINISTRATIVE PROVISIONS

A. Written Agreement with City

A written agreement (contract) must be entered into between the City and all entities receiving HOME/LIHTF funds prior to disbursing funds, and after the environmental review for the project has been completed. It forms the basis for the contractual obligation between the parties to fund and implement the activity, program, or project. The agreement denotes responsibilities attributable to each party, outlines the scope of services to be provided, and methods of accountability. Execution of the Agreement binds the Subrecipient/Developer for a specified period of time and is changeable only upon written authorization from the City.

If the Subrecipient/Developer does not have full ownership of the property, then an agreement between the non-profit, the owner of the property and the city of Las Vegas must be entered into to place the city’s Deed of Trust on the property to secure the HOME/LIHTF funds during the period of affordability

B. Subrecipient/Developers

HOME funds are allocated annually on an application basis to entities proposing projects that address the stated HOME objectives. A **Subrecipient/Developer** is selected by the City to administer all or a

portion of the City's HOME program. Unless otherwise noted, the term "Subrecipient/Developer" will be used throughout this manual to denote all entities, including: organizations, developers, owners, or sponsors receiving HOME funds through the City's allocation. The only exception is a single family, owner-occupant, which is not considered a Subrecipient/Developer.

C. Community Housing Development Organization

A Community Housing Development Organization (CHDO) is a private nonprofit organization that has among its purposes the provision of decent housing that is affordable to low-income persons (persons with incomes less than 80% of the median income) as evidenced in its charter, articles of incorporation, resolutions, or by-laws. The city of Las Vegas accepts CHDO applications. (See "CHDO Qualifications Checklist" attached as Exhibit "K" for organizational requirements of a CHDO.) CLV CHDO applications are available at the Neighborhood Development office. NOTE: CHDO designation does not guarantee allocation of City HOME funds.

D. Post-Award Responsibilities

Once the Agreement is executed between the City and the Subrecipient/Developer, the Subrecipient/Developer is required to:

1. Immediately report all changes in its articles of incorporation, bylaws, or tax-exempt status to the City.
2. Maintain no member of the Board of Directors as a paid employee, agent or subcontractor, unless the Subrecipient/Developer is a certified CHDO.
3. Include on the Board of Directors representation from the broadest possible cross-section of the community, including those with expertise and interest in the provided services, representatives from community organizations interested in the services, and users of the services.
4. Ensure all meetings of the Board of Directors are open to the public, except meetings, or portions thereof, dealing with personnel or litigation matters.
5. Keep minutes of all regular and special meetings of the Board of Directors and, upon approval, forward copies to the NDD Program Officer, if requested, and have a regular meeting annually.

E. Client Documentation by Subrecipient/Developer

Each Subrecipient/Developer is required to maintain documentation on clients benefiting from activities, programs, or projects funded through the City's NDD program. As a condition of receiving the HUD grant, the City, and in turn the Subrecipient/Developer, must certify that low and very-low income persons are being served. HUD also requires information on the race and ethnic background of the clients, how many are female heads of households, their residency in the City and how many are very-low income. City NDD staff and HUD must also have access to the names of the clients. Any information regarding applicants for services funded through federal monies shall be held in strict confidence.

Required Documentation

All Subrecipient/Developers shall obtain and maintain the following information on each client served:

- a) Client name and address;
- b) Gender;
- c) Ethnicity/race;
- d) Head of household status;
- e) Income.

This information shall be submitted with the Subrecipient/Developer's annual report.

Subrecipient/Developers shall use the HOME/LIHTF Annual Recertification (EXHIBIT "A") and HOME Program Rent Report (EXHIBIT "B") to collect this information from assisted household`

F. Federal Requirements

Subrecipient/Developers must comply with all applicable federal regulations governing the use of HOME funds. These regulations include but may not be limited to those identified on the "Conditions of Federal Funding" (APPENDIX "B")

G. Insurance

Subrecipient/Developers shall obtain and maintain the minimum insurance coverages outlined in "Insurance Requirements" (APPENDIX "C")

H. IRS Regulations

Subrecipient/Developer agrees to comply with all applicable IRS regulations, specifically regarding employees, depositing of payroll taxes, filing of payroll tax returns, and issuance of W-2's at year end. All persons working for a non-profit agency, whether full or part time, are considered employees, pursuant to IRS Publication 15A. If a private contractor or instructor is hired, a W-9 must be completed if he/she is paid \$600 or more, and an IRS Form 1099 must be issued to that person at year-end, as well as filed with the IRAS. 1099 instructions can be obtained on the IRS website.

I. CONSTRUCTION VOUCHER CONTROL

NSD may require the use of voucher control for some construction projects that are \$100,000 or more. Voucher control may be required for projects that are less than \$100,000, as determined by department staff. The agreement will include language regarding voucher control, as well as a copy of the Disbursement Agreement between the City of Las Vegas, the Subrecipient/Developer, the Voucher Control Company, and the Contractor.

J. HOME SET-UP REPORTS

A project set-up is initiated when a Subrecipient/Developer sends to City staff a Set-Up report (EXHIBIT "E","F", "G" and/or "J" depending on the type of funding). Once the project number is issued to the project, funds are encumbered for the project. Should the project be discontinued, the Subrecipient/Developer must formally notify the city and request that the project be canceled.

K. HOME COMPLETION REPORTS

It is the Subrecipient/Developer's responsibility to submit timely reports regarding the project. Ten percent or \$10,000.00, whichever is less, will be withheld from the project and/or voucher control funding, until:

1. documentation showing that the assisted units meet the Housing Quality Standards (HQS), or, if new construction, that the Project has received an occupancy certificate;
2. a certified statement of Final Development Costs which, at a minimum, reports all development costs and expenditures for all federal funds, and the disposition of all of the HOME/LIHTF funds;
3. for projects involving new construction or rehabilitation, a completed form HUD-2516, "Contract and Subcontract Activity";
4. a completed HUD-40097 "Rental Housing Completion Project Report, (EXHIBIT E), or, for owner-occupied projects, form HUD-4096 "Homeownership Project Completion Report", (EXHIBIT "F" and "G") or for LIHTF projects, a Low Income Housing Trust Fund (EXHIBIT J)
5. evidence of the recorded fully executed Deed Of Trust securing the City's interest in the Property; and
6. evidence that Subrecipient/Developer has provided the manager of the Project (Management Agent) with a copy of the HOME/LIHTF Program regulations and the specific HOME/LIHTF compliance requirements for the Project.
7. copy of project appraisal
8. evidence that the City of Las Vegas has been named as additionally insured on insurance policy
9. current Single Audit Report or Certification of Annual Federal Expenditures Below Threshold (,500K)

L. PRELIMINARY TITLE REPORT

The City will require receipt of a Preliminary Title Report on the Site to be encumbered by HOME funds prior to recordation of the Deed of Trust and prior to disbursement of any funds.

M. TITLE INSURANCE

The City will require receipt of Title Insurance from the Subrecipient/Developer on the Site in the amount of the HOME funds encumbering the property.

N. INCOMPLETE PROJECTS

In the event the Subrecipient/Developer completes the purchase of the Property, and for any reason whatsoever, the Subrecipient/Developer is unable to begin the HOME-eligible project on the Property for which the HOME/LIHTF funds were utilized for the purchase of the Property, the Subrecipient/Developer may transfer the Property by deed to the City, at no cost to the City. If the Property is transferred by deed to the City, the City will make reasonable efforts to ensure the Property is utilized for a HOME/LIHTF eligible project, or the City may sell the Property and return the amount of the HOME funds utilized for the purchase to its source. As an alternative to conveyance of the Property to the City, the Developer/Subrecipient may elect to sell the Property, provided arrangements have been made through escrow for the proceeds resulting from the sale to be used, in the following order of priority, for (i) repayment of any project financing which is senior to the financing provided by the City, (ii) repayment to the Developer the amount of its investment in the project, (iii) repayment to the City the amount of funds invested in the project, and (iv) the balance of the proceeds, if any, remaining thereafter shall be returned to the city. If the proceeds from the sale of the Property are inadequate to repay the City for the Project Funds expended on the Project, the Developer agrees to pay the deficiency and such payment shall be made at, and as a condition to, the close of escrow.

O. VENDOR PROFILE

All entities doing business with the City must complete a Vendor Profile. This form is located on the City's Website at www.lasvegasnevada.gov. This information is used to process payments.

III. GENERAL HUD INFORMATION

A. ENVIRONMENTAL REVIEW

Prior to spending any federal funds or starting construction, an Environmental Review (ER) must be completed and approved by HUD. Depending on the type of project it may take 3-4 months for completion, it is important to include that time frame when planning the project time-line. If a historic study is needed, up to 120 additional days may be required to complete the ER.

The Environmental Review Form (EXHIBIT "C") will be provided to each applicant for HOME funds. After the agency has provided the information and returned the form to the City, NDD staff sends it to more than 17 agencies for their review and input. Once comment has been received from each agency, a Finding of No Significant Impact/Request For Release of Funds (FONSI/RROF) is published. There is a 30 day comment/objection period that must be adhered to. The project may not receive a Notice To Proceed (NTP), until the City has received an Authority To Use Grant Funds (ATUGF) from HUD. This is generally received ten days after the end of the HUD 15 day objection period. After the comment period has passed, the entire file is referred to HUD for review and approval. Only after the Environment Review has been approved in writing by HUD is the HOME funding available for the project.

ENVIRONMENTAL REVIEW REQUIREMENTS

Per HUD Notice CPD 01-11 (APPENDIX "G"), once an application is submitted to the City for HOME funding, the applicant can no longer take any actions regarding the property. Completion of the HUD Environmental Review process is mandatory before taking a physical action on a site or making a commitment or expenditure of HUD or non-HUD funds for property acquisition, rehabilitation, conversion, lease, repair or construction activities. **The City is responsible to complete the Environmental Review (ER) process.** The ER must examine existing conditions of the site and

surrounding area; identify, analyze and evaluate all impacts; recommend feasible ways to mitigate or eliminate adverse environmental impacts; examine alternatives to the project and complete a compliance determination. The scope of the ER process must include both the HOME-funded and non-Federally funded portions of the project. This ER does not take the place of the required Phase I Assessment required for construction or rehabilitation projects. The City is responsible to ensure its third party partners do not take any actions which will have an adverse environmental impact or limit the choice of reasonable alternatives until HUD has issued an approval to spend funds. Please consult with a Neighborhood Development Division HOME representative for clarification, prior to any activity you wish to undertake for the proposed project. Failure to do so may be grounds for denial of HOME funds.

B. DAVIS-BACON ACT

The Davis-Bacon Act applies if the number of HOME assisted housing units is 12 or more covered by the same construction contract. The workers must receive no less than HUD-certified Davis Bacon wages for the area in which they are working. The HUD Department of Labor Office in San Francisco provides these wages to the City, which also receives annual wage decisions from the State of Nevada. The City monitors to ensure compliance with the regulations and that proper wages are paid.

After the current fiscal allocations are approved by the City Council, training workshops for agencies with approved projects are scheduled to review Davis-Bacon, Section 3, and Environmental Review requirements. When the agency assembles the information for bid specifications, NDD staff provides copies of the latest wage decision to be included in the package. Ten (10) days before the bid is opened, NDD staff provides the latest wage decisions so that the bids will be up to date and current.

C. SECTION 3

The Section 3 Program requires that contractors and sub-contractors hire residents of the area and provide them with training and/or exposure to construction trades. The eventual goal is to help the workers develop skills in a trade so they may become self-sufficient. Section 3 applies only to projects that are \$200,000 or more for general contractors and when the sub-contractor's portion of the project exceeds \$100,000. Section 3 applies only if the HOME/LIHTF funds are used for the construction costs.

D. RELOCATION REQUIREMENTS

HOME-funded projects are subject to relocation requirements contained in the Uniform Relocation Act (URA), and in some projects, Section 104(d) of the Housing and Community Development Act. URA relocation requirements are triggered whenever displacement occurs as a direct result of rehabilitation, demolition, or acquisition for a HOME-assisted project. The extent of the relocation assistance will be determined on a project-by-project basis. Projects which result in tenant relocation will not be considered for funding.

E. HANDICAPPED ACCESSIBILITY REQUIREMENTS

Section 504 of the Rehabilitation Act of 1973 prohibits discrimination in federally assisted activities on the basis of handicap, and imposes requirements to ensure that qualified individuals with handicaps have access to these programs and activities. The extent of the application of Section 504 requirements will vary with each individual project, but a general guideline follows:

- For new construction of multi-family projects, a minimum of 5 percent of the units in the project, but not less than one unit, must be accessible to individuals with mobility impairments and an additional 2 percent of the total number of units, but not less than one unit, must be accessible to individuals with sensory impairments.
- Substantial rehabilitation for multifamily projects includes construction of 15 or more units for which the rehabilitation will be 75 percent or more of the replacement cost. A minimum of 5 percent, but not less than one unit, must be accessible to individuals with mobility impairments and an additional 2 percent of the total number of units, but not less than one unit, must be accessible to individuals with sensory impairments.

F. HOUSING QUALITY STANDARDS AND PROPERTY STANDARDS

All HOME-assisted funded housing, including homeownership and rental housing assisted with HOME funds, must maintain the housing in compliance with all applicable State and local housing quality standards (HQS) and code requirements. If there are no such standards, the housing must meet the housing quality standards in 24 CFR 982.401. Therefore, City of Las Vegas codes and standards apply. Each unit is required to have an annual HQS inspection performed by a HUD certified HQS inspector until the expiration of the period of affordability.

The Developer must maintain the new construction or rehab projects in compliance with the applicable state and local property standards, cost effective energy conservation and effectiveness standards in 24 CFR part 39, and local housing code requirements for the duration of the HOME/LIHTF agreement. The Developer must use qualified building inspectors to perform property inspections of the HOME/LIHTF assisted units (15 percent biannually) as outlined in 24 CFR 92.251. Additionally, the Developer must perform all work required by the inspector to keep the project in compliance with local and state codes.

G. Period of Affordability

The HOME-assisted units must meet the affordability requirements for not less than the applicable period specified, beginning after project completion. Affordability requirements apply regardless of the term of any loan or mortgage or the transfer of ownership. They are imposed by deed restrictions, or other HUD approved mechanisms.

- 1. Rehabilitation and acquisition of rental housing per unit amount of federal HOME funds:

Under \$15,000	5 years
\$15,000 to \$40,000	10 years
Over \$40,000	15 years

- 2. New construction or acquisition of newly-constructed housing

20 years

Units assisted with State HOME must remain affordable for the same periods as Federal HOME funded projects, and units assisted by LIHTF must remain affordable for a minimum of 30 years. Moreover, such funds are recaptured upon sale or transfer of title of the assisted units. Each property will have a Deed of Trust recorded on it specifying the requirement that the property must remain affordable if resold or transferred. If the property is sold, the new owner must enter into an Agreement that the units remain affordable and the proceeds are then distributed to the City of Las Vegas by the title company, and a Deed of Reconveyance is prepared by the City and forwarded to the Subrecipient/Developer for recordation.

IV. Financial Management

A. Budget Section

All City HOME/LIHTF applications for funds include reports on budget information.

- 1. Project Income Data – The income anticipated from the project.
- 2. Project Operating Expenses – The expenses anticipated from the project.
- 3. Debt Services – The debt service on the project as well as the project cash flow.
- 4. Project Development Cost Data (EXHIBIT “D”) – Detailed estimated costs and amounts to be paid by HOME/LIHTF funds, including acquisition of land and buildings; construction/rehabilitation and financing costs; permanent loan financing costs; related soft costs-general/ and developer costs.
- 5. Sources and Uses of Funds Data – all funding commitments from all donors and funding sources, including HOME/LIHTF and the use of all funds.

B. Budget Revisions

Modifications to approved budgets are allowable but must be directly related to changes in the line items of the signed Agreement.

Development Project budgets may be modified only through written request to the City identifying the reasons for the specific changes and resultant line item changes. The dollar amounts of the original line items may be shifted around, but the actual line items may not be changed. The written approval of the request must be received by the Subrecipient/Developer prior to implementation.

The Director of the City of Las Vegas Neighborhood Services Department has the authority to grant or deny requests for budget revisions. The City will issue a written decision within seven business days of receiving the request.

C. Fiscal Records

Organizations receiving HOME funds must keep the following fiscal records:

1. Bookkeeping Journals and Ledgers

Cash receipts journal, cash disbursements journal, expense journal, general journal, and general ledgers must be maintained. Back-up documentation for the journal entries must be kept and properly filed. Documentation must include: invoices, bills and other receipts, deposit slips, bank statements, check stubs, check books, canceled checks, purchase orders, petty cash records and other verification as applicable. Each project must have separate journal entries.

2. Recordkeeping

The Subrecipient/Developer shall maintain a system of internal control in accordance with generally accepted accounting practices. Internal control consists of a plan or procedure to safeguard assets, check the adequacy and reliability of accounting data, promote operating efficiency, and assure adherence to prescribed management policies.

In the event the program or project terminates, copies of all records relating to the project or activity that are the subject of the agreement shall be furnished to the City.

Financial reports required to be prepared and submitted by the Subrecipient/Developer to the City shall be accurate and correct in all respects. Should inaccurate reports be submitted to the City, the City may elect to have the Subrecipient/Developer secure the services of a licensed accounting firm. The cost of such accounting services will be the responsibility of the Subrecipient/Developer.

D. Expenditures

All expenditures associated with an approved activity or project must comply with the following criteria:

1. Limitation of Expenditures

- a) The Subrecipient/Developer shall not expend funds provided under the agreement prior to the completion of the Environmental Review and no funds will be disbursed until the agreement is fully executed.
- b) Expenditures shall be made in conformance with the approved budget and shall meet the criteria established for allowable costs.
- c) Expenditures shall be in direct support of the project, which is the subject of the contract. The Subrecipient/Developer shall notify the City in writing of any expenditure for items jointly used for any other project(s) and the expenditures shall be apportioned according to the percentage of direct use in the project.
- d) All expenditures are paid on a reimbursement basis except for acquisition, which are paid directly to the title company.

2. Eligible Costs

To be eligible for payment, costs must be in compliance with Office of Management and Budget Circular (OMB) A-87 and with the principles set forth below:

- a). Necessary and reasonable for the proper and efficient performance of the contract and in accordance with the approved budget; the City has final authority to determine in good faith whether an expenditure is "necessary and reasonable";
- b). Conform to the limitations within this manual and to any governing statutes, regulations and ordinances;
- c). Fully documented and determined in accordance with generally accepted accounting principles,
- d). Not included as a cost or used to meet cost sharing or matching requirements of any other funding source in either the current or a prior period;
- e). Net amount of all applicable credits such as purchase discounts, rebates, sales or other income or refunds;
- f). Document all costs by maintaining complete and accurate records of all financial transactions, including but not limited to: contracts, invoices, timecards, cash receipts, vouchers, copy of front and back of canceled checks, bank statements and/or other official documentation evidencing in proper detail the nature and propriety of all charges;
- g). Submit to HUD or City at such times and in such forms as HUD or, City may require, statements, records, reports, data, and information pertaining to matters covered by the agreement or contract.

E. Reimbursement

1. Request for Funds

Request for funds reimbursement for eligible expenses are presented to the City with all related backup material, including copies of invoices and copies of both front and back of cancelled checks or on line bank statements showing the check has cleared the bank. See "Request for Funds" forms attached hereto as EXHIBIT "H" and "I".

2. Staff Review

City NDD staff will review each request for reimbursement submitted by Subrecipient/Developer. Questionable or ineligible expenses will be identified and the Subrecipient/Developer will be requested to submit clarifications, corrections, or additional information.

F. Program Income

Any Program Income not directly offset by maintenance or operating expenses for that project must be returned to the City of Las Vegas.

V. MONITORING

A. Monitoring by City

1. Purpose

City NDD staff will conduct an on-going monitoring in order to review the programmatic and financial aspects of the Subrecipient/Developer's activities. NDD staff will review annual reports submitted by the

Subrecipient/Developer for compliance with federal regulations regarding the use of federal funds and the implementation of the program or project.

The monitoring process is oriented towards resolving problems, offering technical assistance, and promoting timely implementation of projects. To this end NDD staff may require corrective actions of the Subrecipient/Developer.

Following are examples of significant problems, which will trigger corrective action by the Subrecipient/Developer:

- a. Services are not documented.
- b. Goals are not being met.
- c. Project files not in order.
- d. Complaints by clients.
- e. Required reports not being submitted in a timely manner.
- f. Not documenting client information.
- g. HQS or Property Standards inspections not conducted

2. On-Site Visits

Annual on-site monitoring visits will be conducted in order to ascertain that eligible clients for whom the program or project was intended are being served and that in the event of an audit, the required client information is being maintained.

Based on monitoring results, City NDD staff may require meetings with Subrecipient/Developers whose performance does not appear to be sufficient to meet the goals and achievements as outlined in the agreement. An on-site visit may occur to discuss the service activity shortfall.

EXHIBIT "A"
HOME/LIHTF ANNUAL RECERTIFICATION

Property Name _____ Unit Number _____

Effective Date of Certification _____ Number of Bedrooms _____

List all occupants of the unit, their relationships to each other (if any), and ages:

Occupant	Relationship	Social Security Number	Age	Annual Income
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Family Income _____

Percent of Area Median Income _____ (staff)

Resident’s Statement: I understand that the above information has been collected to determine my eligibility for residency. I certify that the statements made in this certification are true and complete to the best of my knowledge and belief and am aware that false statements may be cause for termination of my lease and may be punishable under Federal Law. I agree to immediately inform the project manager of any change to my household’s family composition.

Signature of each household member over 18:

_____ Date _____

_____ Date _____

_____ Date _____

_____ Date _____

Project Sponsor’s Statement: Based on the representations herein, the household defined in this certification is eligible under the HOME/LIHTF to live in a unit in this development.

Management Representative _____ Date _____

Exhibit "B"

HOME PROGRAM Rental Report

Household Characteristics. Enter one code only in each block.

No.	Tenant's Last Name or First 5 Letters of Last Name	No. of BRs	Tenant Payment (a)	Subsidy Amount (b)	Total Rent (a + b)	% of Area Median Income	Hisp	Race of Head of Household	Size of Household	Head of Household	Type of Contract 0=Owner T=Tenant	Is HOME Assisted Tenant in HOME Assisted Project
1												
2												
3												
4												
5												
6												
7												
8												
9												
10												
11												
12												
13												
14												
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16												
17												
18												

EXHIBIT "C"
MANDATORY HOME FUNDING ATTACHMENT
ENVIRONMENTAL REVIEW REQUEST FORM
NEIGHBORHOOD SERVICES - NEIGHBORHOOD DEVELOPMENT

Please provide the following information; attach all requested documentation.

HUD Environmental Reviews encompass five years after completion. In order to maximize staff time and the cost associated with the Environmental Reviews, please provide information on all phases, regardless of funding sources. If exact details are not available, please base the description on the maximum allowed use for the site. For housing projects, please describe the proposed number and types of units, how many stories, and planned amenities for each phase. For construction or rehab projects, describe any other planned buildings and the work or changes involved.

1. Site Information (Phase for which funds are being requested)

- A. Project Name:** _____
- B. Address:** _____
- C. Contact Person:** _____
- D. Phone Number:** _____ **Project Cost:** _____
- E.** Attach site plan(s), and elevations showing details of the site and locations of existing and proposed structures. Include a location map showing the site in relation to its surroundings. (Required with the HOME Application)
- F.** Is this a new construction Project? Yes No

For All Projects

- | | | |
|---------------------------------------|--|---------------------------------|
| G. Total land area (acres): | Current | Proposed |
| H. Zoning: | Current | Proposed |
| I. Site in flood zone: | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Unsure |
| J. Site in Airport Runway Zone | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Unsure |

For Housing Projects (new construction):

- | | | | |
|--|-------|--|-------|
| K. Total number of units proposed | _____ | M. How many stories | _____ |
| L. Number of planned buildings | _____ | O. Anticipated number of phases | _____ |

For Housing Projects (rehab):

Year Built _____

- | | | | |
|---|-------|--|-------|
| M. Total number of units existing: | _____ | N. Number of units to be rehabbed | _____ |
| O. Substantial Rehab? | _____ | P. Moderate Rehab? | _____ |
| Q. Asbestos abatement? | _____ | R. Lead Based Paint Abatement | _____ |

Will the work be done on the interior or exterior of dwelling/structure Interior Exterior
 Will this project cause a vacant building to become physically or Yes No
 legally habitable?

Note: New construction projects may also require a historic survey to be done in and around the project area with boundaries to be determined by Neighborhood Services staff. Please discuss with the NPO assigned to your project.

No physical or choice limiting actions including acquisition, demolition, movement, rehab, or construction, etc. may take place on the proposed project prior to the completion of the HUD required environmental review. Please see HUD notice CPD 01-11 for guidance. (per the notice this may be cause for project denial.

An application is considered as intent to use HOME funds

Basic Project Site Information

Environmental Review (ER) Data (please check one box):				
Does the surrounding area have buildings 50 years or older? **	Yes		No	
Is the site or structure on the State or Federal historic register? **	Yes		No	
Is the site located in an Airport Clear Zone?	Yes		No	
Is the site exposed to high noise levels?	Yes		No	
Is the site located within:				
1,000 feet of a major roadway? (20,000 cars per day) ***	Yes		No	
3,000 feet of a railroad?	Yes		No	
5 miles of a civilian airport?	Yes		No	
15 miles of a military airport?	Yes		No	
Does the site/structure contain any of the following hazardous materials:				
Oil Contamination in Soils	Yes		No	
Is the site located within one mile of an area exposed to thermal/explosive hazards (where hazardous liquids, gases or chemicals of flammable nature are stored)?	Yes		No	
Is the property located within one mile of a dump or landfill or within one mile of an industry manufacturing, storing, or disposing of chemicals or hazardous waste	Yes		No	

* Due to Hurricanes Katrina and Rita, FEMA has new rules associated with new construction in a flood plain. Plans must be approved by FEMA, which will take approximately 9 months. The city must have proof of FEMA's approval prior to beginning an Environmental Review.

** A Historical Survey may be required if the project is in an area with houses or buildings which are 50 years or older. This may add up to 90 – 120 days to the ER process. Please discuss with the NPO assigned to the project for guidance on this issue. The City will not be responsible for project deadlines, i.e. (Tax Credits or Bonds), if the process is not started by the developer in a timely manner.

*** A noise study may be required to mitigate noise to a level acceptable by HUD.

By signature below, developer/agency accepts responsibility for beginning the Environmental Review Process in a timely manner. Further, developer/agency understands that no action may be taken on project prior to completion of the HUD Environmental Review Process by the City.

Print name above and title

Signature, President, Board of Directors/Designee

Date

Environmental Review Clearance Request

ALL HOUSING PROJECTS: If the project has cross streets with more than 20,000 cars per day, is 1,000 feet from a major arterial, freeway overpass, railroad track or an airport clear zone, the developer must conduct a noise study as part of the architectural/engineering process. This may involve design modifications in order for the project to achieve the acceptable HUD DNL of 45 decibels for inside noise to be eligible for funding.

2. Planning Requirements - Indicate all approvals and permits required:

ACTION REQUIRED	INITIATION OR APPLICATION DATE	APPROVAL DATE
<input type="checkbox"/> Toxic report	_____	_____
<input type="checkbox"/> Soils report	_____	_____
<input type="checkbox"/> Drainage report	_____	_____
<input type="checkbox"/> Noise Study	_____	_____
<input type="checkbox"/> Conditional Use Permit	_____	_____
<input type="checkbox"/> Variance	_____	_____
<input type="checkbox"/> Other: <i>(describe)</i>	_____	_____

Please include copies of any completed soils, drainage or toxic reports and a Phase I.

3. Description of the Proposal – In the space provided below, please describe how the proposed site was chosen, list any other sites considered and why they were rejected. Describe the needs the project will meet, and why it was chosen.

4. Existing Conditions and Trends – In the space below, please describe the existing site, ie. raw land and any previous known usage, type of site, current use, etc. (ex. 4 acres raw land; 2 acres land – parking lot, former gas station)

Environmental Review Clearance Request

In the space below please describe any future phases of this project. State N/A or cross out this section if it does not apply to the project.

Phase I:

Phase II:

Phase III:

Exhibit "D"

Project Development Cost Data

	Total Est. Cost	Amt. To Be By HOME
1. Acquisition of Land and Buildings		
• Land	\$ _____	\$ _____
• Existing Building(s)	\$ _____	\$ _____
• Other	\$ _____	\$ _____
2. Construction/Rehabilitation Costs		
• Demolition Costs	\$ _____	\$ _____
• New Building Costs	\$ _____	\$ _____
• Rehabilitation Costs	\$ _____	\$ _____
• Site Work	\$ _____	\$ _____
• Off-Site Improvements	\$ _____	\$ _____
• Utility Connections	\$ _____	\$ _____
• Contractor Overhead	\$ _____	\$ _____
• Contractor Fee	\$ _____	\$ _____
• Construction Contingency	\$ _____	\$ _____
• Other	\$ _____	\$ _____
3. Construction Financing Costs		
• Property Taxes (during construction)	\$ _____	\$ _____
• Construction Insurance	\$ _____	\$ _____
• Construction Loan Interest	\$ _____	\$ _____
• Construction Loan	\$ _____	\$ _____
• Origination Fee	\$ _____	\$ _____
• Other	\$ _____	\$ _____
4. Permanent Loan Financing Costs		
• Permanent Loan Origination Fee	\$ _____	\$ _____
• Credit Report	\$ _____	\$ _____
• Title and Recording Fees	\$ _____	\$ _____
• Legal Fees	\$ _____	\$ _____
• Documentation Prep Fees	\$ _____	\$ _____
• Escrow Closing Fees	\$ _____	\$ _____
• Escrow Prepaid Items	\$ _____	\$ _____
• Other	\$ _____	\$ _____

- **Project Development Cost Data (continued)**

	Total Est. Cost	Amt. To Be By HOME
5. Related Soft Costs – General		
• Architectural Design Fees	\$ _____	\$ _____
• Architectural Supervision (if applicable)	\$ _____	\$ _____
• Engineering Design Fees	\$ _____	\$ _____
• Engineering Supervision (if applicable)	\$ _____	\$ _____
• Survey	\$ _____	\$ _____
• Appraisal Fee(s)	\$ _____	\$ _____
• Environmental Report	\$ _____	\$ _____
• Soils Report	\$ _____	\$ _____
• Market Study	\$ _____	\$ _____
• Project Audit Fees	\$ _____	\$ _____
• Legal Fees	\$ _____	\$ _____
• Tax Credit Fees	\$ _____	\$ _____
• Cost of Marketing & Advertising	\$ _____	\$ _____
• Construction Control	\$ _____	\$ _____
• Other	\$ _____	\$ _____
6. Developer Costs		
• Developer's Fee	\$ _____	\$ _____
• Other	\$ _____	\$ _____

building Sections H, I, J, K, and L.)

1. Activity Type (enter code): _____ (1) Rehab Only (4) Acquisition & Rehab (2) New Construction Only (5) Acquisition & New (3) Acquisition Only Construction		2. Property Type (enter code): (1) Condominium (4) Apartment (2) Cooperative (5) Other (3) SRO		3. FHA Insured (Y/N) ?	
4. Mixed Use Y/N ?		5. Mixed Income (Y/N) ?		6. Completed Units: Total Number: _____ HOME-assisted Units: _____	

H. Property Address. (For multi address activities)

1. Building Name:	2. Property Street Address:	3. City:	4. State:	5. Zip Code:	6. County code:
-------------------	-----------------------------	----------	-----------	--------------	-----------------

I. Units

	Total	HOME Assisted
1. Of the Units Completed, the number:	_____	_____
Meeting Energy Star standards:	_____	_____
504-accessible:	_____	_____
Designated for persons with HIV/AIDS:	_____	_____
Of those, the number for chronically homeless:	_____	_____
Designated for the homeless:	_____	_____
Of those, the number for the chronically homeless:	_____	_____

J. Period of Affordability. If you are imposing a period of affordability that is longer than the regulatory minimum, enter the total years (HOME minimum + additional) of affordability.
PJ-imposed period of affordability: _____ years

K. Costs.

1. HOME Funds (Including Program Income)

(1) Amortized Loan	\$	
(2) Grant	\$	
(3) Deferred Payment Loan	\$	
(4) Other	\$	
(5) CHDO Loan	\$	
Total HOME Funds		\$

2. Public Funds

(1) Other Federal Funds	\$	
(2) State/Local Funds	\$	
(3) Tax Exempt Bond Proceeds	\$	
Total Public Funds		\$

3. Private Funds

(1) Private Loans	\$	
(2) Owner Cash Contribution	\$	
(3) Private Grants	\$	
Total Private Funds		\$

4. Low-Income Housing Tax Credit Proceeds

		\$
5. Activity Total or Total This Address		\$

Read the instructions for each item carefully before completing the form. The purpose of this report is to assist with the collection of information to be entered into IDIS.

Applicability. This report is to be completed for each homebuyer activity assisted with HOME funds.

Timing. This report form is used to setup an activity in IDIS so that funds may be drawn down and to complete the activity so that the HOME Program reporting requirements are met.

A. GENERAL INFORMATION.

1. **Name of Participant.** Enter the name of the participating jurisdiction or the agency administering the homeowner rehab activity.
2. **IDIS Activity ID Number.** Enter the activity number assigned by IDIS.
3. **Activity Name.** Enter the name that the grantee or sub-grantee has designated to the activity.

B. CHDO Questions. (Only applicable if the activity is being carried out by a CHDO.)

1. **Is funding limited to CHDO Operating (CO) or CHDO capacity Building (CC)?** This report does not apply to CO or CC activities. In IDIS, fund and draw after selecting CO/CC on the HOME menu.
2. **Will the activity be funded with CR (Y/N)?** _____ **If yes, CHDO Acting as:** (Enter code) _____
(1) Owner (2) Sponsor (3) Developer
3. **Will initial funding be a CHDO Site Control and/or Seed Money Loan (Y/N)?** _____ (If Y, answer 4)
4. **Is the activity going forward?** After funding and drawing CL, answer "Y" to proceed to set up a Homebuyer activity or "N" to report costs and complete the activity.

C. Objective and Outcome.

Objective. Enter the code of the objective that best describes the purpose of the activity. If a code is not entered in IDIS, the system will default the answer to "2" – Decent affordable housing.

1. **Suitable living environments.** Applies to activities that benefit communities, families, or individuals by addressing issues in their living environment.
2. **Decent affordable housing.** Applies to housing activities that meet individual family or community needs. This objective should not be used for activities where housing is an element of a larger effort.
3. **Creating economic opportunities.** Applies to activities related to economic development, commercial revitalization, and job creation.

Outcome. Enter code of the outcome that best describes the benefits resulting from the activity. If a code is not entered in IDIS. The system will default the answer to "2" – Affordability.

1. **Availability/accessibility.** Applies to activities that make services, infrastructure, housing, and shelter available and accessible. Note that accessibility does not refer only to physical barriers.
2. **Affordability.** Applies to activities that provide affordability in a variety of ways. It can include the creation or maintenance of affordable housing, basic infrastructure hookups, or services such as transportation or day care.
3. **Sustainability.** Applies to activities that promote livable or viable communities and neighborhoods by providing services or by removing slums or blighted areas.

D. Special Characteristics

1. **Activity Location. Type "Y" next to any that apply. IDIS will default the answer to "N" if an answer is not typed in the field.**
 - (1) CDBG strategy area is defined as HUD-approved neighborhood or Community Revitalization strategy Area (NRSA or CRSA), identified in the grantee's Consolidated/Annual Action Plan under Section 91.215(e) or Section 91.315(e)(2).
 - (2) Local target area is defined as a locally designated non-CDBG strategy area targeted for assistance.
 - (3) Presidentially declared major strategy area is defined as an area declared a major disaster under subchapter IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.
 - (4) Historic Preservation Area is defined as an area designated for historic preservation by local, state, or federal officials.
 - (5) Brownfield redevelopment area is defined as an abandoned, idle, or underused property where expansion or redevelopment is complicated by real or potential environmental contamination.
 - (6) Conversion from non-residential or residential use is self explanatory. An example is converting an old warehouse into rental units or condominiums.
 - (7) Colonia is defined as a rural community or neighborhood located within 150 miles of the U.S.-Mexican border that lacks adequate infrastructure and frequently also lacks other basic services. This field only applies to activities located in the states of Arizona, California, New Mexico, and Texas.
2. **Faith-Based Organization.** Will this activity be carried out by a faith-based organization (Y/N)? Enter "Y" if it is known or if the organization declares itself to be a faith-based organization. If not, enter "N".
Note: IDIS will enter the default answer of "N" if an answer is not typed in the field.

E. Activity Information

1. **Activity Type.** Enter code to indicate the type of activity.
 - (1) **Rehab Only**
A HOME-assisted rehabilitation activity that did not include acquisition of real property.
 - (2) **New Construction Only**
Any activity that involved: (a) the addition of units outside the existing walls of the structure and (b) the construction of a new residential unit(s).
 - (3) **Acquisition Only**
Acquisition of a structure that received certificate of occupancy at least 13 months before acquisition, which did not require rehabilitation and which is being used to provide affordable housing.
 - (4) **Acquisition & Rehab**
A HOME-assisted rehabilitation activity, which included the acquisition of real property.
 - (5) **Acquisition & New Construction**

A HOME-assisted new construction activity, which included the acquisition of real property. This includes acquisition of a structure that has received an initial certificate of occupancy within a one-year period prior to acquisition.

2. **Property Street Address.** Self explanatory. For multi address activities enter a general description of the project location.
3. **City.** Self explanatory.
4. **State.** Self explanatory.
5. **Zip code.** Self explanatory.
6. **County code.** Enter the county name or code. IDIS provides help to select the appropriate code.
7. **Activity Estimates. HOME Units.** Enter the estimated total number of units (upon completion) that will receive HOME assistance.
8. **Activity Estimated. HOME Cost.** Enter the total amount of HOME funds requested for the activity.
9. **Multi-Address (Y/N)?** If the activity consists of more than one home, enter "Y" so that costs and beneficiary information can be reported for each address at completion.
10. **Loan Guarantee? Y/N.** Enter Yes or No to indicate whether this activity is supported by a loan guarantee.

F. Property Owner/Developer Information.

1. **Property Owner/Developer Type.** Enter code to indicate the type of property owner/developer:
 - (1) Individual
 - (2) Partnership
 - (3) Corporation
 - (4) Not-for-Profit
 - (5) Publicly Owned
 - (6) Other
2. **Property Owner's/Developer's Name.** Enter the name of the property owner or developer.
- 3., 4., 5., and 6. **Owner's/Developer's Street Address, City, State, and Zip Code.** Self-explanatory.

Complete Rental Activity

G. Activity Information.

1. **Activity Type.** Only if the activity type has changed from set up in E. 1, enter the revised completion activity type in the box.
2. **Property Type.** Enter code to indicate the type of property assisted:
 - (1) Condominium
 - (2) Cooperative
 - (3) SRO
 - (4) Apartment
 - (5) Other
3. **FHA Insured.** (Y/N) ? (single address location)
Enter Y for yes or N for no to indicate whether the property's mortgage is insured by FHA.
4. **Mixed Use.** (Y/N)? Indicate "Y", if the activity is designated in Part for uses other than residential but where residential living space must constitute at least 51 percent of the activity space. Indicate N, if the activity is not mixed-use.
5. **Mixed Income.** (Y/N)? Indicate "Y", if less than 100 percent of the activity's housing units qualify as affordable housing as defined in section 92.252 of the HOME regulations. Indicate N, if the activity is not mixed-income.
6. **Completed Units: Total Number: HOME Assisted:** Enter the total number of completed units and the total number of HOME assisted units.

H. Property Address. (for multi address activities)

- 1., 2., 3., 4., 5., and 6. **Building name, Property's Street Address, City, State, Zip Code and County Code.** Self-explanatory.
Note: Each unit or apartment is not to be entered as a separate address in. A multi address activity would have more than one building.

I. Units.

1. **Of the units completed, the number:**
Total and Home-Assisted Meeting Energy Star Standards. Enter the total number of completed units that meet Energy Star standards and the number of completed HOME-Assisted units that meet Energy Star standards.

Energy Star applies to substantial rehabilitation. It is a system for achieving and verifying a level of building performance with respect to energy efficiency. The performance level is certified by third party contractors. See www.energystar.gov for more information.

Total and HOME Assisted 504 accessible. Enter the total number of completed units and completed HOME assisted units that are 504 accessible.

Note: IDIS will default the answers to zero if units are not entered in these fields.

Of the units completed, Total and HOME-Assisted Designated for Persons with HIV/AIDS. Enter the number of completed units that have been designated for persons with HIV/AIDS and the number of HOME-assisted units designated for persons with HIV/AIDS.

Of those, the number for the chronically homeless. Enter the number of completed units and HOME-assisted units that have been designated for persons with HIV/AIDS and further designated for the chronically homeless. Chronically homeless if defined below.

Of the Units Completed, Total and HOME-Assisted designated for the homeless. Of the total number of rental units in the activity, enter the number designated for the homeless and the number of completed HOME-Assisted units designated for the homeless. Homeless is defined as (1) an individuals or family who lacks fixed, regular, and adequate nighttime residence; or (2) An individual or family who has a primary nighttime residence that is: (a) a supervised publicly or privately operated shelter designed to provide temporary living accommodations (including welfare hotels, congregate shelters, and transitional housing for the mentally ill, (b) an institution that provides a temporary residence for individuals intended to be institutionalized; or (c) a public or private place not designed for, or ordinarily used as, a regular sleeping accommodation for human beings.

Of those, the number designated for the chronically homeless. Of the number of units designated for the homeless, enter the number designated for the chronically homeless. A chronically homeless person is defined as an unaccompanied homeless individual with a disabling condition who has either: (1) been continuously homeless for a year or more, or (2) has had at least four episodes of homelessness in the past three years. A disabling condition is defined as a diagnosable substance use disorder, serious mental illness, developmental disability, or chronic physical illness or disability. For the purpose of determining chronically homelessness, a homeless person an unaccompanied individual sleeping in a place not meant for human habitation or in an emergency homeless shelter.

Note: IDIS will default to zero if units are not entered in these fields.

J. Period of Affordability. If you are imposing a period of affordability that is longer than the regulatory minimum, enter the total years (HOME minimum + additional) of affordability. PJ-imposed period of affordability: _____ years.

K. Costs.

Include all HOME funds used for the activity and all other funds (public and private). **Do not double count.** If private funds are used for construction financing and those funds are later replaced by permanent financing, **do not report both.** Report all HOME funds expended on the activity. **(Note: Federal regulations specifically prohibit paying back HOME funds with HOME funds.)** For funds other than HOME, to the extent a choice must be made to avoid double counting, report permanent financing rather than construction financing. The total amount of HOME funds reported in the block titled "Total HOME funds (Total Items (1))" must equal the total amount disbursed through IDIS for this activity.

1. HOME Funds (Including Program Income).

- (1) **Amortized Loan.** Enter the amount of HOME funds provided for this activity in the form of an amortized loan. If there are multiple loans, enter the interest rate and term of the largest loan.
 - (2) **Grant.** Enter the amount of HOME funds provided without any repayment requirements. **(Note: A grant may be used to reduce the principal amount borrowed, a principal reduction payment, or the effective interest rate, an interest subsidy payment, on a privately originated loan.)**
 - (3) **Deferred Payment Loan (DPL).** Enter the amount of HOME funds provided through loans where payment of principal and interest is deferred until a future time and enter the interest rate and amortization period, if any. A DPL is some times called a conditional grant (e.g., repayment is required when the property is sold, or is forgiven if the owner does not sell the property for a specified number of years or repayment of principal and interest starts after the bank loan is repaid.)
 - (4) **Other.** Enter the total amount of HOME funds provided for subsidy funding that is other than the type of loan/grant assistance identified in the above items listed in (1) through (3).
 - (5) **CHDO Loan.** Enter the amount of HOME funds provided as a CHDO loan for the activity.
- Total HOME Funds.** Enter the total of items (1) through (5) as the amount of HOME funds expended.

2. Public Funds.

- (1) **Other Federal Funds.** Exclude any HOME funds expended.
- (2) **State/Local Funds.**
- (3) **Tax Exempt Bond Proceeds.**

Total Public Funds. Enter the total of items (1) through (3) as the amount of Public Funds expended.

3. Private Funds.

- (1) **Private Loans.** Enter the amount of all of the costs that have been paid with funds obtained from private financial institutions, such as banks, savings and loans, and credit unions, and enter the interest rate and amortization period of the loan. If there are multiple loans, enter the interest rate and term of the largest loan. **(Do not double count.)**
 - (2) **Owner Cash Contribution.** Enter the amount of all cash contributions provided by the project owner.
 - (3) **Private Grants.** Enter the amount of cash contributions provided by private organizations, foundations, donors, etc.
- Total Private Funds.** Enter the total of items (1) through (3) as the amount of Private Funds expended.

4. Low-Income Housing Tax Credit Proceeds. Enter the total amount of syndicated Low Income Tax Credits provided.

5. Activity Total or Total this Address. Enter the sum of totals for HOME funds, Public funds, Private funds, and Low-Income Housing Tax Credit Proceeds.

Beneficiaries.

Complete one line for the head of household of each residential unit that occupies a HOME-assisted rental unit.

Unit Number. Enter the unit number of each unit that will receive HOME-Assistance.

Number of Bedrooms. Enter 0 for a single room occupancy (SRO) unit or for an efficiency unit, 1 for 1 bedroom, 2 for 2 bedrooms, 3 for 3 bedrooms, 4 for 4 bedrooms, and 5 for 5 bedrooms.

Occupant. Enter 1 if the unit is occupied by a tenant, 2 if it is owner-occupied, and 9 if it is vacant.

Note: No more than one HOME-Assisted rental unit can be owner occupied.

Total Rent. For owners, enter 0. For tenants, enter the total monthly rent (tenant contribution plus subsidy amount).

Percent of Area Median Income. For each occupied residential unit, enter one code only based on the following definitions:

- 1. **0–30 Percent of Area Median Income** refers to a household whose adjusted income is at or below 30 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.
- 2. **30+–50 Percent of Area Median Income** refers to a household whose adjusted income exceeds 30 percent and does not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.

3. **50+–60 Percent of Area Median Income** refers to a household whose adjusted income exceeds 50 percent and does not exceed 60 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.
4. **60+–80 Percent of Area Median Income** refers to a household whose adjusted income exceeds 60 percent and does not exceed 80 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.

Hispanic? Y/N. For each occupied residential unit, enter the ethnicity for the head of household as either “Y” for Hispanic or Latino or “N” if the head of household is not Hispanic nor Latino. Hispanic or Latino race is defined as a person of Cuban, Mexican, Puerto Rican, South or Central American, other Spanish culture or origin, regardless of race. The term, “Spanish origin,” can be used in addition to “Hispanic or Latino.”

Race of Head of Household. For each occupied residential unit, enter one code only based on the following definitions:

11. **White.** A person having origins in any of the original peoples of Europe, North Africa or the Middle East.
12. **Black/African American.** A person having origins in any of the black racial groups of Africa. Terms such as “Haitian” or “Negro” can be used in addition to “Black or African American.”
13. **Asian.** A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand and Vietnam.
14. **American Indian/Alaska Native.** A person having origins in any of the original peoples of North and South America (including Central America), and who maintains affiliation or community attachment.
15. **Native Hawaiian/Other Pacific Islander.** A person having origins in any of the original people of Hawaii, Guam, Samoa or other Pacific Islands.
16. **American Indian/Alaska Native & White.** A person having these multiple race heritages as defined above.
17. **Asian & White.** A person having these multiple race heritages as defined above.
18. **Black/African American & White.** A person having these multiple race heritages as defined above.
19. **American Indian/Alaska Native & Black or African American.** A person having these multiple race heritages as defined above.
20. **Other Multi Racial.** For reporting individual responses that are not included in any of the other categories listed above.

Household Size. Enter the appropriate number of persons in the household: 1, 2, 3, 4, 5, 6, 7, or 8 or more persons (for households of more than 8, enter 8).

Household Type. For each residential unit, enter one code only based on the following definitions:

1. **Single, Non-elderly.** One-person household in which the person is not elderly.
2. **Elderly.** One or two person household with a person at least 62 years of age.
3. **Single Parent.** A single parent household with a dependent child or children (18 years old or younger).
4. **Two Parents.** A two-parent household with a dependent child or children (18 years old or younger).
5. **Other.** Any household not included in the above 4 definitions, including two or more unrelated individuals.

Assistance Type. For rented units, enter one code only to indicate the type of assistance, if any, being provided to the tenant.

1. **Section 8.** Tenants receiving Section 8 assistance through the Section 8 Certificate Program under 24 CFR part 882 or the Section 8 Housing Voucher Program under 24 CFR part 887.
2. **HOME TBRA.** Tenants receiving HOME tenant-based rental assistance.
3. **Other federal, state or local assistance.** Tenants receiving rental assistance through other federal, state or local rental assistance programs.
4. **No assistance.** Self-explanatory.

EXHIBIT "F"

U.S. Department of Housing and Urban Development
Office of Community Planning and Development

**HOMEOWNER REHAB SET UP AND COMPLETION FORM
HOME PROGRAM (FOR SINGLE AND MULTI-ADDRESS ACTIVITIES)**

Check the appropriate box: <input type="checkbox"/> Original Submission <input type="checkbox"/> Change Owner's Address <input type="checkbox"/> Ownership Transfer <input type="checkbox"/> Revision	Name and Phone Number of Person Completing Form:
---	--

A. General Information.

1. Name of Participant:	2. IDIS Activity ID Number:	3. Activity Name:
-------------------------	-----------------------------	-------------------

Set Up Activity:

B. Objective and Outcome.

1. Objective (enter code): _____ (1) Create suitable living environments (2) Provide decent affordable housing (3) Create economic opportunities	2. Outcome (enter code): _____ (1) Availability/accessibility (2) Affordability (3) Sustainability
---	---

C. Special Characteristics.

1. Activity Location Type 'Y' next to any that apply: (1) ___ CDBG strategy area (5) ___ Brownfield redevelopment area (2) ___ Local target area (6) ___ Conversion of non-residential to residential use (3) ___ Presidentially declared major disaster area (7) ___ Colonia (For AZ, CA, NM , TX,) (4) ___ Historic preservation area	2. Faith-Based Organization Will this activity be carried out by a faith-based organization (Y/N):
---	---

D. Activity Information.

1. Homeowner's Name (optional):	2. Street:		
3. City:	4. State:	5. Zip Code:	6. County Code:
Activity Estimates: 7. HOME Units: 8. HOME Cost:	9. Multi-Address (Y/N)?		10. Loan Guarantee (Y/N)?

E. Contractor. (For multi-address activities only)

1. Contractor Type (enter code): _____ (1) Individual (4) Not-for-Profit (2) Partnership (5) Publicly Owned (3) Corporation (9) Other	2. Contractor's Name:		
	3. Contractor's Street Address:		
	4. City:	5. State:	6. Zip Code:

Complete Homeowner Rehab Activity:

1. Property Type (enter code): _____ (1) 1-4 Single Family (2) Condominium (3) Cooperative (4) Manufactured Home	2. Completed Units: Total number: _____ HOME-Assisted Units: _____
--	--

F. Units.

1. Of the Units Completed; the number:					
Meeting Energy Star standards:	<table style="margin-left: auto; margin-right: auto;"> <tr> <td style="text-align: center;"><u>Total</u></td> <td style="text-align: center;"><u>HOME-Assisted</u></td> </tr> <tr> <td style="text-align: center;">_____</td> <td style="text-align: center;">_____</td> </tr> </table>	<u>Total</u>	<u>HOME-Assisted</u>	_____	_____
<u>Total</u>	<u>HOME-Assisted</u>				
_____	_____				
504-accessible:	_____				
2. Period of Affordability: If you are imposing a period of affordability, enter it below. PJ-imposed period of affordability: _____ years					

G. Property Address.

If this is a multi-address activity, make copies of this page so that cost and beneficiary information is reported for each address – sections G, H and I.

1. Homeowner's Name (optional):	2. Homeowner's Street Address:		
3. City:	4. State:	5. Zip Code:	6. County Code:

H. Costs.

Value after rehab \$ _____

		<i>Totals</i>
1. HOME Funds (Including PI)		
Amortized Loan	\$	
Grant	\$	
Deferred Payment Loan (DPL)	\$	
Other	\$	
Total HOME Funds		\$
2. Public Funds		
Other Federal Funds	\$	
State/Local Funds	\$	
Tax Exempt Bond Proceeds	\$	
Total Public Funds		\$
3. Private Funds		
Private Loans	\$	
Owner Cash Contributions	\$	
Private Grants	\$	
Total Private Funds		\$
Activity Total or Total This Address		\$

I. Beneficiaries. (Use codes indicated below)

Unit #	# of Bdrms	Occupant	Household				Assistance Type	Total Monthly Rent
			% Med	Hispanic? Y/N	Race	Size		
		2					N/A	N/A

FHA Insured (Y/N)?

of Bdrms

- 0 – SRO/Efficiency
- 1 – 1 bedroom
- 2 – 2 bedrooms
- 3 – 3 bedrooms
- 4 – 4 bedrooms
- 5 – 5 or more bedrooms

Occupant

- 1 – Tenant
- 2 – Owner
- 9 – Vacant Unit

Household % Med

- 1 – 0 to 30%
- 2 – 30+ to 50%
- 3 – 50+ to 60%
- 4 – 60+ to 80%

Race of Head of Household

- 11 – White
- 12 – Black/African American
- 13 – Asian
- 14 – American Indian/Alaska Native
- 15 – Native Hawaiian/Other Pacific Islander
- 16 – American Indian/Alaska Native & White
- 17 – Asian & White
- 18 – Black /African American & White
- 19 – American Indian/Alaska Native & Black/African American
- 20 – Other Multi Racial

Household Size

- 1 – 1 person
- 2 – 2 persons
- 3 – 3 persons
- 4 – 4 persons
- 5 – 5 persons
- 6 – 6 persons
- 7 – 7 persons
- 8 – 8 or more persons

Household Type

- 1 – Single, non-elderly
- 2 – Elderly
- 3 – Single parent
- 4 – Two parents
- 5 – Other

Assistance Type

- 1 – Section 8
- 2 – HOME TBRA
- 3 – Other federal, state or local assistance
- 4 – No assistance

Instructions for Completing the Homeowner Rehab Set-up and Completion Report

HOME Program

Read the instructions for each item carefully before completing the form.

Applicability. The purpose of this report is to assist with the collection of information to be entered into IDIS. This report is to be completed for each homeowner rehabilitation activity assisted with HOME funds.

Timing. This report form is used to setup an activity in IDIS so that funds may be drawn down and to complete the activity so that the HOME Program reporting requirements are met.

A. GENERAL INFORMATION.

4. **Name of Participant.** Enter the name of the participating jurisdiction or the agency administering the homeowner rehab activity.
5. **IDIS Activity ID Number.** Enter the activity number assigned by IDIS.
6. **Activity Name.** Enter the name that the grantee or sub-grantee has designated to the activity. The blank boxes may be used by a grantee or sub-grantee for internally tracking information.

B. Objective and Outcome.

Objective. Enter the code of the objective that best describes the purpose of the activity. If a code is not entered in IDIS, the system will default the answer to "2" – Decent affordable housing.

1. **Suitable living environments.** Applies to activities that benefit communities, families, or individuals by addressing issues in their living environment.
7. **Decent affordable housing.** Applies to housing activities that meet individual family or community needs. This objective should not be used for activities where housing is an element of a larger effort.
8. **Creating economic opportunities.** Applies to activities related to economic development, commercial revitalization, and job creation.

Outcome. Enter code of the outcome that best describes the benefits resulting from the activity. If a code is not entered in IDIS, the system will default the answer to "2" – Affordability.

1. **Availability/accessibility.** Applies to activities that make services, infrastructure, housing, and shelter available and accessible. Note that accessibility does not refer only to physical barriers.
2. **Affordability.** Applies to activities that provide affordability in a variety of ways. It can include the creation or maintenance of affordable housing, basic infrastructure hookups, or services such as transportation or day care.
3. **Sustainability.** Applies to activities that promote livable or viable communities and neighborhoods by providing services or by removing slums or blighted areas.

C. Special Characteristics.

1. **Activity Location.** Type "Y" next to any that apply. IDIS will default the answer to "N" if an answer is not typed in the field.
 - (8) CDBG strategy area is defined as HUD-approved neighborhood or Community Revitalization strategy Area (NRSA or CRSA), identified in the grantee's Consolidated/Annual Action Plan under Section 91.215(e) or Section 91.315(e)(2).
 - (9) Local target area is defined as a locally designated non-CDBG strategy area targeted for assistance.
 - (10) Presidentially declared major strategy area is defined as an area declared a major disaster under subchapter IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.
 - (11) Historic Preservation Area is defined as an area designated for historic preservation by local, state, or federal officials.
 - (12) Brownfield redevelopment area is defined as an abandoned, idle, or underused property where expansion or redevelopment is complicated by real or potential environmental contamination.
 - (13) Conversion from non-residential or residential use is self explanatory. An example is converting an old warehouse into rental units or condominiums.
 - (14) Colonia is defined as a rural community or neighborhood located within 150 miles of the U.S.-Mexican border that lacks adequate infrastructure and frequently also lacks other basic services. This field only applies to activities located in the states of Arizona, California, New Mexico, and Texas.
2. **Faith-Based Organization.** Will this activity be carried out by a faith-based organization (Y/N)? Enter "Y" if it is known or if the organization declares itself to be a faith-based organization. If not, enter "N".
Note: IDIS will enter the default answer of "N" if an answer is not typed in the field.

D. Activity Information.

5. **Homeowner's Name** (optional). Enter the name of homeowner. For multi address activities the name of the development can be entered.
6. **Street.** Self explanatory. For multi address activities enter a general description of the project location.
7. **City.** Self explanatory.
8. **State.** Self explanatory.
9. **Zip code.** Self explanatory.
10. **County code.** Enter the county name or code. IDIS provides help to select the appropriate code.
11. **Activity Estimates. HOME Units.** Enter the estimated total number of units (upon completion) that will receive HOME assistance.
12. **Activity Estimates. HOME Cost.** Enter the total amount of HOME funds requested for the activity.
13. **Multi-Address (Y/N)?** If the activity consists of more than one home, enter "Y" so that costs and beneficiary information can be reported for each address at completion.
14. **Loan Guarantee (Y/N)?** Enter Y or N to indicate whether this activity is supported by a loan guarantee.

E. Contractor Information (For multi address activities only).

1. **Contractor Type.** Enter code to indicate the type of contractor:
 - (1) Individual
 - (2) Partnership
 - (3) Corporation
 - (4) Not-for-Profit
 - (5) Publicly Owned

(6) Other

2. **Contractor's Name.** Enter the name of the contractor.
3., 4., 5., and 6. **Contractor's Street Address, City, State and Zip Code.** Self-explanatory.

Complete Homeowner Rehab Activity.

1. **Property Type.** enter the code to indicate the type of property assisted.

- (1) 1-4 Single Family
- (2) Condominium
- (3) Cooperative
- (4) Manufactured Home

Completed Units. Total number. HOME Assisted. Enter the total number of completed units for this activity and the number of completed HOME-assisted units.

F. Units.

1. **Of the units completed, the number:**

Total and Home-Assisted Meeting Energy Star Standards. Enter the total number of completed units that meet Energy Star standards and the number of completed HOME-Assisted units that meet Energy Star standards.

Energy Star applies to substantial rehabilitation. It is a system for achieving and verifying a level of building performance with respect to energy efficiency. The performance level is certified by third party contractors. See www.energystar.gov for more information.

Total and HOME Assisted 504 accessible. Enter the total number of completed units and completed HOME assisted units that are 504 accessible.

Note: IDIS will default the answers to zero if units are not entered in these fields.

2. **PJ imposed period of affordability.** Homeowner rehab activities do not have a statutory or regulatory minimum period of affordability. If you are imposing a period of affordability enter the number of years here. To indicate a period of affordability in perpetuity enter 99:

G. Property Address

1. **Homeowner's Name.** (optional)
2.-6. **Homeowner's Street Address, City, State, and Zip Code, County Code.** Self-explanatory.

H. Costs.

Include all HOME funds used for the activity and all other funds (public and private). *Do not double count.* If private funds are used for construction financing and those funds are later replaced by permanent financing, *do not report both.* Report all HOME funds expended on the activity. (Note: Federal regulations specifically prohibit paying back HOME funds with HOME funds.) For funds other than HOME, to the extent a choice must be made to avoid double counting, report permanent financing rather than construction financing. The total amount of HOME funds reported in the block titled "Total HOME funds" (Item (1)) must equal the total amount disbursed through IDIS for this activity.

Value After Rehab. Enter the dollar value of the property. The dollar value is the appraised value of the property before rehabilitation plus the total rehabilitation cost (i.e. all materials, supplies and labor costs directly related to the rehabilitation of the property).

1. **HOME Funds (Including Program Income).**

- (1) **Amortized Loan.** Enter the amount of HOME funds provided for this activity in the form of an amortized loan. If there are multiple loans, enter the interest rate and term of the largest loan.
- (2) **Grant.** Enter the amount of HOME funds provided without any repayment requirements. (Note: A grant may be used to reduce the principal amount borrowed, a principal reduction payment, or the effective interest rate, an interest subsidy payment, on a privately originated loan.)
- (3) **Deferred Payment Loan (DPL).** Enter the amount of HOME funds provided through loans where payment of principal and interest is deferred until a future time and enter the interest rate and amortization period, if any. A DPL is some times called a conditional grant (e.g., repayment is required when the property is sold, or is forgiven if the owner does not sell the property for a specified number of years or repayment of principal and interest starts after the bank loan is repaid.)
- (4) **Other.** Enter the total amount of HOME funds provided for subsidy funding that is other than the type of loan/grant assistance identified in the above items listed in (1) through (3).

Total HOME Funds. Enter the total of items (1) through (4) as the amount of HOME funds expended.

2. **Public Funds.**

- (1) **Other Federal Funds.** Exclude any HOME funds expended.
- (2) **State/Local Funds.**
- (3) **Tax Exempt Bond Proceeds.**

Total Public Funds. Enter the total of items (1) through (3) as the amount of Public Funds expended.

3. **Private Funds.**

- (1) **Private Loans.** Enter the amount of all of the costs that have been paid with funds obtained from private financial institutions, such as banks, savings and loans, and credit unions, and enter the interest rate and amortization period of the loan. If there are multiple loans, enter the interest rate and term of the largest loan. (Do not double count.)
- (2) **Owner Cash Contribution.** Enter the amount of all cash contributions provided by the homeowner.
- (3) **Private Grants.** Enter the amount of cash contributions provided by private organizations, foundations, donors, etc.

Total Private Funds. Enter the total of items (1) through (3) as the amount of Private Funds expended.

4. **Activity Total or total this address.** Enter the sum of totals for HOME funds, Public funds and Private funds.

I. Beneficiaries.

Complete one line for the head of household of each residential unit that is receiving homeowner rehab assistance from the HOME Program.

Unit Number. Enter the unit number of each unit that will receive HOME assistance.

Number of Bedrooms. Enter 0 for a single room occupancy (SRO) unit or for an efficiency unit, 1 for 1 bedroom, 2 for 2 bedrooms, 3 for 3 bedrooms, 4 for 4 bedrooms, and 5 for 5 or more bedrooms.

Occupant. For homeowner rehab, one unit must be owner occupied. If there are tenant occupied units, enter 1 for tenant or 9 for vacant.

Percent of Area Median Income. For each occupied residential unit, enter one code only based on the following definitions:

5. **0–30 Percent of Area Median Income** refers to a household whose adjusted income is at or below 30 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.
6. **30+–50 Percent of Area Median Income** refers to a household whose adjusted income exceeds 30 percent and does not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.
7. **50+–60 Percent of Area Median Income** refers to a household whose adjusted income exceeds 50 percent and does not exceed 60 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.
8. **60+–80 Percent of Area Median Income** refers to a household whose adjusted income exceeds 60 percent and does not exceed 80 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.

Hispanic? Y/N. For each occupied residential unit, enter the ethnicity for the head of household as either “Y” for Hispanic or Latino or “N” if the head of household is not Hispanic nor Latino. Hispanic or Latino race is defined as a person of Cuban, Mexican, Puerto Rican, South or Central American, other Spanish culture or origin, regardless of race. The term, “Spanish origin,” can be used in addition to “Hispanic or Latino.”

Race of Head of Household. For each occupied residential unit, enter one code only based on the following definitions:

21. **White.** A person having origins in any of the original peoples of Europe, North Africa or the Middle East.
22. **Black/African American.** A person having origins in any of the black racial groups of Africa. Terms such as “Haitian” or “Negro” can be used in addition to “Black or African American.”
23. **Asian.** A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand and Vietnam.
24. **American Indian/Alaska Native.** A person having origins in any of the original peoples of North and South America (including Central America), and who maintains affiliation or community attachment.
25. **Native Hawaiian/Other Pacific Islander.** A person having origins in any of the original people of Hawaii, Guam, Samoa or other Pacific Islands.
26. **American Indian/Alaska Native & White.** A person having these multiple race heritages as defined above.
27. **Asian & White.** A person having these multiple race heritages as defined above.
28. **Black/African American & White.** A person having these multiple race heritages as defined above.
29. **American Indian/Alaska Native & Black or African American.** A person having these multiple race heritages as defined above.
30. **Other Multi Racial.** For reporting individual responses that are not included in any of the other categories listed above.

Household Size. Enter the appropriate number of persons in the household: 1, 2, 3, 4, 5, 6, 7, or 8 or more persons (for households of more than 8, enter 8).

Household Type. For each residential unit, enter one code only based on the following definitions:

6. **Single, Non-elderly.** One-person household in which the person is not elderly.
7. **Elderly.** One or two person household with a person at least 62 years of age.
8. **Single Parent.** A single parent household with a dependent child or children (18 years old or younger).
9. **Two Parents.** A two-parent household with a dependent child or children (18 years old or younger).
10. **Other.** Any household not included in the above 4 definitions, including two or more unrelated individuals.

Assistance Type. For rented units, enter one code only to indicate the type of assistance, if any, being provided to the tenant.

5. **Section 8.** Tenants receiving Section 8 assistance through the Section 8 Certificate Program under 24 CFR part 882 or the Section 8 Housing Voucher Program under 24 CFR part 887.
6. **HOME TBRA.** Tenants receiving HOME tenant-based rental assistance.
7. **Other federal, state or local assistance.** Tenants receiving rental assistance through other federal, state or local rental assistance programs.
8. **No assistance.** Self-explanatory.

Total Monthly Rent. *For renters, enter the total monthly rent (tenant contribution plus subsidy amount).*

FHA Insured (Y/N)? Enter Yes or No to indicate whether the property’s mortgage is insured by the FHA.

EXHIBIT ("G")
U.S. Department of Housing and Urban Development

**HOME BUYER SET UP AND COMPLETION FORM
HOME PROGRAM (FOR SINGLE AND MULTI-ADDRESS ACTIVITIES)**

Check the appropriate box: <input type="checkbox"/> Original Submission <input type="checkbox"/> Change Owner's Address <input type="checkbox"/> Ownership Transfer <input type="checkbox"/> Revision	Name and Phone Number of Person Completing Form:
---	--

Set Up Activity:

A. General Information.

1. Name of Participant:	2. IDIS Activity ID Number:	3. Activity Name:
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B. CHDO Questions. (Only if applicable)

1. Is funding limited to CHDO Operating (CO) or CHDO Capacity Building (CC) (Y/N)?: (If Yes, STOP. DO NOT FILL OUT THIS FORM.)	2. Will activity be funded with CR (Y/N) If yes, CHCO Acting as (enter code) _____ (1) Owner (2) Sponsor (3) Developer
3. Will initial funding be a CHDO Site Control and/or Seed Money Loan (Y/N)? (Y/N) _____ (If "Y", answer Item 4.)	4. Is the activity going forward? (Y/N): (If "Y", fill out the rest of the form. If "N", only the cost information is needed.)

C. Objective and Outcome.

1. Objective (enter code): _____ (1) Create suitable living environment (2) Provide decent affordable housing (3) Create economic opportunities	2. Outcome (enter code): _____ (1) Availability/accessibility (2) Affordability (3) Sustainability
--	---

D. Special Characteristics.

1. Activity Location Type "Y" next to any that apply (1) ___ CDBG Strategy Area (5) ___ Brownfield redevelopment area (2) ___ Local target area (6) ___ Conversion of nonresidential to residential use (3) ___ Presidentially declared major disaster area (4) ___ Historic preservation area (7) ___ Colonia (For AZ, CA, NM, TX)	2. Will this activity be carried out by a faith-based organization (Y/N)?
---	---

E. Activity Information.

1. Activity Type (enter code): (2) New Construction Only (4) Acquisition & Rehab (3) Acquisition Only (5) Acquisition & New Construction					
2. Homebuyer's Name (optional):		3. Street:			
4. City:	5. State:	6. Zip Code:	7. County code:	Activity Estimates:	9. HOME Cost:
10. Multi-Address (Y/N)?			11. Loan Guarantee (Y/N)?		
8. HOME Units:					

F. Developer. (For multi-address activities only)

1. Developer Type (Enter code): (1) Individual (4) Not-for-Profit (2) Partnership (5) Publicly Owned (3) Corporation (6) Other	2. Developer's Name:		
3. Developer's Street Address:			
4. City:	5. State:	6. Zip Code:	

Complete Homebuyer Activity:

G. Activity Information. If this is a multi-address activity, make copies of this form so that cost and beneficiary information is reported for each address - Sections I, J, and K.

1. Activity Type (enter code): (2) New Construction Only (3) Acquisition Only (4) Acquisition & Rehab (5) Acquisition & New Construction	2. Property Type (enter code): (1) 1-4 Single Family (2) Condominium (3) Cooperative (4) Manufactured Home	3. FHA Insured (Y/N)? (single address IDIS location)
4. Lease Purchase? If yes, date of agreement _____ (single address IDIS location)		(5) Completed Units: Total number: _____ HOME-assisted : _____

H. Units

1. Of the Completed Units, the number:	<u>Total</u>	<u>HOME-assisted</u>
Meeting Energy Star standards:	_____	_____
504-accessible:	_____	_____
2. Period of Affordability: If you are imposing a period of affordability that is longer than the regulatory minimum, enter the total years (HOME minimum + additional) of affordability. PJ-imposed period of affordability: _____ years		

I. Property Address (For multi-address activities)

1. Homebuyer's Name (optional):		2. Homebuyer's Street Address:	
3. City:	4. State:	5. Zip Code:	6. County:

J. Costs.

Purchase Price _____
Value After Rehab (for Acquisition/Rehab activities only): _____

1. HOME Funds (Including Program Income)

a. Property Costs

		Totals
(1) Amortized Loan	\$	
(2) Grant	\$	
(3) Deferred Payment Loan (DPL)	\$	
(4) Other	\$	\$

b. Downpayment Assistance

(1) Amortized Loan	\$	
(2) Grant	\$	
(3) Deferred Payment Loan (DPL)	\$	
(4) Other	\$	\$

c. CHDO Loan

		\$
HOME Total this address [a + b + c]		\$

2. Public Funds

(1) Other Federal Funds	\$	
(2) State/Local Funds	\$	
(3) Tax Exempt Bond Proceeds	\$	

Total Public Funds		
<i>3. Private Funds</i>		
(1) Private Loans	\$	
(2) Owner Cash Contribution	\$	
(3) Private Grants	\$	
Total Private Funds [(1) + (2) + (3)]		\$
4. Activity Total (or Total this address)		\$

K. Household Characteristics. (Refer to code below where applicable)

Household									
Unit #	# of Bdrms	Occupant	% Med	Hispanic? Y/N	Race	Size	Type	Assistance Type	Total Monthly Rent
		2							N/A

1. Homebuyer Counseling Homebuyer received (enter code) _____ (1) No Counseling (3) Post-counseling (2) Pre-counseling (4) Both	2. FHA Insured Y/N? (multi address IDIS location)	3. First-time homebuyer Y/N?
4. Coming from subsidized housing Y/N?	5. Lease Purchase Y/N? (multi address IDIS location)	If yes, date of agreement:

of Bdrms
0 – SRO/Efficiency
1 – 1 bedroom
2 – 2 bedrooms
3 – 3 bedrooms
4 – 4 bedrooms
5 – 5 or more bedrooms

Occupant
1 – Tenant
2 – Owner
9 – Vacant Unit

Household % of Med
1 – 0 to 30%
2 – 30+ to 50%
3 – 50+ to 60%
4 – 60+ to 80%

Household Race
11 – White
12 – Black or African American
13 – Asian
14 – American Indian or Alaska Native
15 – Native Hawaiian or Other Pacific Islander
16 – American Indian or Alaska Native & White
17 – Asian & White
18 – Black or African American & White
19 – American Indian or Alaska Native & Black or African American
20 – Other Multi Racial

Assistance Type
1 – Section 8
2 – HOME TBRA
3 – Other federal, state

Household Size
1 – 1 person
2 – 2 persons
3 – 3 persons
4 – 4 persons
5 – 5 persons
6 – 6 persons
7 – 7 persons
8 – 8 or more persons

Household Type
1 – Single, non-elderly
2 – Elderly
3 – Single parent
4 – Two parents
5 – Other

Instructions for Completing the Homebuyer Set-up and Completion Report

HOME Program

Read the instructions for each item carefully before completing the form. The purpose of this report is to assist with the collection of information to be entered into IDIS.

Applicability. This report is to be completed for each homebuyer activity assisted with HOME funds.

Timing. This report form is used to setup an activity in IDIS so that funds may be drawn down and to complete the activity so that the HOME Program reporting requirements are met.

A. GENERAL INFORMATION. (ONLY APPLICABLE IF THE ACTIVITY IS BEING CARRIED OUT BY A CHDO)

7. **Name of Participant.** Enter the name of the participating jurisdiction or the agency administering the homebuyer activity.

8. **IDIS Activity ID Number.** Enter the activity number assigned by IDIS.

9. **Activity Name.** Enter the name that the grantee or sub-grantee has designated to the activity.

B. CHDO Questions. (Only applicable if the activity is being carried out by a CHDO)

15. **Is funding limited to CHDO Operating (CO) or CHDO capacity Building (CC)?** This report does not apply to CO or CC activities. In IDIS, fund and draw after selecting CO/CC on the HOME menu.

16. **Will the activity be funded with CR (Y/N)?** _____ **If yes, CHDO Acting as:** (Enter code) _____
(1) Owner (2) Sponsor (3) Developer

3. **Will initial funding be a CHDO Site Control and/or Seed Money Loan (Y/N)?** _____ (If Y, answer 4)

10. **Is the activity going forward?** After funding and drawing CL, answer "Y" to proceed to set up a Homebuyer activity or "N" to report costs and complete the activity.

C. Objective and Outcome

Objective. Enter the code of the objective that best describes the purpose of the activity. If a code is not entered in IDIS, the system will default the answer to "2" – Decent affordable housing.

1. **Suitable living environments.** Applies to activities that benefit communities, families, or individuals by addressing issues in their living environment.

9. **Decent affordable housing.** Applies to housing activities that meet individual family or community needs. This objective should not be used for activities where housing is an element of a larger effort.

10. **Creating economic opportunities.** Applies to activities related to economic development, commercial revitalization, and job creation.

Outcome. Enter code of the outcome that best describes the benefits resulting from the activity. If a code is not entered in IDIS. The system will default the answer to "2" – Affordability.

1. **Availability/accessibility.** Applies to activities that make services, infrastructure, housing, and shelter available and accessible. Note that accessibility does not refer only to physical barriers.

2. **Affordability.** Applies to activities that provide affordability in a variety of ways. It can include the creation or maintenance of affordable housing, basic infrastructure hookups, or services such as transportation or day care.

3. **Sustainability.** Applies to activities that promote livable or viable communities and neighborhoods by providing services or by removing slums or blighted areas.

D. Special Characteristics

1. **Activity Location. Type "Y" next to any that apply.**

IDIS will default the answer to "N" if an answer is not typed in the field.

(15) **CDBG strategy area is defined as HUD-approved neighborhood or Community Revitalization strategy Area (NRSA or CRSA), identified in the grantee's Consolidated/Annual Action Plan under Section 91.215(e) or Section 91.315(e)(2).**

(16) **Local target area is defined as a locally designated non-CDBG strategy area targeted for assistance.**

(17) **Presidentially declared major strategy area is defined as an area declared a major disaster under subchapter IV of the Robert T. Stafford Disaster Relief and Emergency Assistance Act.**

(18) **Historic Preservation Area is defined as an area designated for historic preservation by local, state, or federal officials.**

(19) **Brownfield redevelopment area is defined as an abandoned, idle, or underused property where expansion or redevelopment is complicated by real or potential environmental contamination.**

(20) **Conversion from non-residential or residential use is self explanatory. An example is converting an old warehouse into rental units or condominiums.**

(21) **Colonia is defined as a rural community or neighborhood located within 150 miles of the U.S.-Mexican border that lacks adequate infrastructure and frequently also lacks other basic services. This field only applies to activities located in the states of Arizona, California, New Mexico, and Texas.**

2. **Faith-Based Organization. Will this activity be carried**

out by a faith-based organization (Y/N)? Enter "Y" if it is known or if the organization declares itself to be a faith-based organization. If not, enter "N".

Note: IDIS will enter the default answer of "N" if an answer is not typed in the field.

E. Activity Information

1. **Activity Type.** (Enter code): to indicate the type of activity.

(2) **New Construction Only**

Any activity that involved: (a) the addition of units outside the existing walls of the structure and (b)

the construction of a new residential unit(s).

(3) Acquisition Only

Acquisition of a structure that received certificate of occupancy at least 13 months before acquisition, which did not require rehabilitation and which is being used to provide affordable housing.

(4) Acquisition & Rehab

A HOME-assisted rehabilitation activity, which included the acquisition of real property.

(5) Acquisition & New Construction

A HOME-assisted new construction activity, which included the acquisition of real property. This includes acquisition of a structure that has received an initial certificate of occupancy within a one-year period prior to acquisition.

2. Homebuyer's Name (optional). Enter the name of

homeowner. For multi address activities the name of the development can be entered.

3. Street. Self explanatory. For multi address activities

enter a general description of the project location.

4. City. Self explanatory.

5. State. Self explanatory.

6. Zip code. Self explanatory.

7. County code. Enter the county name or code.

8. Activity Estimates. HOME Units. Enter the estimated total number of units (upon completion) that will receive HOME assistance.

9. Activity Estimated HOME Cost. Enter the total amount of HOME funds requested for the activity.

10. Multi-Address (Y/N)? If the activity consists of more than one home, enter "Y" so that costs and beneficiary information can be reported for each address at completion.

11. Loan Guarantee? Y/N. Enter Yes or No to indicate whether this activity is supported by a loan guarantee.

F. Developer Information. (For multi-address activities only)

3. Developer Type. (enter code)

- (1) Individual
- (2) Partnership
- (3) Corporation
- (4) Not-for-Profit
- (5) Publicly Owned
- (6) Other

4. Developer's Name. Enter the name of the developer.

3.-6. Developer's Street Address, City, State, and Zip Code. Self-explanatory.

Complete Homebuyer Activity

G. Activity Information

1. Activity Type. Only if the activity type has changed from set up in E. 1, enter the revised completion activity type in the box.

2. Property Type. Enter code to indicate the type of property assisted:

- (1) 1-4 Single Family
- (2) Condominium
- (3) Cooperative
- (4) Manufactured Home

3. FHA Insured (Y/N) ? (single address IDIS location)

Enter Y for yes or N for no to indicate whether the property's mortgage is insured by FHA.

11. Lease Purchase? (single address IDIS location)

If there is a lease purchase agreement, enter the date of the agreement.

12. Completed Units: Total Number: HOME Assisted: Enter the total number of completed units and the total number of HOME Assisted units.

H. Units

1. Of the units completed, the number:

Total and Home-Assisted Meeting Energy Star Standards. Enter the total number of completed units that meet Energy Star standards and the number of completed HOME-Assisted units that meet Energy Star standards.

Energy Star applies to substantial rehabilitation. It is a system for achieving and verifying a level of building performance with respect to energy efficiency. The performance level is certified by third party contractors. See www.energystar.gov for more information.

Total and HOME Assisted 504 accessible. Enter the total number of completed units and completed HOME assisted units that are 504 accessible.

Note: IDIS will default the answers to zero if units are not entered in these fields.

2. Period of Affordability. If you are imposing a period of affordability that is longer than the regulatory minimum, enter the total years (HOME minimum + additional) of affordability. PJ-imposed period of affordability: _____ years.

The period of affordability for Homebuyer activities is based on the amount of HOME funds invested in the housing:

Per Unit HOME Amount	Minimum Period of Affordability
Under \$15,000	5 years
\$15,000 to \$40,000	10 years
Over \$40,000	15 years

To indicate that the housing is to be affordable in perpetuity, Enter '99' in that PJ-Imposed Period of Affordability field.

I. Property Address (For multi-address activities only)

5. Homebuyer's Name. (optional)

2.-6. Homebuyer's Street Address, City, State, Zip Code, and County Code. Self-explanatory.

J. Costs

Purchase Price. Enter the price paid by the homebuyer for the property as evidenced on the deed.

Value After Rehab. Enter the dollar value of the property. The dollar value is the appraised value of the property before rehabilitation plus the total rehabilitation cost (i.e. all materials, supplies and labor costs directly related to the rehabilitation of the property).

Costs. Include all HOME funds used for the activity and all other funds (public and private). **Do not double count.** If private funds are used for construction financing and those funds are later replaced by permanent financing, **do not report both.** Report all HOME funds expended on the activity. **(Note: Federal regulations specifically prohibit paying back HOME funds with HOME funds.)** For funds other than HOME, to the extent a choice must be made to avoid double counting, report permanent financing rather than construction financing. The total amount of HOME funds reported in the block titled "Total HOME funds (Total Item (1) for all addresses must equal the total amount disbursed through IDIS for this activity.

1. HOME Funds (Including Program Income).

Enter funds provided for **a. Property Costs** and for **b. Downpayment Assistance.**

Note: For this activity to be reported as an ADDI activity, an amount must be entered in the Downpayment Assistance Section b. for each property address that is to be counted as assisted with HOME ADDI funds.

Property Costs a.-b. Downpayment Assistance

(1) Amortized Loan. Enter the amount of HOME funds provided for this activity in the form of an amortized loan.

If there are multiple loans, enter the interest rate and term of the largest loan.

(2) Grant. Enter the amount of HOME funds provided without any repayment requirements.

(Note: A grant may be used to reduce the principal amount borrowed, a principal reduction payment, or the effective interest rate, an interest subsidy payment, on a privately originated loan.)

(3) Deferred Payment Loan (DPL). Enter the amount of HOME funds provided through loans where payment of principal and interest is deferred until a future time and enter the interest rate and amortization period, if any. A DPL is sometimes called a conditional grant (e.g., repayment is required when the property is sold, or is forgiven if the owner does not sell the property for a specified number of years or repayment of principal and interest starts after the bank loan is repaid.)

(4) Other. Enter the total amount of HOME funds provided for subsidy funding that is other than the type of loan/grant assistance identified in the above items listed in (1) through (3).

c. CHDO Loan. Enter the amount of HOME funds provided as a CHDO loan for the activity.

Total HOME Funds or total this address. Enter the total of items a through c as the amount of HOME funds expended.

2. Public Funds.

(1) Other Federal Funds. Exclude any HOME funds expended.

(2) State/Local Funds.

(3) Tax Exempt Bond Proceeds.

Total Public Funds. Enter the total of items (1) through (3) as the amount of Public Funds expended.

3. Private Funds.

(1) Private Loans. Enter the amount of all of the costs that have been paid with funds obtained from private financial institutions, such as banks, savings and loans, and credit unions, and enter the interest rate and amortization period of the loan. If there are multiple loans, enter the interest rate and term of the largest loan. **(Do not double count.)**

(2) Owner Cash Contribution. Enter the amount of all cash contributions provided by the homebuyer.

(3) Private Grants. Enter the amount of cash contributions provided by private organizations, foundations, donors, etc.

Total Private Funds. Enter the total of items (1) through (3) as the amount of Private Funds expended.

4. Activity Total or Total Address. Enter the sum of totals for HOME funds, Public funds and Private funds.

K. Household Characteristics.

Complete one line for the head of household of each residential unit that is receiving homebuyer assistance from the HOME Program.

Unit Number. enter the unit number of each unit that will receive HOME assistance.

Number of Bedrooms. Enter 0 for a single room occupancy (SRO) unit or for an efficiency unit, 1 for 1 bedroom, 2 for 2 bedrooms, 3 for 3 bedrooms, 4 for 4 bedrooms, and 5 for 5 or more bedrooms.

Occupant. For homebuyer activities, one unit must be owner occupied. If there are tenant occupied units, enter 1 for tenant or 9 for vacant.

Percent of Area Median Income. For each occupied residential unit, enter one code only based on the following definitions:

9. 0–30 Percent of Area Median Income refers to a household whose adjusted income is at or below 30 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.

10. 30+–50 Percent of Area Median Income refers to a household whose adjusted income exceeds 30 percent and does not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.

11. 50+–60 Percent of Area Median Income refers to a household whose adjusted income exceeds 50 percent and does not exceed 60 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.

12. 60+–80 Percent of Area Median Income refers to a household whose adjusted income exceeds 60 percent and does not exceed 80 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families.

Hispanic? Y/N. For each occupied residential unit, enter the ethnicity for the head of household as either "Y" for Hispanic or Latino or "N" if the head of household is not Hispanic nor Latino. Hispanic or Latino race is defined as a person of Cuban, Mexican, Puerto Rican, South or Central American, other Spanish culture or origin, regardless of race. The term, "Spanish origin," can be used in addition to "Hispanic or Latino."

Race of Head of Household. For each occupied residential unit, enter one code only based on the following definitions:

31. **White.** A person having origins in any of the original peoples of Europe, North Africa or the Middle East.
32. **Black/African American.** A person having origins in any of the black racial groups of Africa. Terms such as "Haitian" or "Negro" can be used in addition to "Black or African American."
33. **Asian.** A person having origins in any of the original peoples of the Far East, Southeast Asia, or the Indian subcontinent including, for example, Cambodia, China, India, Japan, Korea, Malaysia, Pakistan, the Philippine Islands, Thailand and Vietnam.
34. **American Indian/Alaska Native.** A person having origins in any of the original peoples of North and South America (including Central America), and who maintains affiliation or community attachment.
35. **Native Hawaiian/Other Pacific Islander.** A person having origins in any of the original people of Hawaii, Guam, Samoa or other Pacific Islands.
36. **American Indian/Alaska Native & White.** A person having these multiple race heritages as defined above.
37. **Asian & White.** A person having these multiple race heritages as defined above.
38. **Black/African American & White.** A person having these multiple race heritages as defined above.
39. **American Indian/Alaska Native & Black/African American.** A person having these multiple race heritages as defined above.
40. **Other Multi Racial.** For reporting individual responses that are not included in any of the other categories listed above.

Household Size. Enter the appropriate number of persons in the household: 1, 2, 3, 4, 5, 6, 7, or 8 or more persons (for households of more than 8, enter 8).

Household Type. For each residential unit, enter one code only based on the following definitions:

11. **Single, Non-elderly.** One-person household in which the person is not elderly.
12. **Elderly.** One or two person household with a person at least 62 years of age.
13. **Single Parent.** A single parent household with a dependent child or children (18 years old or younger).
14. **Two Parents.** A two-parent household with a dependent child or children (18 years old or younger).
15. **Other.** Any household not included in the above 4 definitions, including two or more unrelated individuals.

Assistance Type. For rented units, enter one code only to indicate the type of assistance, if any, being provided to the tenant.

9. **Section 8.** Tenants receiving Section 8 assistance through the Section 8 Certificate Program under 24 CFR part 882 or the Section 8 Housing Voucher Program under 24 CFR part 887.
10. **HOME TBRA.** Tenants receiving HOME tenant-based rental assistance.
11. **Other federal, state or local assistance.** Tenants receiving rental assistance through other federal, state or local rental assistance programs.
12. **No assistance.** Self-explanatory.

Total Rent. For renters, enter the total monthly rent (tenant contribution plus subsidy amount).

1. **Homebuyer Counseling.** Enter the code to indicate the type of counseling received by the homebuyer, if any:
 - a. No counseling
 - b. Pre-counseling
 - c. Post-counseling
 - d. Both
2. **FHA-Insured (Y/N)?** Enter Yes or No to indicate whether the property's mortgage is insured by FHA.
3. **First-time Homebuyer (Y/N)?** Enter Y, if a first time homebuyer. If not, enter N.
4. **Coming from subsidized housing Y/N?** Enter Y if the homebuyer was living in public housing or receiving rental assistance from a federal, state or local program immediately prior to HOME assistance or N if not.
5. **Lease Purchase (Y/N)?:** (single address IDIS location)
If there is a lease purchase agreement, enter the date of the agreement.

Exhibit "I"

City of Las Vegas

Neighborhood Services Department

REQUEST FOR FUNDS - Homebuyers Assistance Program

Recipient Agency

Request Number: _____

Date: _____

Recipient Agency: _____

Payment Information

PAYABLE TO: _____

Address: _____

City: _____

State: _____

Zip: _____

Homebuyer Information

HOME PROJECT NUMBER: _____

WARD NUMBER: _____

Name of Homebuyer(s): _____

Social Security Number: _____

Street address of property to be purchased: _____

Street Address

City

State

Zip

Purchase Price: _____

Total Gross Household Income: _____

First Mortgage: _____

% Adjusted Median Income: _____

CLV HOME 2nd Mortgage: _____

Number of Persons in Household: _____

Borrower's Contribution: _____

Type of Housing: _____

Other Paid for Borrower: _____

New: _____

Total paid for/by Borrower: _____

Existing: _____

Authorized Agency Representative:

Signature: _____

Title: _____

Name (Type): _____

Phone: _____

This Section: City of Las Vegas Use Only

Vendor No: _____

P.O. No. _____

Invoice Date: _____

Release No. _____

Invoice No: _____

Receipt No. _____

Exhibit "J"

LIHTF and State HOME Set-Up & Completion Report

PROJECT SET-UP & COMPLETION NEW CONSTRUCTION OF RENTAL HOUSING

PROJECT NUMBER _____ (Issued By Allocating Agency)

A. PROJECT INFORMATION

Date: _____

1. Project/Borrower Name: _____

2. Application Date: _____

3. Purchase Date: _____

4. Project location (street address) _____

5. Mailing address _____

6. City: _____ 7. State _____ 8. County _____

9. Zip: _____ 10. MSA: _____ 11. Census Tract _____

12. Property type _____ (Choose Applicable Number Below)

- 1. 1-4 Single Family
- 2. Condominium
- 3. Cooperative
- 4. Manufactured Home
- 5. Single Room Occupancy
- 99. None of the Above

13. Project Type _____ (Choose Applicable Number Below)

- 1. Rehabilitation Only
- 2. Acquisition & Rehab
- 3. Acquisition Only
- 4. Moderate Rehabilitation
- 5. Substantial Rehabilitation
- 6. New Construction

14. Assigned To: Division Staff

B. FINANCING PLAN Amount Requested

HOME Funds \$ _____

Trust Funds \$ _____

TOTAL HOME and TRUST FUND REQUEST \$ _____

Other Fund Sources \$ _____

_____ \$ _____

_____ \$ _____

Have applied for or intend to apply for tax credits

Yes No

If yes, application amount \$ _____

TOTAL OTHER FUND SOURCES \$ _____

TOTAL PROJECT COSTS \$ _____

Is the applicant a Community Housing Development Organization (CHDO)?

Yes No If yes, complete the following:

1. What is the role of the CHDO?

Developer Owner Sponsor

C. DEVELOPMENT PLAN

1. Number of Buildings _____

2. Total # of Units Planned _____

3. Number of HOME Units Planned _____

4. Total Floor Area Planned _____

5. HOME Square Footage _____

6. Residential Floor Area Planned _____

7. Targeting of Units _____ for _____ (Choose Applicable Number Below)

8. Targeting of Units _____ for _____ (Choose Applicable Number Below)

9. Targeting of Units _____ for _____ (Choose Applicable Number Below)

(1) Disabled (2) Elderly (3) Family (4) Handicapped (5) Homeless (6) Undesignated
(7) Battered Women (8) Developmentally Disabled (9) Other (10) Brain Injury
(11) Drug Dependency (12) AIDS/HIV Related Illness (13) Mental Illness
(14) Teen Pregnancy (15) Victims of Domestic Violence (16) Single Room Occupancy

10. Type of Units _____ (Choose Applicable Number Below)

(1) Apartment (2) Townhome (3) Detached (4) Semidetached/Twin/Duplex (5) Manufactured Home Occupancy (SRO) (7) Highrise (8) Special Needs (9) Single Family Home (99) Other (6) Single Room

11. Utility Type _____ (Choose Applicable Number Below)

(1) 2 and 3 story walkup (2) Row and Townhouse (3) Twin and Duplex (4) Detached (5) Highrise (6) Mobile Home

12. Construction Type _____ (Choose Applicable Number Below)

(1) Wood Frame (2) Concrete Block Structure (3) Manufactured Home

13. Roof Type _____ (Choose Applicable Number Below)

(1) Composition (2) Tile (3) Shake

14. Foundation Type _____ (Choose Applicable Number Below)

(1) Slab on Grade (2) Open Crawl Space (3) Enclosed Crawl Space (4) Mixed

15. Roof Material _____ (Choose Applicable Number Below)

(1) Composition (2) Shingles (3) Metal (4) Other

16. Exterior Finish _____ (Choose Applicable Number Below)

(1) Wood (2) Stucco (3) Metal (4) Other

17. Type of Heating _____ (Choose Applicable Number Below)

(1) Electrical (2) Gas (3) Propane (4) Solar

18. Year Constructed _____

19. Land/Site Control Type _____ (Choose Applicable Number Below)

(1) Owner/Occupied (2) Leased/Lease (3) Option to Buy/Purchase Contract (4) Option to Lease (5) Government Lease (6) Contract for Deed

20. Expiration Date _____

21. Purchase Price _____

22. Site in Acres _____

23. Pre Rehab Value _____

24. FEMA Flood Zone _____

25. Post Rehab Value _____

26. Flood Plan _____

D. OWNER DATA

1. Owner Tax Identification Number (TIN) _____

From ____/____/____

Name: _____

Mailing Address: _____

City: _____

State _____ Zip: _____

2. Contact Name: _____

Telephone Number _____

Fax Number _____

Type of Entity _____ (Choose Applicable Number Below)

(1) Corporation (2) Individual (DBA) (3) Individual (4) Partnership, General (5) Partnership, Limited Organization (7) Partnership (8) Government Entity (9) Limited Liability Company (6) Non-Profit (10) Subchapter S Corporation (11) Joint Venture

Minority Code _____ (Choose Applicable Number Below)

(1) Black (2) Hispanic (3) Woman/WWBE (4) Disadvantaged/DBE (5) MBE/HUB (99) Other

E. PARTNER DATA

1. Partner Tax Identification Number (TIN) _____

From ____/____/____

Name: _____

Mailing Address: _____

City: _____

State _____ Zip: _____

2. Contact Name: _____

Telephone Number _____

Fax Number _____

Type of Entity _____ (Choose Applicable Number Below)

- (1) Corporation (2) Individual (DBA) (3) Individual (4) Partnership, General (5) Partnership, Limited (6) Non-Profit
Organization (7) Partnership (8) Government Entity (9) Limited Liability Company
(10) Subchapter S Corporation (11) Joint Venture

Minority Code _____ (Choose Applicable Number Below)

- (1) Black (2) Hispanic (3) Woman/WWBE (4) Disadvantaged/DBE (5) MBE/HUB (99) Other

F. TENANT PAID UTILITIES

1. Source of Allowance _____ (Choose Applicable Number Below)

- (2) Developer Estimate (3) Actual Cost (4) Local PHA Index (5) Utility Provider Estimate
(6) FmHA/HUD Supplied

2. Effective Date of Source _____

	Y/N	Energy/Fuel Source	Bedroom Size		Monthly Allowance
3. Heating	___	___	13.	0	___
4. Air Conditioning	___	___	14.	1	___
5. Cooking	___	___	15.	2	___
6. Lighting	___	___	16.	3	___
7. Hot Water	___	___	17.	4	___
8. Water	___	___	18.	5	___
9. Sewer	___	___	19.	6	___
10. Trash	___	___	20.	7	___
11. Range	___	___	21.	8	___
12. Refrigeration	___	___	22.	9	___

- Energy/Fuel Source: (1) Electric (2) LP Gas (3) Natural Gas (4) Coal/Oil (5) Woodburning (6) Space Heater
(7) Municipal (8) Well (9) Septic

RENTAL INCOME

- 2. Other Monthly Income _____
- 3. Vacancy Factor _____%

J. CONSTRUCTION SOURCES OF FUNDS – FILL OUT INFORMATION FOR EACH FUNDING

SOURCE

- 1. Loan Position _____(Choose Applicable Number Below)
- 2. Source Name _____(Choose Applicable Number Below)
- 3. Type of Source _____(Choose Applicable Number Below)
- 4. Type of Finance _____(Choose Applicable Number Below)
- 5. Closing Date ____/____/____
- 6. Principal Amount_____
- 7. Interest Rate _____%

Loan Position: (1) Existing 1st (2) Existing 2nd (3) Existing 3rd (4) Existing 4th (5) Refinanced 1st (6) Refinanced 2nd (7) Refinanced 3rd (8) Refinanced 4th (9) Proposed 1st (10) Proposed 2nd (11) Proposed 3rd (12) Proposed 4th (13) Proposed 5th (14) Other (15) Unsecured

Source Name: (1) State HOME Funds (2) Direct HOME Funds (3) USDA Funds (4) Trust Funds (5) Conventional Loan (6) LIHTC (7) Other

Type of Source: (1) Federal (2) Conventional (3) HOME for project costs (4) Owner Contribution (5) State Appropriated (6) Local Appropriated (7) CDBG (8) Cash Match (9) Private Loan (10) Other (11) HOME (12) Other PJ, 0012 (13) HOME Program Income (14) State Tax Exempt Bonds (15) Local Tax Exempt Bond (16) Private Grant (17) Low Income Housing Tax Credits (18) CHDO TA Loan (19) CHDO SEED Loan (20) Energy Grant Fund (21) Historical Equity (22) HOME for Buydown

Type of Finance: (1) Loan, Amortizing (2) Grant (3) Loan, Deferred (In Ratio) (5) Loan, BMIR (Conventional Only) (6) Cashflow Note (7) Sinking Fund (8) Loan, Deferred (Not in Ratios) (9) Other (10) Loan, Balloon P & I (14) LIHTC Syndication Proceeds (16) Loan, Deferred until Sale (17) Loan, Balloon Interest Only

K. PERMANENT SOURCES OF FUNDS – FILL OUT INFORMATION FOR EACH FUNDING SOURCE

- 1. Pre-Rehab Units _____ 2. Post Rehab Units _____
- 3. Source Name _____(Choose Applicable Number Below)
- 4. Loan Position _____(Choose Applicable Number Below)
- 5. Type of Source _____(Choose Applicable Number Below)
- 6. Type of Finance _____(Choose Applicable Number Below)
- 7. System Tracked _____ Y _____
- 8. Principal Amount_____

9. Closing Date _____
10. Interest Rate _____%
11. Payment Frequency _____ (M) Monthly (Q) Quarterly (Y) Yearly
12. Loan Term _____ Months
13. Amortization Term _____ Months
14. Amortization Start: _____
15. Proposed Match \$ _____

Source Name: (1) State HOME Funds (2) Direct HOME Funds (3) USDA Funds (4) Trust Funds
 (5) Conventional Loan (6) LIHTC (7) Other

Loan Position: (1) Existing 1st (2) Existing 2nd (3) Existing 3rd (4) Existing 4th (5) Refinanced 1st
 (6) Refinanced 2nd (7) Refinanced 3rd (8) Refinanced 4th (9) Proposed 1st (10) Proposed 2nd
 (11) Proposed 3rd (12) Proposed 4th (13) Proposed 5th (14) Other (15) Unsecured

Type of Source: (1) Federal (2) Conventional (3) HOME for project costs (4) Owner Contribution
 (5) State Appropriated (6) Local Appropriated (7) CDBG (8) Cash Match (9) Private Loan (10) Other
 (11) HOME (12) Other PJ, 0012 (13) HOME Program Income (14) State Tax Exempt Bonds
 (15) Local Tax Exempt Bond (16) Private Grant (17) Low Income Housing Tax Credits (18) CHDO TA Loan
 (19) CHDO SEED Loan (20) Energy Grant Fund (21) Historical Equity (22) HOME for Buydown

Type of Finance: (1) Loan, Amortizing (2) Grant (3) Loan, Deferred (In Ratio) (5) Loan, BMIR
 (Conventional Only) (6) Cashflow Note (7) Sinking Fund (8) Loan, Deferred (Not in Ratios) (9) Other
 (10) Loan, Balloon P & I (14) LIHTC Syndication Proceeds (16) Loan, Deferred until Sale
 (17) Loan, Balloon Interest Only

USES OF FUNDS – LAND SITE

Actual Cost

Land/Site Work

1. Land Cost/Unit \$ _____

Buildings

2. Existing Structure _____

3. Demolition _____

4. Other _____

Site Work

5. On Site Work _____

6. Off Site Information _____

7. Other _____

M. USES OF FUNDS – CONSTRUCTION COSTS

Construction Costs

1. New Structures _____

2. Rehabilitation _____

3. Accessory Structures _____

4. General Requirements _____

5. Overhead _____

- 6. Profit _____
- 7. Construction _____
- 8. Rehab _____

N. USES OF FUNDS – PROFESSIONAL FEES

Professional Fees

- 1. Architect, Design _____
- 2. Architect, Supervision _____
- 3. Attorney & Real Estate _____
- 4. Consultant/Agent _____
- 5. Engineer/Survey _____

O. USES OF FUNDS – CONSTRUCTION INTERIM COSTS

Construction Interim Costs

- 1. Hazard Insurance _____
- 2. Liability Insurance _____
- 3. Payment Bond _____
- 4. Performance Bond _____
- 5. Credit Report _____
- 6. Interest _____
- 7. Origination Points _____
- 8. Discount Points _____
- 9. Credit Enhancement _____
- 10. Inspection Fees _____
- 11. Title & Recording _____
- 12. Legal Fees _____
- 13. Taxes _____
- 14. Other (specify) _____

P. USES OF FUNDS – PERMANENT FINANCE

Permanent Financing

- 1. Bond Premium _____
- 2. Credit Report _____
- 3. Discount Points _____
- 4. Origination Fees _____
- 5. Credit Enhancement _____
- 6. COI Underwrite Disc _____
- 7. Title & Recording _____
- 8. Legal Fees _____
- 9. Prepaid MIP _____

Q. USES OF FUNDS – SOFT COSTS

Soft Costs

- 1. Feasibility Study _____
- 2. Market Study _____
- 3. Environmental Study _____
- 4. Tax Credit Fee _____
- 5. Compliance Fee _____
- 6. Rent-Up _____
- 7. Appraisal _____
- 8. Costs Certificaiton _____
- 9. Other (Specify) _____

Developer Fee

- 1. Overhead _____
- 2. Profit _____
- 3. Consultant _____

R. USES OF FUNDS – DEVELOPER FEES

Syndication

- 1. Organizations _____
- 2. Bridge Loan _____
- 3. Tax Option _____
- 4. PV Adjustment _____
- 5. Other (Specify) _____

Developer Fee

- 1. Overhead _____
- 2. Profit _____
- 3. Consultant _____

S. USES OF FUNDS – PROJECT RESERVES

Project Reserves

- 1. Rent-Up _____
- 2. Operating _____
- 3. Replacement _____
- 4. Escrows _____

Working Capital

- 5. Regular Project _____
- 6. Unit _____

7. Other (Specify) _____

T. USES OF FUNDS – ANNUAL EXPENSES

Administrative Expenses

- 1. Accounting _____
- 2. Advertising _____
- 3. Legal _____
- 4. Leased Equipment _____
- 5. Management Fee _____
- 6. Management Salaries _____
- 7. Model Apartment Rent _____
- 8. Office Supply/Postage _____
- 9. Telephone _____
- 10. Annual Compliance Fee _____
- 11. Miscellaneous _____
- 12. Other (Specify) _____
- 13. Other (Specify) _____

Operating Expenses

- 1. Fuel (Heat/Water) _____
- 2. Electrical _____
- 3. Water & Sewer _____
- 4. Gas _____
- 5. Garbage _____
- 6. Security _____
- 7. Cable TV _____
- 8. Other (Specify) _____

Maintenance

- 1. Elevator _____
- 2. Exterminating _____
- 3. Grounds _____
- 4. Repairs _____
- 5. Maintenance Salaries _____
- 6. Maintenance Supplies _____
- 7. Pool _____
- 8. Other (Specify) _____

Fixed Expenses

- 1. Real Estate Taxes _____
- 2. In Lieu of Taxes _____
- 3. Other Tax Assessments _____

4. Insurance _____

5. Other (Specify) _____

Reserves

1. Replacement _____

2. Other (Specify) _____

3. Debt Service _____

Annual Increase Factors

4. Rent _____

5. Expenses _____

6. Replacement Costs _____

U. CONTRACTORS SUMMARY

	Capacity	Ethnic Type Minority Code	Number of Contracts	Expenditures
1.	_____	_____	_____	_____
2.	_____	_____	_____	_____
3.	_____	_____	_____	_____
4.	_____	_____	_____	_____
5.	_____	_____	_____	_____

Fill in table with applicable numbers from choices below

Capacity: (3) Contractor (8) Subcontractor

Ethnic Type: (1) White (2) Black (3) Native American (4) Asian/Pacific Islands
(5) Hispanic (9999) Not Available

Minority Code: (1) Black (2) Hispanic (3) Woman/MWBE (4) Disadvantaged/DBE
(5) MBE/HUB (99) Other

V. RELOCATION INFORMATION

	Number	Cost
1. Parcels Acquired	_____	_____
2. Businesses Displaced	_____	_____
3. Displaced Non-Profit	_____	_____
4. Temporarily Relocated People	_____	_____

Displaced People by Race/Ethnicity

- 5. White _____
- 6. Black _____
- 7. Native American _____
- 8. Asian/Pacific _____
- 9. Hispanic _____

W. PROJECT SCHEDULE

Date

- 1. Option/Contract _____
- 2. Acquisition _____
- 3. Zoning _____
- 4. Tax Abatement _____
- 5. Final _____
- 6. Closing/Property Transfer _____
- 7. Construction Start _____
- 8. Construction Completion _____
- 9. Leaseup Start _____
- 10. Placed in Service _____

X. LOAN SCHEDULE

Date

GENERAL RESERVE TRUST

- 1. Application _____
- 2. Conditional Commitment _____
- 3. Permanent Commitment _____
- 4. Close/Disburse _____

CONVENTIONAL LOAN

- 5. Application _____
- 6. Conditional Commitment _____
- 7. Permanent Commitment _____
- 8. Close/Disburse _____

LIHTC

- 1. Application _____
- 2. Conditional Commitment _____
- 3. Permanent Commitment _____
- 4. Close/Disburse _____

STATE HOME FUNDS

- 1. Application _____
- 2. Conditional Commitment _____
- 3. Permanent Commitment _____

- 4. Close/Disburse _____
- OTHER (Specify)
- 5. Application _____
- 6. Conditional Commitment _____
- 7. Permanent Commitment _____
- 8. Close/Disburse _____
- OTHER (Specify)
- 9. Application _____
- 10. Conditional Commitment _____
- 11. Permanent Commitment _____
- 12. Close/Disburse _____

Y. MARKET DEMOGRAPHICS

- 1. Primary Zoning Type _____ (C) Commercial (I) Industrial (R) Residential
- 2. Neighborhood Type _____ (1) Declining (2) Emerging (3) Revitalizing
- 3. Prevalent Housing Type _____ (1) Mobile Home Park (2) Multifamily Residential
(3) Single Family Residential (4) Transient
- 4. Prevalent Employment Type _____ (1) FT Student, Title IV Assisted (2) FT Student Job Training Program (3)
FT Student, Married/joint return (4) FT Student, single parent with
dependent (5) FT Student, no special conditions (6) Unemployed
(7) Retired (8) Self-Employed (9) Agriculture (10) Business/Office (11)
Technical/Professional (12) Industrial/Manufacturing (13)
Government/Public Service (14) Skilled/Specialized (15) Unskilled/Not
Specialized (0099) Other, Not full time student
- 5. Prevalent Race _____ (1) White (2) Black (3) Native American (4) Asian/ Pacific (5) Hispanic
(9999) Other
- 6. Prevalent Ethnicity _____ (1) African-American (2) Asian/Pacific (3) Chinese- American (4) Cuban-
American (5) Haitian-American (6) Hispanic American (7) Jewish (8)
Korean-American (9) Mexican American (10) Middle Eastern/Arab (11)
Native American (12) Puerto Rican (13) Other (0099) None
- 7. Average Housing Age _____
- 8. Average Purchase Price _____
- 9. Average Monthly Rent _____
- 10. Total Non-Low Income Rentals _____
- 11. Total Low-Income Rentals _____
- 12. Other Low-Income Housing Area within _____ miles
- 13. Public Housing Authority in Area within _____ miles

Z. MARKET FACILITIES

- EDUCATION Miles
- 1. Preschool/Daycare _____
 - 2. Elementary/Grade School _____
 - 3. Junior/Middle School _____
 - 4. High School _____
 - 5. Community College _____
 - 6. Vocational/Technical _____
 - 7. College University _____

SHOPPING

- 8. Convenience _____
- 9. Food & Staples _____
- 10. Healthy & Pharmacy _____
- 11. Other Items _____

COMMUNITY

Miles

- 12. Activity Center _____
- 13. Parks & Recreation _____

RELIGIOUS WORSHIP

- 14. Church/Temple _____

MEDICAL

- 15. Clinic/Dispensary _____
- 16. Doctor's Office _____
- 17. Emergency Care _____
- 18. Hospital _____
- 19. Public Health Agency _____

TRANSPORTATION

- 20. Public Transportation _____
- 21. Major Highway _____

EMPLOYMENT

- 22. Major Employer _____
- 23. Other Full Time Employment _____
- 24. Part-Time Occasional Work _____

QUALIFYING POINTS FOR TRUST FUNDS ONLY

Projects will qualify based on the number of points accumulated (200 points minimum). Mark only the boxes in this section which apply to this project:

- Project qualifies for the federal tax credit for low-income housing (100 points);
- Project has an application pending for the receipt of money directly from the Federal Government, the success of which is conditioned on the project receiving matching state money (100 points – see Other Fund Sources, page 2 of this application);
- Project demonstrates a commitment of support from the local government in whose jurisdiction the project will be located. (This commitment may take a variety of forms including development block grant, a provision of real property as the site of a project, a change in the local government’s zoning law, including a waiver of any requirements regarding the level of density of a housing project, direct financial assistance or significant technical assistance.) (100 points – Exhibit F)
- Proposal addresses the scarcity of affordable housing for eligible families in the area where the project will be located. (25 points – Exhibit G)
- Proposal addresses the viability of the project without an allocation of money from the fund (25 points – Exhibit H)
- Proposal addresses whether an award of money from the fund will assist in making the project more affordable (25 points – Exhibit I)
- Project will accommodate eligible families in 50 percent or more of its units. (50 points – Section C – DEVELOPMENT PLAN)
- Project will accommodate eligible families in 25 to 49 percent of its units. (25 points – Section C – DEVELOPMENT PLAN)
- Project will accommodate eligible families in 15 to 24 percent of units. (15 points – Section C – DEVELOPMENT PLAN)
- Proposal requires private funding as part of its development costs and includes a letter from a lender indicating a firm commitment to provide a loan (20 points) (attach as Exhibit J)
- Proposal identifies specifically the housing to be rehabilitated or acquired or the site where the new construction is to occur. (20 points – Section A – PROJECT INFORMATION)

The 50 points available for leveraging will be awarded competitively with points awarded under the following procedure:

Each application will be evaluated by dividing the total project cost by the total number of units produced in the project. Projects will only be compared with like-type projects (i.e., New construction or substantial rehabilitation.)

Calculate the following:

Total project cost	\$ _____
Number of units	_____
Cost per unit	\$ _____

Scoring: the application with the top percent on a lowest cost-per-unit basis will receive 50 points; twenty-one through 40 percent will receive 25 points; forty-one through 60 percent will receive 15 points.

CERTIFICATION

The undersigned application certifies that the information in this application is true.

Applicant (Signature)

Co-applicant (Signature)

Name and Title (Typed or Printed)

Name (Typed or Printed)

Date

Date

EXHIBIT "K"
COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO)
QUALIFICATIONS CHECKLIST

All of the following information is required from CHDOs. Please attach the requested information to this section and place a checkmark in the appropriate box to indicate that the information has been provided.

1. Legal Status

- A.** The non-profit organization is organized under State or local laws as evidenced by:
- A Charter; or
 - Articles of Incorporation
- B.** No part of the organization's net earnings inure to the benefit of any member, founder, contributor, or individual as evidenced by:
- A Charter; or
 - Articles of Incorporation
- C.** The organization has a tax exempt ruling from the Internal Revenue Service under Section 501(c) or (4) of the Internal Revenue Code of 1986, as evidenced by:
- A 501(c) (3) OR (4) Certificate from the IRS, or,
The organization is classified as a subordinate of a central organization non-profit under Section 905 of the Internal Revenue Code as evidenced by:
 - A group exemption letter from the IRS that includes the CHDO
- D.** The organization has among its purposes the provision of decent housing that is affordable to low- and moderate income people as evidenced by a statement in its:
- Charter;
 - Articles of incorporation;
 - By-laws;
 - Resolutions.

*(reference pertinent section of document
checked above)*

2. Capacity

- A.** Demonstrate that the organization conforms to the financial accountability standards of Attachment F of OMB Circular A-110, "Standards of Financial Management Systems" as evidenced by one of the following:
- Notarized statement by the President or CFO;
 - Certification from a Certified Public Accountant;
 - A HUD approved audit summary.
- B.** Document the organization's capacity for carrying out HOME-assisted activities as evidenced by one of the following:
- Resumes and/or statements that describe the experience of key staff members who have successfully completed project similar to those to be assisted with HOME funds;
 - Contract(s) with consultant firms or individuals who have housing experience similar to projects to be assisted with HOME funds, to train appropriate key staff of the organization.
- C.** Demonstrate a history of serving the community within which housing to be assisted with HOME funds is to be located, as evidenced by one of the following signed by the Chairman of the Board or the Executive Director of the organization:
- An annual report or statement that documents at least one year of experience in serving the community;
 - For newly created organizations formed by local churches, service or community organizations, a statement that documents that its parent organization has at least one year of experience in serving the community.

2. Organizational Structure

Use the following definitions in responding to this section:

Low-income neighborhood: a neighborhood where 51% or more of resident households have incomes which are less than or equal to 80% of area median income (based on latest Census tract data or other identified source).

Community: one or more neighborhoods, town, village, city, county, or multi-county area

A. Demonstrate that the organization maintains at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations as evidenced by the following:

Submit the attached "CHDO Certification of Low-Income Community Representation".

B. Demonstrate that the organization provides a formal process for low-income program beneficiaries to advise the organization in all of its decisions regarding the design, citing, development, and management of affordable housing projects as evidenced by one of the following:

Appropriate citation in by-laws or articles of incorporation;

(Reference pertinent document and section)

Written statement signed by Chairman or Executive Director certifying that such a process is in place within the organization's operating procedures.

C. A CHDO in Las Vegas is chartered by the City of Las Vegas. However, the government entity may not appoint more than one-third of the organization's governing board; board members appointed by the government entity may not appoint the remaining two-thirds of the board; and public officials cannot compose more than one-third of the governing board. Provide evidence that the organization satisfies these criteria by citing the appropriate section of the bylaws or articles of incorporation.

(Reference pertinent document and section)

Check this box if not chartered by State or local government.

D. A CHDO may be sponsored or created by a for-profit entity. However, the for-profit entity may not appoint more than one-third of the organization's governing board; and board members appointed by the for-profit may not appoint the remaining two-thirds of the board. Provide evidence that the organization satisfies these criteria by citing the appropriate section of the bylaws or articles of incorporation.

(Reference pertinent document and section)

Check this box if not sponsored or created by a for-profit entity.

4. Relationship with For-Profit Entities

A. Demonstrate that the organization is not controlled by nor receives direction from individuals or entities seeking profit from the organization as evidenced by one of the following:

By-laws or articles of incorporation; or

(Reference pertinent document and section)

Memorandum of Understanding between CHDO and for-profit entity.

B. Demonstrate that the for-profit sponsor of a CHDO does not have as its primary purpose the development or management of housing as evidenced by:

For-profit organization's by-laws (attach pertinent section).

(Reference pertinent document and section)

C. Demonstrate that the CHDO sponsored by a for-profit entity is free to contract for goods and services from vendors of its own choosing as evidenced by:

- By-laws;
- Charter;
- Articles of Incorporation.

(Reference pertinent document and section)

CHDO LOW-INCOME COMMUNITY REPRESENTATION CERTIFICATION

I hereby certify that the current governing Board of Directors of _____ meets the minimum federal requirements* for a Community Housing Development Organization as listed in Section IV (3)(A) of the Application for HOME Funds.

The governing Board is comprised of _____ members. Of this total, the low-income community is represented in the following manner:

1. Number of Board members who are residents of low-income neighborhoods: _____
2. Number of Board members who are low-income community residents: _____
3. Number of Board members who are elected representatives of low-income neighborhood organizations:

President, Board of Directors

Date

EXHIBIT "L"
RENT REASONABLENESS CHECKLIST

Date: _____

Subject property:

Name of Family: _____

The following are rent comparable:

	Subject property	Unit #1	Unit #2	Unit #3
1. Address (include unit #), City, State, County, & Zip Code				
2. Owner/Agent, address, & telephone				
3. Square Feet				
4. Number of Bedrooms				
5. Location: Accessibility to Services (List)				
6. Unit Type: *S, US, or RC				
7. Quality – Meets HQS standards Y/N				
8. Amenities: (List)				
9. Facilities (List)				
10. Date Built				
11. Mgt. & Maintenance services: Y/N				
12. Contract/Gross Rent (including utilities)				
13. Utility Allowance if tenant pays utilities				
14. Fair Market Rents and date published				
15. Is rent higher than rents for comparable unassisted units or FMRs? Y/N (If yes, then rent is not reasonable)				

* S – Subsidized US – Unsubsidized RC – Rent Controlled

Based upon the above information, the Agency hereby certifies that the subject property contract rent is reasonable.

 (Agency Name)

APPENDIX "A"

HOME PROGRAM RENT LIMITS

www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/rent

HOME/LIHTF PROGRAM INCOME GUIDELINES:

www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/income

221(d)(3) Maximum HOME Subsidy per unit

www.hud.gov/local/ca/working/locality.pdf

HOME Maximum Mortgage Limits

www.hud.gov

APPENDIX "B"

CONDITIONS OF FEDERAL/STATE FUNDING

A. RELIGIOUS ACTIVITIES 24 CFR 92.257

As a general rule, in accordance with First Amendment Church/State Principles, HOME/LIHTF assistance may not be used for religious activities or provided to primarily religious entities for any activities, including secular activities, except as cited at 24 CFR 92.257.

B. POLITICAL ACTIVITIES Section 319 of Public Law 101-121 of the Department of the Interior Appropriations Act

SUBRECIPIENT/DEVELOPER will comply with the above referenced section, which prohibits the use of HOME/LIHTF funds to finance the use of facilities or equipment for political purposes or to engage in other partisan political activities, such as candidate forums, voter transportation, or voter registration.

HATCH ACT CHAPTER 15, TITLE 5, U.S. CODE

SUBRECIPIENT/DEVELOPER further agrees that none of the personnel employed in the administration of the within defined Project shall be in any way or to any extent, engaged in the conduct of political activities in contravention of Chapter 15, Title 5, U.S. Code.

C. PROGRAM INCOME 24 CFR 92.2

SUBRECIPIENT/DEVELOPER agrees that program income, as defined in 24 CFR 92.2, includes, but is not limited to, the following:

1. Proceeds from the disposition by sale or long-term lease of real property acquired, rehabilitated, or constructed with HOME/LIHTF funds or matching contributions;
2. Gross income from the use or rental of real property, owned by the participating jurisdiction, State recipient, or a Subrecipient/Developer, that was acquired, rehabilitated, or constructed, with HOME/LIHTF funds or matching contributions, less costs incidental to generation of the income;
3. Payments of principal and interest on loans made using HOME/LIHTF;
4. Proceeds from the sale of loans made with HOME/LIHTF or matching contributions;
5. Proceeds from the sale of obligations secured by loans made with HOME/LIHTF funds or matching contributions;
6. Interest earned on program income pending its disposition; and
7. Any other interest or return on the investment permitted under 92.205(b) of HOME/LIHTF or matching contributions.

DISPOSITION OF PROGRAM INCOME

Program income must be deposited in the participating jurisdiction's HOME local account unless the participating jurisdiction permits the State recipient or Subrecipient/Developer to retain the program income for additional HOME projects pursuant to the written agreement required by 92.504.

If the HOME funds were disbursed from the participating jurisdiction's HOME Treasury account, they must be repaid to the Treasury account. If the HOME funds were disbursed from the participating jurisdiction's HOME local account, they must be repaid to the local account. If the jurisdiction is not a participating jurisdiction when the repayment is made, the funds must be remitted to HUD and reallocated in accordance with 92.454.

D. OTHER PROGRAM REQUIREMENTS 24 CFR 92.350-3-92.358

SUBRECIPIENT/DEVELOPER shall carry out its activities in compliance with all Federal laws and regulations as described in 24 CFR 92.350-92.358, except that SUBRECIPIENT/DEVELOPER will not assume the CITY'S environmental responsibilities described at 24 CFR 92.352, nor the CITY'S responsibility for initiating the review process under the provisions of 24 CFR Part 58. More specifically Subrecipient/Developer shall be required to comply with the following:

1. GENERAL--24 CFR 92.350

The Federal requirements set forth in 24 CFR part 5, subpart A, are applicable to participants in the HOME/LIHTF program. The requirements of this subpart include: nondiscrimination and equal opportunity; disclosure requirements; debarred, suspended or ineligible contractors; and drug-free workplace.

2. TITLE VI OF THE CIVIL RIGHTS ACT OF 1964-- FAIR HOUSING ACT--EXECUTIVE ORDER 11063

This Agreement is subject to the requirements of Title VI of the Civil Rights Act of 1964, P.L. 88-352; the Fair Housing Act; and Executive Order 11063, as amended by Executive Order 12259; and HUD regulations at 24 CFR Part 1, providing for non-discrimination on the grounds of race, color, creed, sex, familial status, disability, or national origin under any activity receiving Federal funds and also obligating SUBRECIPIENT/DEVELOPER to use Federally-funded property for the purpose for which the Federal funds were awarded.

3. SECTION 109 OF THE ACT--AGE DISCRIMINATION ACT of 1975 --SECTION 504 OF THE REHABILITATION ACT OF 1973

This Agreement is subject to Section 109 of the Housing and Community Development Act of 1974, The Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973, which requires that no person in the United States shall, on the grounds of age, race, color, national origin, disability, or sex, be excluded from participation in, be denied the benefits of, or be subject to discrimination under any program or activity funded in whole or in part with HOME/LIHTF Grant funds.

4. LABOR STANDARDS & DAVIS BACON ACT 24 CFR 92.354

Section 110(a) of the Act contains labor standards that apply to non-volunteer labor financed in whole or in part with assistance provided under the Act. The Contract Work Hours and Safety Standards Act also applies. Contractors or subcontractors on construction work shall be paid wages at rates not less than those prevailing on similar construction in the locality as determined by the Secretary of Labor in accordance with the Davis-Bacon Act, as amended.

5. ENVIRONMENTAL STANDARDS 24 CFR 92.352

This Agreement is subject to the National Environmental Policy Act of 1969, as detailed in implementing regulations 24 CFR Part 58.

6. NATIONAL FLOOD INSURANCE PROGRAM

This Agreement is subject to the Flood Disaster Protection Act of 1973, and the regulations in 44 CFR Parts 59 through 79.

7. DISPLACEMENT, RELOCATION, ACQUISITION, AND REPLACEMENT OF HOUSING 24 CFR 92.353

SUBRECIPIENT/DEVELOPER shall assure that they have taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, non-profit organizations, and farms) as a result of activities pursuant to Part 570.606. Relocation of

displaced persons shall be provided in conformance with the Uniform Relocation Assistance and Real Property Acquisition Act of 1970 as amended.

8. EMPLOYMENT AND CONTRACTING OPPORTUNITIES

SUBRECIPIENT/DEVELOPER shall comply with Executive Order 11246, as amended by Executive Order 12086, which provides for Equal Employment Opportunity, and Section 3 of the Housing and Urban Development Act of 1968, with implementing regulations at 24 CFR Part 135. Section 3 requires that employment and other economic development opportunities arising in connection with housing rehabilitation, housing construction, or other public construction projects shall, to the greatest extent feasible, and consistent with existing Federal, State, and local laws and regulations, be given to low- and very low-income persons.

9. LEAD-BASED PAINT 24 CFR 92.355

This Agreement is subject to the regulations at 24 CFR Part 35, prohibiting the use of lead-based paint in residential structures constructed or rehabilitated with assistance provided pursuant to Part 92.353; notification of hazards of lead-based paint poisoning; and elimination of lead-based paint hazards.

10. USE OF DEBARRED, SUSPENDED, OR INELIGIBLE CONTRACTORS OR SUBRECIPIENT/DEVELOPERS

This Agreement is subject to the requirements set forth in 24 CFR Part 5, in which is incorporated 24 CFR Part 24, which provides for the listing of debarred and suspended participants, participants declared ineligible, and participants who have voluntarily excluded themselves from participation in covered transactions pursuant to Part 24.

11. UNIFORM ADMINISTRATIVE REQUIREMENTS AND COST PRINCIPLES 24 CFR 92.505

Governmental entities. The requirements of OMB Circular No. A-87 and the following requirements of 24 CFR Part 85 apply to the participating jurisdiction, State recipients, and any governmental Subrecipient/Developer receiving HOME/LIHTF funds: 85.6, 85.12, 85.20, 85.22, 85.26, 85.32-85.34, 85.36, 85.44, 85.51, and 85.52.

Non-profit organizations. The requirements of OMB Circular No. A-122 and the following requirements of 24 CFR part 84 apply to Subrecipient/Developers receiving HOME/LIHTF that are nonprofit organizations that are not governmental Subrecipient/Developers: 84.2, 84.5, 84.13-84.16, 84.21, 84.22, 84.26-84.28, 84.30, 84.31, 84.34-84.37, 84.40-84.48, 84.51, 84.60-84.62, 84.72, and 84.73.

12. CONFLICT OF INTEREST 24 CFR 92.356

This Agreement is subject to the general rule that no person who is an employee, agent, consultant, officer, or elected official or appointed official of the CITY as Recipient, or of any designated public agencies, or of SUBRECIPIENT/DEVELOPER who exercise or have exercised any functions or responsibilities with respect to HOME/LIHTF activities assisted pursuant to Part 92.356, or who are in a position to participate in a decision-making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from a HOME/LIHTF-assisted activity, or have a financial interest in any contract, subcontract, or Agreement with respect to a HOME/LIHTF-assisted activity, or with respect to the proceeds of the HOME/LIHTF-assisted activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter.

13. LIMITED ENGLISH PROFICIENCY (LEP)

Executive Order 12166 enacted August 11, 2000, mandates the federal government reduce language barriers to limited English proficiency (LEP) persons with regard to accessing federal benefits. Recipients of HUD assistance including state and local governments, public housing authority assisted housing providers, profit and non-profit organizations and other entities receiving funds directly or indirectly from HUD are subject to Executive Order 12166 and Title VI provisions as a condition of receiving federal funds. Failure to ensure limited English proficiency persons (LEP) access to HUD benefits may violate Title VI civil rights protections based upon national origin.

E. DRUG-FREE WORKPLACE

As a Subrecipient/Developer of HOME/LIHTF funds, and in connection with services offered, the SUBRECIPIENT/DEVELOPER agrees that it shall comply with the provisions of the Drug-Free Workplace Act of 1988, 24 CFR Part 21, which requires that SUBRECIPIENT/DEVELOPER shall maintain a facility free from the illegal use, possession, or distribution of drugs or alcohol by its beneficiaries.

F. EXPIRATION OR REVOCATION OF AGREEMENT

Upon the expiration or revocation of this Agreement, SUBRECIPIENT/DEVELOPER shall transfer to CITY any HOME/LIHTF funds on hand at the time of expiration or revocation and any accounts receivable attributable to the use of HOME/LIHTF funds.

G ANTI-LOBBYING

Section 319 of Public Law 101-121, of the Department of the Interior Appropriations Act, prohibits SUBRECIPIENT/DEVELOPER from using appropriated Federal funds for lobbying the Executive or Legislative Branches of the Federal Government in connection with a specific contract, grant, or loan, and requires that no Federally appropriated funds have been paid or will be paid, by or on behalf of SUBRECIPIENT/DEVELOPER to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

H. AMERICANS WITH DISABILITIES ACT

SUBRECIPIENT/DEVELOPER agrees to comply fully with any and all provisions of the Americans with Disabilities Act (hereinafter referred to as "ADA") as applicable to the SUBRECIPIENT/DEVELOPER and the activities to be performed by SUBRECIPIENT/DEVELOPER under the scope of this Agreement. If employing more than fifteen (15) employees, SUBRECIPIENT/DEVELOPER agrees to comply fully with Title I of the "ADA" as set forth at 28 CFR Part 130. If providing "public accommodations" as defined by the Act in Section 301(7)(A)-(L), SUBRECIPIENT/DEVELOPER agrees to comply fully with Title III of the "ADA" as set forth at 28 CFR Part 36. If providing public transportation, SUBRECIPIENT/DEVELOPER agrees to comply fully with the federal regulations as set forth at 49 CFR Parts 37 and 38.

I. AFFIRMATIVE MARKETING 24 CFR 92.351

Subrecipient/Developer agrees to undertake an affirmative marketing program in conformance with 24 CFR 92 351 (b) and Chapter 3 of the HUD Handbook 7360.01 (Rental Rehabilitation Program).

J. MCKINNEY HOMELESS ASSISTANCE ACT

Subrecipient agrees to abide by 24 CFR, Part 576, of the Stewart B. McKinney Homeless Assistance Act.

K. RECORD KEEPING 24 CFR 92.508

Subrecipient/Developer shall maintain records in accordance with 24 CFR 92.508.

L. FORFEITURE OF FUNDS

Any material breach of the terms of this section shall result in forfeiture of all HOME Program or other funding received by Subrecipient/Developer pursuant to this Agreement, or any part thereof as determined by the City.

M. EXPIRATION OF AGREEMENT

Upon the expiration or revocation of this Agreement, Subrecipient/Developer shall transfer to the City any HOME Program and/or LIHTF funds on hand at the time of expiration or revocation and any accounts receivable attributable to the use of these funds.

N. HOUSING QUALITY STANDARDS 24 CFR 251

Subrecipient/Developer agrees to maintain the Project in compliance with all applicable State and local housing quality standards and code requirements for the duration of this Agreement; and furthermore, Subrecipient/Developer agrees to use HUD-qualified housing inspectors to perform an initial housing quality inspection of any HOME/LIHTF-assisted unit prior to occupancy, or with replacement of a tenant, or after making any Code corrections, with the housing quality inspection to be performed annually, when so requested by the City to ensure such compliance; and if applicable, the cost effective energy conservation and effectiveness standards in 24 CFR part 39, and local housing code requirements.

O. PERIOD OF AFFORDABILITY 24 CFR 92.252 & 92.254

Subrecipient/Developer agrees that this Agreement is in effect for a Period of Affordability determined by amount of funding in the project and funding sources, commencing from the project completion date, pursuant to 24 CFR 92.252 or 24 CFR 92.254 and/or the Nevada Revised Statutes and/or the Nevada Administrative Code.

P. SALE, TRANSFER OR OTHER CONVEYANCE OF PROPERTY 24 CFR 92.503

A sale, transfer, or other conveyance of the assisted Property is subject to the requirement that the amount of HOME/LIHTF funds previously invested in the Property will be treated in accordance with 24 CFR Part 92.503 and Administrative Guidelines, NRS 319, and NAC 310 and returned to the City's Neighborhood Development Division of the City's Neighborhood Services Department to be reinvested in other affordable housing units.

Q. DISPLACEMENT OR DISLOCATION OF TENANTS 24 CFR 353

In conjunction with the Project, Subrecipient/Developer agrees to minimize displacement or dislocation of current tenants by referring eligible dislocated tenants to the Housing Authority for tenant-based assistance, and by assisting with their relocation per 24 CFR 92.353.

Should tenants be displaced as a result of acquisition or rehabilitation of the Property, Subrecipient/Developer agrees to assume sole financial responsibility for any liability associated with 49 CFR Part 24.

R. OMB CIRCULARS

Administration of the HOME Program is subject to the uniform policies and requirements of the Office of Management and Budget's (OMB) Circulars and Federal Regulations

implementing the Circulars. The Circulars set standards for the administration of grants, principles for determining what costs are allowable, and requirements for independent audits. The Circulars also address many other management issues, including record keeping, procurement, bank accounts, and program income. All Subrecipient/Developers of the City's grants, as provided herein, are required to be familiar with the OMB Circulars as it pertains to the Federal grant funding received.

APPENDIX "C"

INSURANCE REQUIREMENTS

1. The SUBRECIPIENT/DEVELOPER shall procure and maintain at its own expense, during the entire term of the Agreement, the following coverage:
 - a. Industrial/Workers' Compensation Insurance protecting the SUBRECIPIENT/DEVELOPER and the City from potential SUBRECIPIENT/DEVELOPER employee claims based upon job-related sickness, injury, or accident, during performance of this Agreement.
 - b. General Liability Insurance in the amount of One Million Dollars (\$1,000,000) combined single limit per occurrence, and Two Million Dollars (\$2,000,000) aggregate for bodily injury (including death), personal injury and property damage. Such coverage shall be on an "occurrence" basis and not on a "claims made" basis. The coverage must be provided either on an ISO Commercial General Liability form or an ISO Broad Form Comprehensive General Liability form. Any exceptions to coverages must be fully disclosed on the required certificates. If other than these forms are submitted as evidence of compliance, complete copies of such policy forms must be submitted to the City within ten (10) days after the notice of award. Policies must include, but need not be limited to, coverages for bodily injury, property damage, personal injury, Broad Form property damage, premises and operations, severability of interest, products and completed operations, contractual and independent contractors.
 - c. Automobile Liability Insurance in the amount of One Million Dollars (\$1,000,000) combined single limit "per accident" for bodily injury or property damage, or both, caused by or arising out of the ownership, maintenance or use of any automobile by SUBRECIPIENT/DEVELOPER (owned or hired) in the performance of the services under this Agreement.
 - d. Professional Liability Insurance in an amount of not less than One Million Dollars (\$1,000,000). Coverage may be on a "claims made" basis or on an "occurrence" basis. If coverage is provided on a "claims made" basis, SUBRECIPIENT/DEVELOPER shall maintain coverage for one (1) year following the completion of this Agreement.
 - e. Subrecipient shall carry or provide Comprehensive Fire and Hazard insurance covering the full replacement costs of the Project.

The insurance coverages required under this Section are in addition to, and not in lieu of, SUBRECIPIENT/DEVELOPER's indemnification obligation. The City, its officers, employees and volunteers must be expressly named as additional insured parties under the coverages required under this Section.

2. Certificates of Insurance. Prior to the commencement of its performance under this Agreement, SUBRECIPIENT/DEVELOPER shall have on file with the City current certificates of insurance evidencing the coverages required herein.
 - a. SUBRECIPIENT/DEVELOPER shall furnish the renewal certificates for the required insurance during the period of coverage required by this Agreement. If the renewal certificates are not provided, the City may declare SUBRECIPIENT/DEVELOPER in default of its obligation under this Section.

b. Except for the Professional Liability Insurance, the City shall be named as an additional insured party under the coverages required under this section.

3. Insurance Rating. Each insurance company's rating as shown in the latest Best's Key Rating Guide shall be fully disclosed and entered on the required certificate of insurance. The adequacy of the insurance supplied by SUBRECIPIENT/DEVELOPER, including the rating and financial health of each insurance company providing coverage, is subject to the approval of the City. The City requires insurance carriers to maintain a Best's Key rating of A VII or higher (i.e., A VII, A VIII, A IX, A X, etc.).

4. Lapse of Insurance. If SUBRECIPIENT/DEVELOPER fails to maintain any of the insurance coverages required under this Section, then the City will have the option to (i) declare a breach of this Agreement, (ii) purchase replacement insurance, or (iii) pay the premiums that are due on existing policies in order that the required coverages may be maintained. SUBRECIPIENT/DEVELOPER is responsible for any expenses paid by the City to maintain or purchase the insurance required under this Section and the City may collect the same from SUBRECIPIENT/DEVELOPER or deduct the amount paid from any sums due SUBRECIPIENT/DEVELOPER under this Agreement.

5. Primary Coverage. SUBRECIPIENT/DEVELOPER's insurance shall be the primary coverage with respect to the City, its officers, employees and volunteers. Any other coverage (insurance or otherwise) available to the City, its officers, employees and volunteers shall be considered coverage in excess to that required of SUBRECIPIENT/DEVELOPER and shall not contribute with it.

6. Notice of Cancellation. Each insurance policy supplied by SUBRECIPIENT/DEVELOPER must be endorsed to provide that the coverage shall not be suspended, voided, canceled or reduced in coverage or in limits until thirty (30) days prior written notice by certified mail "return receipt requested" has been given to the City. This notice requirement does not waive the insurance requirements contained herein.

APPENDIX "D"
City of Las Vegas
Subrecipient/Developer Guidelines for
Construction and/or Rehabilitation Funding

The City of Las Vegas Neighborhood Services Staff must verify **ALL** items listed below, **PRIOR** to the disbursement of City of Las Vegas funds for your project. Failure to receive the Notice to Proceed (Item #17 below) from City of Las Vegas Neighborhood Services Department prior to any on-site work will result in **non-payment of funds**.

1. _____ **Receive City Council Approval**
2. _____ **Receive award letter from City of Las Vegas (CLV)**
3. _____ **Attend Meeting to discuss following Items:**
 - _____ A. City of Las Vegas, Subrecipient/Developer and Section 3 rep. (if applicable)
 - _____ B. Davis Bacon/State prevailing wages (if applicable)
 - _____ C. Federal and State Wage Determination provided by CLV Staff (If applicable)
 - _____ D. Section 3 rep. and presentation (If applicable \$200,000)
 - _____ E. Environmental Review
4. _____ **Attend Meeting to discuss following Items:**
 - _____ A. Budget
 - _____ B. Tentative Construction Schedule with major benchmarks for project completion
 - _____ C. MBE/WBE Documentation for Contractors and Subs
 - _____ D. After-Rehab Appraisal
 - _____ E. Preliminary Title Report
 - _____ F. Acquisition-HUD 1, and Purchase Agreement
 - _____ G. Contingency Allocation (approx. 10%)
 - _____ H. HOME Set-Up form (if applicable)
 - _____ I. HOME Completion form (if applicable)
 - _____ J City of Las Vegas Vendor Profile (if applicable)
 - _____ K. W-9 (if not a vendor for CLV)
 - _____ L. Certificate of non-debarred status
 - _____ M. Section 504 Handicap Accessibility Policy
 - _____ N. Request for Funds
 - _____ O. HQS inspection after completion of rehab
5. _____ **Complete a Signed Contract (may include a Voucher Control Agreement*)**
 - _____ A. City Attorney
 - _____ B. Voucher Control Company (if applicable)
 - _____ C. Subrecipient/Developer
 - _____ D. Mayor
6. _____ **Record Deed**
7. _____ **Three bids are required on projects under \$100,000; projects over \$100,000 must be advertised in newspaper with sealed bids**
8. _____ **CLV Staff review of bid package for HUD and CLV Policies**

* Voucher Control is required for all projects of \$100,000 or more, and may be required for projects less than \$100,000.
City of Las Vegas NDD HOME Program Manual (revised 05/09)

9. **Go Out to Bid date (Public Notice)**
10. **Copy to CLV of list of bidders**
11. **Pre-Bid Conference (CLV staff attends)**
12. **Subrecipient/Developer must check with CLV staff 10 calendar days prior to bid opening to ensure the wage decision is current (if applicable)**
13. **Bid Opening** (If project is Section 3, additional CLV staff must be present to certify the low, responsible bidder)
14. **Items to verify after receipt of bids:**
 - A. Performance Bond, Labor and Material Bonds, Guarantee Bond
 - B. Compliance by all contractors of HUD Debarment Policy
 - C. Confirmation of state licenses for contractor and subs
 - D. Copy of Bid Abstract, signed and authorized by non-profit, sent to CLV
 - E. Copy of Awarded Bid
15. **Bid Award**
16. **Send CLV copy of awarding contractors letter**
17. **Pre-construction Conference (CLV staff attends):**
 - A. Davis Bacon and/or Section 3 training for Contractors and subs (if applicable)
 - B. MBE/WBE Documentation for Contractors and Subs
 - C. Certificate of Bonding and/or Insurance (liability and hazard minimum requirements) for total project cost (if applicable)
18. **Copy of Subrecipient/Developer and Construction Company Contract to CLV**
19. **CLV to issue a Notice to Proceed to the Subrecipient/Developer**
20. **Subrecipient/Developer to issue a Notice to Proceed to Contractor; Copy to CLV**
21. **Funds available for disbursement**

COMMENTS: _____

Web sites that may be of assistance to you:

- www.state.nv.us/nscb/Contractor_info/Cont_main.htm-Nevada State Contractors Board
- www.laborcommissioner.com/pwpw.htm/#rates
- www.epls.gov – Excluded Parties List System (formerly HUD Limited Denial List – Non-Debarred)

APPENDIX "E"

Real Property Acquisition and Improvement Terms and Conditions

HOME funds are permitted to finance land acquisition and development costs for affordable housing developments. Although the funds are typically provided on a deferred, resale loan basis, the City reserves the right to fund development projects in a manner which would maximize leveraging of City funds to attract private capital investment, including requiring repayment of the funding should the project cease to meet the requirements of the agreement.

To ensure that the conditions of each funding source are satisfied for the life of the loan, the City shall apply the following conditions to all projects involving the acquisition or the improvement of real property:

- For projects funded for acquisition cost through escrow only, the City shall require a recent appraisal (within 3 months, or shorter period for areas experiencing high growth) to ascertain objectively the fair market value of the property being financed with federal funds. Following Council approval of the funding and after receiving a copy of the appraisal, should the project be approved by City Council, the City shall cause a check to be cut to the escrow company for the acquisition not to exceed appraised value. The City shall require a trust deed to ensure performance and compliance with applicable federal and local regulations.
- For projects for acquisition costs not funded through escrow, the City shall require a recent appraisal (within 3 months, or shorter period for areas experiencing high growth) to ascertain objectively the fair market value of the property being financed with federal funds. After receiving a copy of the appraisal, proof of purchase price and payment and proof of ownership in the form of a recorded trust deed to ensure performance and compliance with applicable federal and local regulations, the City shall reimburse the Subrecipient/Developer agency for cost not to exceed appraised value.
- For projects funded for acquisition and improvements, prior to reimbursing the improvement costs, the City shall require a recent "appraisal with improvements" to ascertain objectively the fair market value of the property once improvements are to be made. *After receiving a copy of the appraisal with improvements, the City shall reimburse the Subrecipient/Developer agency for improvement costs per Agreement not to exceed appraised value.* The city shall require a trust deed to ensure performance and compliance with applicable federal and local regulations.
- For housing acquisition and rehabilitation, the deed of trust shall have a term no less than the period off affordability as determined by HOME regulations specified at 24 CFR Part 92 or by Nevada State Administrative Guidelines, NRS 319, and NAC 310.
- For the reimbursement of all costs related to construction activities, the City may require the use of a construction control company. The City reserves the right to approve or disapprove of the construction control company selected. Such construction control company must comply with Nevada Revised Statutes Chapter 627.
- Construction may not commence until the City has issued a signed Notice to Proceed.

EXHIBIT “F”

Site Control Information

Documentation of site is required to be attached to the application for funding. Evidence of site control will be threshold item. An application which does not provide evidence of one of the following options for site control will be subject to being withdrawn from the application process.

- Deed of Trust – the non-profit agency already has title to the property. Construction or rehabilitation on the property cannot begin until an Agreement has been fully executed, an environmental successfully completed, and a Notice to Proceed issued.
- Executed Purchase Contract – the non-profit agency has signed a purchase contract with the seller contingent upon receipt of HOME/LIHTF funds and an environmental review successfully completed. Close of escrow is usually required by the end of the sixth month of the funding fiscal year, or December 31.
- Option to Purchase – the non-profit agency has signed an Option to Purchase with the seller contingent upon receipt of , HOME/LIHTF funds and an environmental review successfully completed. The Option to Purchase should be converted into a Purchase Contract no later than 90 days after Council approval of funds.

Documentation must be supplied showing proper zoning for the project. A copy of the letter from the City of Las Vegas Planning Department verifying zoning must be provided with the funding application. The letter must verify that the project conforms in all respects to the current legal zoning of the property.

APPENDIX "G"

(NOTE: Not all information provided in CPD 01-11 is contained in this section. A complete copy of this Notice may be found at www.hud.gov/offices/cpd/, Laws and Regulations, Notices, HUD Notice CPD 01-11)

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
Community Planning and Development
WASHINGTON, D.C. 20410-7000

Special Attention of:

NOTICE CPD-01-11

Field CPD Division Directors
Field Environmental Officers
HOME Participating Jurisdictions and Partners

Issued: July 17, 2001
Expires: July 17, 2002

Cross References: 24 CFR Part 58
Supersedes CPD 94-18

Subject: Environmental Review and the HOME Investment Partnerships Program

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CGHO: Distribution: W-3-1

Previous Editions are Obsolete

HUD 21B (3-80)

I. INTRODUCTION

A. Purpose

The purpose of this notice is to provide guidance on the environmental review process required under the HOME rule. Additionally, this notice explains the responsibilities of HUD staff, HOME participating jurisdictions, state recipients, Subrecipient/Developers, and third parties including property owners, contractors and developer partners, both public and private entities, in performing their environmental review responsibilities in accordance with 24 CFR Part §58. Several documents referred to in this Notice may only be accessible through the Internet.

B. Policy

It is the policy of the U.S. Department of Housing and Urban Development (HUD) to reject proposals that have significant adverse environmental impacts and to encourage the modification of projects in order to enhance environmental quality and minimize environmental harm.

The National Environmental Policy Act (NEPA) and "other Federal laws and authorities" require that an environmental review be conducted for all Federally assisted actions (except those exempted under 24 CFR Part 58). The reviews should be viewed as a planning tool used by the participating Jurisdiction to determine (1) whether its proposed actions will have an impact on the environment, or (2) whether the environment will have an impact on the proposed action.

The value of the environmental review is to inform the proponent of a Federally assisted action: (1) of the existence of negative impacts on a site, (2) of means to mitigate negative impacts, (3) of alternatives to the project if needed, and (4) when all other options fall that rejection of the proposed action may be the most prudent action to take. The environmental review is a means of providing decision makers with sufficient information on which to base wise choices.

Completion of the *environmental review process* is mandatory **before** taking a physical action on a site, or making a commitment or expenditure of HUD or non-HUD funds for property acquisition, rehabilitation, conversion, lease, repair or construction activities. "Non-HUD funds" means any other Federal, state, local, private, or other funds. Further, participating jurisdictions, insular areas, state recipients, and Subrecipient/Developers, may not commit HOME funds until HUD or the state has approved the Request for Release of Funds and related certification (RROF) unless the activity has been determined exempt in accordance with 24 CFR §58.34 and §58.35(b). Contractors, owners and developers (including Community Housing Development Organizations) may not commit or expend funds on HOME projects until the participating jurisdiction or state recipient has completed the environmental review process as defined below in Sections II and III.

Responsible entities (participating jurisdictions, state recipients or insular areas) shall begin the environmental review process at the earliest possible time so that potential conflicts between program procedures and environmental requirements are identified at an early stage. **The environmental review process should commence as soon as a proposed site is identified.**

This notice supersedes CPD Notice 94-18 and addresses new issues based on program experience under the previous notice. Moreover, this notice reflects changes in legislation and regulations since 1993, when the original Notice 93-16 was issued.

Address any questions regarding this notice to the CPD Division of the appropriate HUD Field Office.

C. Authority

- (1) Section 288 of Title II of the Cranston-Gonzalez National Affordable Housing Act (NAHA) as amended (42 U.S.C.12838) for the HOME Program.
- (2) 24 CFR Part 92-HOME Investment Partnerships Program
- (3) 24 CFR Part 58 --- Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities

D. Background

(1) Participating jurisdictions (states and units of general local government) use HOME funds to carry out multi-year housing strategies through acquisition, rehabilitation, new construction, and tenant-based rental assistance. Participating Jurisdictions may provide assistance in the form of loans, advances, equity investments, interest subsidies and other forms of investment that HUD approves. Participating jurisdictions may designate a Subrecipient/Developer to administer all or a portion of the participating jurisdiction's HOME funds.

The HOME regulation (92.352) requires that the environmental effects of each activity carried out with HOME funds be assessed in accordance with the provisions of 24 CFR Part 58-"Environmental Review Procedures for Entities Assuming HUD Environmental Review Responsibilities," (hereafter Part 58). Part 58 is available on the HUD Website <http://www.hud.gov/cpd/envregul.html>.

(2) Section 92.352 reads:

"(a) General. The environmental effects of each activity carried out with HOME funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321) and the related authorities listed in HUD's implementing regulations at 24 CFR parts 50 and 58.

(b) Responsibility for review. (1) The Jurisdiction (e.g., the participating jurisdiction or state recipient) or insular area [**herein referred to as the Responsible Entity or RE**] must assume responsibility for environmental review, decision-making and action for each activity that it carries out with HOME funds, in accordance with the requirements imposed on a recipient under 24 CFR part 58. **No funds may be committed to a HOME activity or project before the completion of the environmental review and approval of the request for release of funds and related certification, except as authorized by 24 CFR Part 58.**

(2) A state participating jurisdiction must also assume responsibility for approval of requests for release of HOME funds submitted by its state recipients.

(3) HUD will perform the environmental review, in accordance with 24 CFR part 50, for a competitively awarded application for HOME funds submitted to HUD by an entity that is not a jurisdiction."

II. DEFINITIONS

The uniform terminology provided in regulations of the Council on Environmental Quality at 40 CFR Part 1508 and the definitions provided in HUD environmental procedures at 24 CFR 58.2 take precedence for purposes of compliance with NEPA and other related Federal laws and authorities cited in §§58.5 and 58.6.

Activity - An action that a responsible entity puts forth as part of an assisted project, regardless of whether its cost is to be borne by the HUD assistance or is an eligible expense under the HUD assistance program.

Aggregation - The grouping together and evaluating as a single project of all individual activities which are related either on a geographical or functional basis, or are logical parts of a composite of contemplated actions.

Commitment - For purposes of the environmental review process, commitment means the expenditure of private or public funds, or a legally binding agreement by any of the following parties: participating jurisdictions, insular areas, State recipients, Subrecipient/Developers, contractors, or owners/developers (including a CHDO), to expend funds for a specific project, for project activities such as property acquisition, construction, conversion, demolition, movement, rehabilitation, or repair or the provision of tenant-based rental assistance. HOME funds may not be used to reimburse a non-governmental entity for project-related costs incurred after the entity has submitted an application for HOME funds and before approval by HUD (or the state in the case of state recipients) of the Request for Release of Funds and Certification, except for activities that are exempt or are excluded and not subject to the laws in §58.5 and for certain relocation costs. A conditional HOME commitment of funds (as defined below) does not constitute a commitment for the purposes of the environmental review process.

Community Housing Development Organization (CHDO) - A non-profit entity, as further described in §92.2, whose primary purpose is to own, sponsor or develop housing assisted through the HOME Program. The environmental review responsibilities of Part 58 may not be delegated to a CHDO.

Compliance Determination - is an environmental review for complying with the applicable requirements of "other Federal laws and authorities" listed in §§58.5 and 58.6. Compliance determinations are documented on Statutory Checklist formats. Activities that require compliance with any of the Federal laws and authorities also require the publishing of a Notice of Intent to Request Release of Funds and submittal of a Request for Release of Funds and Certification form (HUD-7015.15) to HUD or the state.

Conditional HOME commitment - Any contractual agreement signed prior to the completion of the environmental review process between the participating jurisdiction, insular area or state recipient, and a state recipient, Subrecipient/Developer, contractor, owner or developer, to use a specific amount of HOME funds to produce affordable housing or provide tenant-based rental assistance; or an executed written agreement reserving a specific amount of funds to a community housing development organization or nonprofit entity. Any such agreement must be conditional in nature so as not to provide the state recipient, Subrecipient/Developer, contractor, owner or developer, legal claim to any amount of HOME funds to be used for the specific project or site until the environmental review process is satisfactorily completed. Such an agreement must explicitly provide that the agreement to provide funds to the project is conditioned on the responsible entity's determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review.

Contractor - An entity contracted by the participating jurisdiction to provide goods and services in accordance with a written agreement (the contract). The contractor cannot assume the RE's responsibilities for environmental review, decision making and action under §92.352.

Environmental assessment - A concise public document required under the National Environmental Policy Act regulations, for which a Federal agency (or an entity authorized to assume HUD's environmental review responsibilities) is responsible that provides sufficient evidence and analysis to determine whether to prepare an environmental impact statement or a finding of no significant impact (FONSI). The assessment is made in accordance with §58.40. It must examine existing conditions of the site and surrounding area; identify, analyze and evaluate all impacts; recommend feasible ways to mitigate or eliminate adverse environmental impacts; examine alternatives to the project (including the alternative of no action); and complete a compliance determination of applicable authorities cited in §§58.5 and 58.6. An Environmental Assessment format is used to document the conclusions of an environmental assessment. See Attachment D for location of sample Environmental Assessment format.

Environmental clearance - The completion of the environmental review process and documentation of compliance with Part §58.

Environmental review - The appropriate level of environmental analysis for a project or activity. This may include a Compliance Determination, Environmental Assessment, or Environmental Impact Statement.

Environmental review process - The completion of all procedural steps of an environmental review. This includes conducting and documenting an environmental review, making an environmental determination, publishing required public notices, submission of a Request for Release of Funds and Certification form, and receipt of an Authority to Use Grant Funds form from HUD (or the state).

Environmental Review Record (ERR) - A written record of environmental reviews related to a HOME assisted project, undertaken by the responsible entity. The ERR shall contain all environmental review documents, public notices and written determinations or environmental findings required by Part 58 as evidence of review, decision making and actions pertaining to a particular project as specified in §58.38. The document shall be maintained by the participating jurisdiction and made available to the public. See §58.38.

Individual action on a one to four family dwelling - An individual decision regarding the acquisition, construction, demolition, leasing, moving, or rehabilitation, of a one to four family residential building. An

environmental assessment and finding of no significant impact under NEPA is not required for such activities unless an extraordinary circumstance as defined in § 58.2(a)(3) occurs. Compliance with other applicable Federal environmental laws and authorities listed in § 58.5 and § 58.6 is required for all individual actions on a one to four family dwelling.

Major rehabilitation - Rehabilitation work that: changes unit density by more than 20 percent; changes land use from nonresidential to residential; or whose estimated cost is 75 percent or greater of the total estimated cost of replacement after rehabilitation. Major rehabilitation of a one-to-four family dwelling may require a Compliance Determination review. Projects involving five or more units may require an environmental assessment and Compliance Determination. See § 58.35(a)(3) for further explanation.

Minor rehabilitation and repair - Rehabilitation work (i) whose estimated cost is less than 75 percent of the total cost of replacement after rehabilitation; (ii) that does not involve changes in land use from nonresidential to residential; and (iii) where unit density is not increased by more than 20 percent. Minor rehabilitation which meets the "individual action on a one-to-four family dwelling" definition requires only a Compliance Determination review. See § 58.35(a)(3) for further explanation.

Participating jurisdiction (PJ) - A unit of general local government (UGLG) or state designated by HUD to receive HOME assistance in accordance with § 92.105. The PJ is responsible for ensuring that HOME assistance is expended in accordance with program regulations (24 CFR Part 92). The PJ (UGLG or state) becomes the *responsible entity* responsible for completing the environmental review process in accordance with Part 58, except that states that fund state recipients must require the state recipients to assume the environmental review responsibilities. This means that the state recipient then becomes the responsible entity.

The responsible entity must submit its Request for Release of Funds and Certification to HUD, except that state recipients must submit their Request for Release of Funds and Certification to the state.

Project - "An activity, or a group of integrally related activities, designed by the recipient [participating jurisdiction, insular area or state recipient] to accomplish, in whole or in part, a specific objective" (§ 58.2(a)(4)). In the context of the HOME Program, this means a site or sites, inclusive of any buildings that are under common ownership, management, and financing that will be assisted with HOME funds as a single undertaking (§ 92.2). The scope of the environmental review process must include both the HOME funded and non-Federally funded portions of the project.

Recipient - The term "recipient" found in 24 CFR Part 58 means the participating jurisdiction, insular area, or state recipient for purposes of the HOME Program.

Reconstruction - The rebuilding, on the same lot, of housing standing on a site at the time of project commitment. The number of housing units on the lot may not be decreased or increased as part of a reconstruction project, but the number of rooms per unit may be increased or decreased. Reconstruction also includes replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing. Reconstruction is considered major rehabilitation for purposes of the HOME Program. Projects involving one-to-four units of family dwellings require a Compliance Determination review. Projects involving five or more units require an environmental assessment if the units are located within 2000 feet of each other.

Release of Funds (ROF) - The issuance of the "Authority to Use Funds" form or equivalent letter by HUD or the state for activities which require the participating jurisdiction, insular area or state recipient to submit a Request for Release of Funds and Certification form to HUD or the state. This action completes the environmental clearance process.

Responsible entity - A participating jurisdiction, a state recipient, or an insular area responsible for conducting environmental reviews.

Source/documentation - Information/data such as studies, correspondence, maps, interviews, plans, and observations used as a basis to make an environmental determination. The type of source/documentation is cited in the environmental review.

State recipient - A unit of general local government that receives HOME funds from a State PJ. The state recipient must assume the responsibility for environmental review.

Statutory checklist format - An outline format used to document the compliance determination related to the other Federal laws and authorities in §§58.5 and 58.6.

Subrecipient/Developer - A public agency or nonprofit organization selected by the participating jurisdiction to administer all or a portion of the participating jurisdiction's HOME program. A public agency or nonprofit that receives HOME funds solely as a developer or owner of housing is not a Subrecipient/Developer. Under Part 58, the responsibility to conduct environmental reviews and make determinations cannot be assumed by a Subrecipient/Developer. The Subrecipient/Developer, however, may assist the participating jurisdiction in gathering information used in completing the environmental review process.

Unit of general local government (UGLG) - The political jurisdiction such as a city, town, county, parish, village, or other general purpose political subdivision of a state or a consortium of such political subdivisions recognized by HUD in accordance with §92.101; and any agency or instrumentality thereof that is established pursuant to legislation and designated by the chief executive to act on behalf of the Jurisdiction with regard to the provisions of Part 92.

III. LIMITATIONS ON ACTIONS PENDING CLEARANCE.

No funds may be committed by a participating jurisdiction (responsible entity) to a HOME project before the completion of the environmental review process, except as authorized by 24 CFR §58.22. Completion of the environmental review process includes:

- (1) completing the appropriate level of environmental review,
- (2) publishing required public notices (when applicable),
- (3) submitting a Request for Release of Funds and Certification form (HUD-7015.15) to HUD (or the state), when applicable,
- (4) approval of the request for release of funds and related certification by HUD (or the state), when applicable. This is accomplished with a HUD form 7015.16 - Authority to Use Grant Funds or equivalent letter.

In addition, the participating jurisdiction shall take the necessary steps to assure that its third party partners refrain from undertaking any activities that would have an adverse environmental impact or limit the choice of reasonable alternatives until HUD (or the state, for HOME grants awarded by the state to state recipients) has issued an approval of the Request for Release of Funds and Certification for the project.

There are, however, three exceptions to the limitation on actions pending environmental clearance. These are:

- (1) Activities **exempt** under 24 CFR §58.34, or not subject to the related laws and authorities in accordance with §58.35(b). This includes conducting environmental reviews.
- (2) The purchase of a real estate **option** subject to the conditions stated in §58.22(b) regarding environmental acceptability and nominal price. It is permissible to purchase a real estate option on a property that is designated for the construction or rehabilitation of a unit with HOME funding prior to the completion of an environmental review, provided the option agreement stipulates that the purchase of the property is subject to a determination by the RE on the desirability of the property for the project as a result of the completion of the environmental review. The cost of the option must also be a nominal portion of the purchase price.
- (3) Funds for **relocation** assistance may be committed provided that the assistance is required by 24 CFR Part 42.

IV. COMMITMENT OF HOME ASSISTANCE

The standard for what constitutes a commitment of HOME funds for the environmental review process is different from HOME fund commitment and the CHDO reservation deadlines. Participating jurisdictions may enter into a *conditional HOME commitment*, as defined in Section II above, to satisfy the commitment and reservation deadlines without violating the environmental review requirements. PJs should note that the conditional HOME commitment must explicitly state that the agreement to provide funds to the project is conditioned on the responsible entity's determination to proceed with, modify or cancel the project based on the results of the subsequent environmental review.

A. HOME Commitment and CHDO reservation deadlines. HOME legislation and regulations 24 CFR 92-500(d) state that HUD will reduce or recapture (de-obligate) HOME funds if they are not reserved for a community housing development organization (CHDO) or committed by a participating jurisdiction pursuant to a written agreement within 24 months. HOME commitment and CHDO reservation documentation includes written agreements, which provide for the *conditional HOME commitment* of funds. Specific guidance on commitments, reservations and expenditures is provided in Notice CPD xx-xx "Commitment, CHDO Reservation and Expenditure Requirements for the HOME, program," as may be updated.

B. Environmental requirements. PJs, insular areas, state recipients, Subrecipient/Developers, contractors, owners, and developers shall not undertake any activities that would adversely impact or limit the choice of reasonable alternatives for a project until it has been environmentally cleared. To achieve this end., PJs, insular areas, state recipients, Subrecipient/Developers, contractors, owners and developers must not expend public or private funds (HUD, other Federal, or non-Federal funds) or execute a legally binding agreement for property acquisition, rehabilitation, conversion, repair or construction pertaining to a specific site until environmental clearance has been achieved. Using any portion of Federal funds for acquisition, rehabilitation, conversion, leasing, repair or construction before completing the environmental review process requires the denial of any Federal funds for that project. However, REs may provide a conditional commitment of HOME funds for a specific project, pending environmental clearance, provided the conditional commitment meets the criteria of "Conditional Commitment of Funds," found in paragraph C, below.

C. Conditional Commitment of Funds. Responsible entities may enter into an agreement for the conditional commitment of HOME funds for a specific project prior to the completion of the environmental review process. The RE must ensure that any such agreement does not provide the state recipient, Subrecipient/Developer or contractor any legal claim to any amount of HOME funds to be used for the specific project or site unless and until the site has received environmental clearance. Note: HOME funds that are conditionally committed can be included when determining whether the commitment and CHDO reservation requirements of 24 CFR 92.500 (d) have been met. The following language is acceptable in an otherwise appropriately drafted agreement:

Notwithstanding any provision of this Agreement, the parties hereto agree and acknowledge that this Agreement does not constitute a commitment of funds or site approval, and that such commitment of funds or approval may occur only upon satisfactory completion of environmental review and receipt by [the participating jurisdiction, insular area or state recipient] of a release of funds from the U.S. Department of Housing and Urban Development [or the State of.....] under 24 CFR Part §58. The parties further agree that the provision of any funds to the project is conditioned on the [participating jurisdiction, insular area or state recipient's] determination to proceed with, modify or cancel the project based on the results of a subsequent environmental review.

The agreement must also contain a provision prohibiting the state recipient, Subrecipient/Developer or contractor from undertaking or committing any funds to physical or choice-limiting actions, including property acquisition, demolition, movement, rehabilitation, conversion, repair or construction prior to the environmental clearance, and must indicate that the violation of this provision may result in the denial of any funds under the agreement. The agreement should not contain provisions requiring the execution of a construction contract unless the provision requires prior completion of the environmental clearance and advice from the PJ, insular area or state recipient to proceed with the project and/or proceed with execution of the contract. Provisions such as specific work descriptions and plans or specifications should not be included in a conditional HOME commitment. Participating jurisdictions, insular areas and state recipients are encouraged to keep any conditional HOME commitments short and, if necessary, include more detailed provisions relating to project execution in an unexecuted attachment to avoid the appearance of permission or encouragement to begin undertaking choice-limiting actions.

V. RESPONSIBILITIES

A. HUD Field Office CPD Director

The CPD Director is the HUD Authorizing Officer who approves the participating jurisdiction's "Request for the Release of Funds and Certification" (RROF/C) form HUD-7015.15 that certifies compliance with Federal environmental laws and authorities. The form used to convey approval is the "Authority to Use Grant Funds" form HUD-7015.16, or equivalent letter. The CPD Director may disapprove the RROF/C if one or more of the permissible bases for objection apply in accordance with §58.75, or if HUD has knowledge that the responsible entity has not complied with the items in §58.75 or that the RROF and certification are inaccurate, in accordance with §58.72.

Upon expiration of the 15 calendar day comment period, the CPD Director shall approve the RROF/C with an "Authority to Use Grant Funds" form (HUD-7015.16), unless there is a basis for disapproval.

B. HOME Participating Jurisdictions -- state governments

State governments shall become the Responsible Entity that assumes HUD environmental responsibilities in accordance with 24 CFR §58.2(a)(7) when they directly fund HOME projects (including through CHDOS). State governments will submit their Request for Release of Funds and Certification to HUD.

State governments shall become responsible for the administration of 24 CFR Part 58 "Subpart H - Release of Funds for Particular Projects" for all grants made by the state to a state recipient.

The RE shall **not** acquire, demolish, move, rehabilitate, convert, lease, repair or construct property, or commit or expend HUD or non-Federal funds for HOME program activities with respect to any eligible property, until the environmental review process has been completed.

C. HOME Participating Jurisdictions - local governments, and state recipients

Participating Jurisdictions that are local governments (units of general local government) that receive HOME funds directly from HUD, as well as state recipients (units of general local government) that receive HOME funds from state governments, are a Responsible Entity that assumes HUD environmental responsibilities in accordance with 24 CFR §58.2(a)(7).

Units of general local government that receive funds directly from HUD submit their Request for Release of Funds and Certification to HUD. State recipients submit their Request for Release of Funds and Certification to the state government.

The RE shall **not** acquire, demolish, move, rehabilitate, convert, lease, repair or construct property, or commit or expend HUD or non-Federal funds for HOME activities with respect to any eligible property, until the environmental review process has been completed.

D. Non-governmental Entities

The authority to become a Responsible Entity and make environmental determinations may not be delegated to non-governmental entities such as Subrecipient/Developers, contractors, owners and developers. Non-governmental entities can, however, assist the PJ or state recipient in completing the environmental review by:

- (a) supplying the PJ or state recipient with all relevant information needed to perform an environmental review, or
- (b) carrying out mitigating measures required by the PJ or state recipient, or selecting an alternate property for assistance.

Non-governmental entities **must refrain** from undertaking activities that would have an adverse environmental impact or would otherwise limit the choice of reasonable alternatives until HUD (or the state for HOME grants awarded by the state to state recipients) has issued an approval of the "Authority to Use Grant Funds" form (HUD-7015.16), or equivalent letter. Such activities include acquiring, rehabilitating, converting, leasing, repairing or constructing property, or committing or expending HUD or non-Federal funds for HOME program activities with respect to any eligible property. [NOTE: for activities that are exempt or excluded and not subject

to the laws in §58.5 and certain relocation costs do not require the issuance of an "Authority to Use Grant Funds" form (HUD-7015.16).]

HOME funds may not be used to reimburse a non-governmental entity for project-related costs incurred after the entity has submitted an application for HOME funds and before approval by HUD (or the state in the case of state recipients) of the Request for Release of Funds and Certification except for activities that are exempt or are excluded and not subject to the laws in §58.5 and for certain relocation costs. A non-governmental entity (Subrecipient/Developers, contractors, owners and developers) must not take actions that would have an adverse impact or limit the choice of reasonable alternatives on projects after it applies for HOME funds.

VI. DETERMINING THE LEVEL OF ENVIRONMENTAL REVIEW

The RE should initiate the environmental review process as soon as the activity is identified in order to avoid delaying its implementation. Environmental reviews can even be completed before the HOME Investment Partnership Agreement between HUD and the PJ is signed.

The first step of the environmental review process is to determine what level of review is required. The RE should consult §§58.34, 58.35, 58.36 and 58.37 to determine the level of review applicable to each proposed activity. There are six possible levels of review that can be initiated.

A. Exempt activities (24 CFR §58.34(a)(I)-(I1)). Activities that generally have no physical impact on the environment. Exempt activities include the following:

- (1) Environmental and other studies;
- (2) Information and financial services;
- (3) Administrative and management activities;
- (4) Inspections and testing of properties for hazards or defects;
- (5) Purchase of insurance,
- (6) Engineering or design costs;
- (7) Assistance for temporary or permanent improvements that do not alter environmental conditions and are limited to protection, repair or restoration activities necessary only to control or arrest the effects from disasters or imminent threats to public safety including those resulting from physical deterioration.

The RE is not required to undertake a NEPA level review (environmental assessment) or document that the activities comply with other Federal laws and authorities found at §58.5. Additionally, there is no requirement that public notices be published, or that a Request for Release of Funds and Certification be submitted to HUD (or the state in the case of state recipients). The RE must document its determination that the activity is exempt, and place the document into the Environmental Review Record.

Example: A HOME PJ hires an architectural firm to design HOME-assisted new construction townhouses. This use of HOME funds is exempt under §58.34(a)(8).

B. Categorical exclusions not subject to §58.5 authorities. (24 CFR 58.35(b))

HUD has determined that certain categorically excluded activities would not alter any conditions that would require an environmental review or compliance determination under Federal laws and authorities cited in §58.5. Examples of activities that are categorical exclusions not subject to §58.5 include the following:

- (1) Tenant-based rental assistance.
- (2) Activities to assist homebuyers to purchase existing dwelling units or dwelling units under construction, including closing costs and down payment assistance, interest buy downs, and similar activities that result in the transfer of title. **Warning:** homebuyer assistance for units not already under construction must be treated as a categorical exclusion **requiring** compliance with the authorities cited in §58.5.

- (3) Housing pre-development costs including legal, consulting, developer and other costs related to obtaining site options, project financing, administrative costs and fees for loan commitments, zoning approvals, and other related activities that do not have a physical impact.

Example: An RE uses portion of its annual HOME allocation to provide tenant-based rental assistance to income-eligible families. The HOME funds are used to pay the security deposits and subsidize the market-based rents so that families receiving assistance pay no more than 30 percent of their monthly incomes on rent. The term of assistance is for two years subject to renewal. Such use of funds is categorically excluded from the requirements of NEPA [§58.35(h) (1)], and the requirements of §58.5, as this activity is not subject to any of the statutes cited under this section. A Compliance Documentation review is not conducted.

These activities are treated like exempt activities. The RE is not required to undertake a NEPA level review or document that the activities comply with other Federal laws and authorities found at §58.5. Additionally, no public notices are published, and a Request for Release of Funds and Certification is not submitted to HUD (or the state in the case of state recipients). The RE must document its determination that the activity is a categorical exclusion not subject to §58.5 authorities, and place the document into the Environmental Review Record.

C. Categorical exclusions subject to 58.5. (24 CFR 58.35(a))

A category of actions that do not individually or cumulatively have a significant effect on the human environment. Categorically excluded activities typically replace or improve existing facilities or structures, i.e., they retain the original usage of a structure or facility; do not increase the size or unit density of the structure or facility being improved by more than 20 percent; do not change land uses (commercial to residential); and in the case of rehabilitation, the cost of rehabilitation is less than 75 percent of the total estimated cost of replacement after rehabilitation.

Examples of categorically excluded activities are as follows:

- (1) minor rehabilitation of an existing property (multifamily or single family);
- (2) an individual action, such as new construction, major rehabilitation, moving or demolition, on a one-to-four family dwelling. [New construction or major rehabilitation of five or more units located within 2,000 feet of each other undertaken as a single action (e.g., a subdivision), is not categorically excluded.]

Example: A multifamily building rehabilitated under the HOME program at a cost of \$450, 000. The rehabilitation conducted did not involve a change of land use or change unit density by more than 20 percent. The replacement cost of the structure as determined by the insurance company providing coverage is \$1,500,000. The project therefore, is categorically excluded from NEPA as the amount of the rehabilitation work is only 30 percent of the replacement cost [$\$450,000 \div \$1,500,000 = 30\%$]. The level of rehabilitation work allowed before the 75% maximum level is reached is \$1,125, 000 [or $\$1,500,000 \times .75$]. A Compliance Determination review is completed and a RROF is submitted to HUD (or the state) to receive HOME funding. On the other hand, if the total rehabilitation costs had exceeded 75 percent of the total estimated cost of replacement after rehabilitation, or if the rehabilitation had involved a change in land use or a change in unit density of more than 20 percent, the RE would then have had to complete a full Environmental Assessment in order to satisfy NEPA.

Categorically excluded activities require the completion of a "compliance determination" review using a "statutory checklist format." This format lists ten Federal laws and authorities found in §58.5. The proposed activity is reviewed to determine whether it complies with the requirements of the Federal laws and authorities. If the proposed activity triggers any of the Federal law and authority reviews, e.g., E.O. 11988, "Floodplain Management," the specific review must be completed before the "compliance determination" can be considered finished. The RE must then:

- (1) publish all notices related to the specific Federal law and authority review;
- (2) publish a Notice of Intent to Request Release of Funds.

- (3) submit a Request for Release of Funds and Certification to HUD or the state (in the case of a state recipient).
- (4) wait to receive a HUD-7015.16 form, "Authority to Use Grant Funds" or equivalent letter from HUD or the state.

Activities or projects that are determined to be categorical exclusions must also comply with the provisions of §58.6.

D. Categorically excluded activities converted to exempt activities (24 CFR 58.34(a)(12))

Activities that are listed in §58.35(a)(1)-(6) as categorical exclusions may be converted into exempt activities under the following conditions:

- (1) The RE completes a compliance determination under the Federal laws and authorities cited in §58.5 for the proposed activity.
- (2) The RE concludes that no circumstances exist where any of the Federal laws and authorities require compliance with its own review procedures.
- (3) The RE documents its conclusions on the compliance review form (statutory checklist format) and places it in the Environmental Review Record. No public notices are published and no Request for Release of Funds and Certification is submitted to HUD or the state (in the case of state recipients).

The RE documents that the activity did not trigger compliance with any Federal laws and authorities and, consequently, the activity was converted into an exempt activity. All documents will be placed in the Environmental Review Record.

E. Environmental assessment (EA) (24 CFR §58.36) Activities which cannot be determined to be exempt under §58.34 or categorically excluded from NEPA under §58.35, or which involve a categorical exclusion with "extraordinary circumstances" under §58.2(a)(3), require that a full Environmental Assessment be conducted. While an EA addresses the same issues as those found in a Compliance Determination review, it also includes the following analysis:

- (1) determines existing conditions;
- (2) identifies, analyzes and evaluates all potential environmental impacts;
- (3) examines and recommends feasible ways to eliminate or minimize adverse environmental impacts;
- (4) examines alternatives to the project-
- (5) includes a compliance determination for all other Federal laws and authorities cited in §58.5 and §58.6.
- (6) leads to an RE's Finding of No Significant Impact (FONSI), or a Finding of Significant Impact, thereby requiring the execution of an Environmental Impact Statement (EIS).

An EA, using an Environmental Assessment Format, is normally required for five or more units only if the sites are 2,000 feet apart or less and/or there are more than four units on a site. This includes:

- (1) new construction of five or more residential units;
- (2) major rehabilitation and reconstruction of five or more residential units;
- (3) conversion of non-residential land use to residential land use;
- (4) acquisition of vacant land for development when five or more units are involved.

Upon completion of the environmental assessment, the RE will make either a **Finding of No Significant Impact (FONSI)**, or a **Finding of Significant Impact (FOSI)** determination. In the event that a FONSI is made, the RE will do all of the following:

- (1) publish or disseminate a Notice of Finding of No Significant Impact in accordance with §58.43 and §58.45;
- (2) publish or disseminate a Notice of Intent to Request Release of Funds;
- (3) submit to HUD or the State (for State recipients) a "Request for Release of Funds and Certification" form (HUD-7015.15).
- (4) wait to receive an "Authority to Use Grant Funds" form (HUD-7015.16) or equivalent approval letter from HUD or the State (for State recipients) before initiating work or committing funds.

In the event that a FOSI is made, the RE must adopt or initiate an Environmental Impact Statement (EIS) in accordance with Subparts F and G of Part §58.

Activities or projects that require an Environmental Assessment must also comply with the provisions of §58.6.

Example: *A housing developer borrows \$2,000,000 in HOME funds to acquire a single parcel of 10 acres of land and construct 30 units of rental housing. Such a project is neither exempt nor categorically excluded from NEPA.. The size of the project exceeds the thresholds of categorically excluded activities under §58.35(a)(4). Additionally, the proposed use of HOME funds for the project is not composed entirely of "soft costs" associated with exempt activities listed in §58.34. Consequently, the RE must perform an Environmental Assessment in accordance with §58.36, as detailed at §58.40, before committing funds.*

F. Environmental Impact Statement (EIS) (24 CFR 58.37)

An environmental impact statement is a complex analysis required for proposed activities that would have a significant impact on the human environment in accordance with section 102(2)(C) of the National Environmental Policy Act. EIS thresholds stated at §58.37(a) and (b)(2) include:

- (1) projects determined by a previously written environmental assessment, to have a potentially significant impact on the human environment;
- (2) projects involving 2,500 or more units being: removed, demolished, converted, rehabilitated, constructed.

The RE must prepare an Environmental Impact Statement (EIS) for projects where a Finding of Significant Impact (FOSI) has been determined in the EA. Preparation of an EIS requires the RE to:

- (1) publish a Notice of Intent to prepare an Environmental Impact Statement (NOI/EIS) in accordance with §58.55;
- (2) determine whether or not to hold a scoping meeting in accordance with §58.56;
- (3) designate a lead agency when appropriate in accordance with §58.57;
- (4) determine whether or not to hold public hearings in accordance with §58.59 and 40 CFR 1506.6; and
- (5) prepare and file an EIS in accordance with §58.60.

If, on the basis of an EA, an RE determines that the thresholds in §58.37(b) are the sole reason for the EIS, a Finding of No Significant Impact (FONSI) may be prepared pursuant to 40 CFR 1501.4. The FONSI must be available to the public for 30 days before the RE makes a final determination whether to prepare an EIS. The RE must use the EIS format recommended by the Council on Environmental Quality regulations at 40 CFR 1502.10.

Activities or projects that require an Environmental Impact Statement must also comply with the provisions of §58.6.

G. Other requirements (24 CFR 58.6)

In addition to the duties under the laws and authorities specified in §58.5, the responsible entity must comply with the following requirements:

- (1) Federal assistance for acquisition and construction purposes. **other than under the state-administered HOME Program**, may not be used in an area identified as having special flood hazards, (i.e., floodplain), where the community is not participating in the National Flood Insurance Program.
- (2) Where a community is participating in the National Flood Insurance Program, flood insurance must be obtained on properties located in a 100-year floodplain, as a condition of the approval of financial assistance to the property owner for acquisition and construction purposes, **except under the state-administered HOME Program**.
- (3) HUD assistance may not be used for most activities proposed in the Coastal Barrier Resources system.
- (4) Buyers receiving Federal assistance to purchase a property in a runway clear zone or military clear zone shall be advised in writing of the hazard of its location and the possibility that their property may be acquired by the airport operator. The buyer must sign an acknowledgment of receipt of this information.

VII. OUTSTANDING AND RELATED ISSUES

A. Aggregation: Combining project activities for the environmental review process

The RE must group together and evaluate as a single project all individual activities which are related on a geographic basis (i.e. site specific) or a functional basis (i.e. activity specific), are logical parts of a larger project, are funded by several Federal programs, or are partly funded with non-Federal resources. The purpose of aggregation is to reduce the number of individual reviews by analyzing the impacts of the "entire" proposed activity.

Examples of such circumstances include:

1. Multiple years of HOME funding.
2. Funds from other HUD programs (e.g., the Community Development Block Grant and the Supportive Housing Programs).
3. Other Federal (non -HUD) program funds,
4. Other non-Federal sources (e.g., State, local, nonprofit or private companies).

The environmental review must (a) state whether or not the proposed activity will receive multiple year funding, and (b) assess the impacts of activities funded from all other sources (Federal and non-Federal) which are used in HOME-assisted projects. The review would address all aspects of the project, not just those assisted with Federal funds. Additionally, the applicable public notice(s) shall identify the source of all other funds. Separate Request for Release of Funds and Certification forms (HUD-7015.15) should be completed for each source of HUD funds (e.g., HOME, CDBG, SNAPS).

B. Reevaluations (24 CFR 58.47)

After completion of the original environmental review process, circumstances may require that the original review be reevaluated. This will be occur when:

- (1) substantial changes to the nature, magnitude, or extent of the project are proposed,
- (2) new activities not anticipated in the original review are proposed,

- (3) new circumstances and environmental conditions that may affect the project or have a bearing on its impact are discovered during the implementation of the project, or
- (4) the selection of an alternative not in the original finding is proposed.

If the original findings are still valid, the RE must affirm the original findings and update the Environmental Review Record with its re-evaluation. A statement addressing the above four points will suffice as documentation that a re-evaluation has been conducted. A new FONSI notice is not required.

If the RE determines that the original findings are no longer valid, it must prepare a new Environmental Assessment (or an EIS if its evaluation indicates potentially significant impacts). A new FONSI notice must be published/disseminated and be submitted to HUD (or the State) or disseminated in accordance with §58.43.

C. Projects in progress

There are two circumstances in which HOME-funded projects receive funding **after** construction has started without violating environmental requirements. These circumstances are as follows:

- (1) Projects started with Federal funds. An approved HOME-funded project may receive additional Federal funds after the original Request for Release of Funds and Certification form (HUD-7015.15) [where required] had been approved by HUD (or the state), but before the project itself is completed. In such case, the RE may be required to initiate a reevaluation of the original environmental determination in accordance with §58.47 (see Section B above). Generally, approval of supplemental assistance to cover minor shortfalls in funding and to help complete a project previously approved under this part is excluded from the environmental review requirements of NEPA and the §58.5 authorities, if approval is made by the same responsible entity.
- (2) Projects started with non-Federal funds. PJs, State recipients, Subrecipient/Developers, contractors, owners, developers (including CHDOs) who had committed or expended **non-Federal funds including permanent financing**, to begin the development of an affordable housing project before the RE obtains an Authority to Use Grant Funds form (HUD-7015.16) by HUD (or the state) may be reimbursed with HOME funds for such expenditures only when the following conditions are met:
 - (a) The contractors, owners and developers started the project without the intention of using Federal assistance (e.g., as evidenced by other anticipated funding, the original project budget, etc.);
 - (b) The RE informs the state recipient, Subrecipient/Developer, contractor, owner or developer that all work on the project must cease and/or the RE itself ceases all work on the project once an application for HOME funds is made. No work or other choice limiting actions may occur after that date. Work may recommence upon receipt of form HUD-7015.16 from HUD (or the state). REs may not obligate funds to projects unless the PJ or state recipient first determines that the result of the environmental review is satisfactory and HUD (or the state) has issued a form HUD-7015.16.

Example: A nonprofit housing developer uses its own funds to acquire land to construct four single family affordable housing units. Under normal circumstances this project could be sustained by using local funds, and the nonprofit had no intention of using HOME funds to assist any part of it. However, unanticipated cost overruns occur related to site preparation work causing the project to go over budget. The developer decides to seek HOME funds from an RE. To do so, the developer must stop work on the project, and provide information requested by the RE regarding the project site to aid in the production of the environmental review. Work on the project may recommence only after completion of the environmental review process.

D. Emergencies (24 CFR 58.33)

When an emergency, disaster or imminent threat to health and safety is declared, the combined Notice of FONSI and the Notice of Intent to Request Release of Funds (NOI/RROF) may be disseminated and/or published simultaneously with the submission of the Request for Release of Funds and Certification form to

HUD (or the state). The combined FONSI Notice and NOI/RROF shall state that the funds are needed immediately due to a Presidentially declared disaster and that the comment periods have been combined. Any comments made by the public, other organizations or agencies are to be sent to both HUD (or the state) and the RE.

E. Program income and match

Environmental reviews must be conducted for activities funded by program income. Environmental reviews are not required for activities supported by HOME match contribution requirements unless they are part of the project also receiving HOME funds.

APPENDIX “H”

General Instructions to Homebuyers Seeking Assistance City of Las Vegas Homebuyers Down Payment Assistance Program

General Instructions to Homebuyers Seeking Assistance
City of Las Vegas Homebuyers Down Payment Assistance Program

Contact a participating Subrecipient.

Complete an approved homebuyer training program.

Select a participating lender, obtain pre-qualification/commitment letter.

Upon qualifying for a first mortgage loan, notify the selected Subrecipient and make an appointment to submit application for financial assistance. At this time, the selected Subrecipient should explain all program requirements and benefits.

Homebuyer identifies property.

Once Subrecipient has determined homebuyer eligibility, the Subrecipient begins the process for assistance through:

- the completion of a Loan Agreement, Promissory Note and Deed of Trust
- Affidavit of Buyer and Seller
- Housing Quality Standards (HQS) inspection explanation
- Provides language regarding contingency of HOME funds to be included in Offer to Purchase

Homebuyer executes Affidavit of Seller and enters into a purchase agreement which includes contingency language for receiving the HOME funds.

Homebuyer returns to the first mortgage lender to finalize loan, lender orders appraisal and the HQS inspection.

Once lender has determined final loan amount and calculated fees, they will make a request to the Subrecipient on the homebuyer's behalf for a HOME-funded second mortgage loan to cover the gap in down payment, closing costs, and/or to reduce the price of the home from fair market value to an affordable price.

Subrecipient will review the submitted request and determine reasonableness and consistency to Lender's proposal.

Upon approval of the loan request, the Subrecipient and homebuyer execute the second mortgage loan documents. The Deed of Trust is forwarded to the City of Las Vegas for signature and is returned to Subrecipient to be forwarded to Title Company with loan package.

The Subrecipient deposits check with the title company.

Loan closes and the affordability period begins for the required duration.

APPENDIX “I”

To access

Low-Income Housing Trust Fund Administrative Guidelines

Low-Income Housing Trust Fund Compliance Manual

Use the following web address: www.nv.housing.state.nv.us

APPENDIX “J”

HOME Investment Partnerships Program

Final Rule

24 CFR Part 92

September 16, 1996

(updated through December 22, 2004)

NOTE: To access 24 CFR Part 92 of the Code of Federal Regulations through the Internet, use the following address: www.access.gpo.gov/nara/cfr/index.html

HOME Investment Partnerships Program

Final Rule

24 CFR Part 92

September 16, 1996

(updated through December 22, 2004)

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§ 92.1 Overview

This part implements the HOME Investment Partnerships Act (the HOME Investment Partnerships Program).

In general, under the HOME Investment Partnerships Program, HUD allocates funds by formula among eligible State and local governments to strengthen public-private partnerships and to expand the supply of decent, safe, sanitary, and affordable housing, with primary attention to rental housing, for very low-income and low-income families.

Generally, HOME funds must be matched by nonfederal resources.

State and local governments that become participating jurisdictions may use HOME funds to carry out multi-year housing strategies through acquisition, rehabilitation, and new construction of housing, and tenant-based rental assistance.

Participating jurisdictions may provide assistance in a number of eligible forms, including loans, advances, equity investments, interest subsidies and other forms of investment that HUD approves.

§ 92.2 Definitions

*The terms **1937 Act**, **ALJ**, **Fair Housing Act**, **HUD**, **Indian Housing Authority (IHA)**, **Public Housing Agency (PHA)**, and **Secretary** are defined in 24 CFR 5.100.*

Act means the HOME Investment Partnerships Act at title II of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U.S.C. 12701 et seq.

ADDI funds means funds made available under subpart M through allocations and reallocations.

Adjusted income. See § 92.203.

Annual income. See § 92.203.

Certification shall have the meaning provided in section 104(21) of the Cranston-Gonzalez National Affordable Housing Act, as amended, 42 U.S.C. 12704.

Commitment means

1. The participating jurisdiction has executed a legally binding agreement with a State recipient, a subrecipient or a contractor to use a specific amount of HOME funds to produce affordable housing or provide tenant-based rental assistance; or has executed a written agreement reserving a specific amount of funds to a community

housing development organization; or has met the requirements to commit to a specific local project, as defined in paragraph (2), below.

2. Commit to a specific local project, which means:

i. If the project consists of rehabilitation or new construction (with or without acquisition) the participating jurisdiction (or State recipient or subrecipient) and project owner have executed a written legally binding agreement under which HOME assistance will be provided to the owner for an identifiable project under which construction can reasonably be expected to start within twelve months of the agreement date. If the project is owned by the participating jurisdiction or State recipient, the project has been set up in the disbursement and information system established by HUD, and construction can reasonably be expected to start within twelve months of the project set-up date.

ii.

A. If the project consists of acquisition of standard housing and the participating jurisdiction (or State recipient or subrecipient) is acquiring the property with HOME funds, the participating jurisdiction (or State recipient or subrecipient) and the property owner have executed a legally binding contract for sale of an identifiable property and the property title will be transferred to the participating jurisdiction (or State recipient or subrecipient) within six months of the date of the contract.

B. If the project consists of acquisition of standard housing and the participating jurisdiction (or State recipient or subrecipient) is providing HOME funds to a family to acquire single family housing for homeownership or to a purchaser to acquire rental housing, the participating jurisdiction (or State recipient or subrecipient) and the family or purchaser have executed a written agreement under which HOME assistance will be provided for the purchase of the single family housing or rental housing and the property title will be transferred to the family or purchaser within six months of the agreement date.

iii. If the project consists of tenant-based rental assistance, the participating jurisdiction (or State recipient, or subrecipient) has entered into a rental assistance contract with the owner or the tenant in accordance with the provisions of § 92.209.

Community housing development organization means a private nonprofit organization that:

1. Is organized under State or local laws;
2. Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;

3. Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A community housing development organization may be sponsored or created by a for-profit entity, but:
 - i. The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm.
 - ii. The for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing body. Board members appointed by the for-profit entity may not appoint the remaining two-thirds of the board members; and
 - iii. The community housing development organization must be free to contract for goods and services from vendors of its own choosing;
4. Has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 (26 CFR 1.501(C)(3)-1);
5. Does not include a public body (including the participating jurisdiction). An organization that is State or locally chartered may qualify as a community housing development organization; however, the State or local government may not have the right to appoint more than one-third of the membership of the organization's governing body and no more than one-third of the board members may be public officials or employees of the participating jurisdiction or State recipient. Board members appointed by the State or local government may not appoint the remaining two-thirds of the board members;
6. Has standards of financial accountability that conform to 24 CFR 84.21, "Standards for Financial Management Systems;"
7. Has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or by-laws;
8. Maintains accountability to low-income community residents by:
 - i. Maintaining at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations. For urban areas, "community" may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire State); and
 - ii. Providing a formal process for low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing;

9. Has a demonstrated capacity for carrying out activities assisted with HOME funds. An organization may satisfy this requirement by hiring experienced key staff members who have successfully completed similar projects, or a consultant with the same type of experience and a plan to train appropriate key staff members of the organization; and
10. Has a history of serving the community within which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization. However, a newly created organization formed by local churches, service organizations or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least a year of serving the community.

Displaced homemaker *means an individual who:*

1. Is an adult;
2. Has not worked full-time full-year in the labor force for a number of years but has, during such years, worked primarily without remuneration to care for the home and family; and
3. Is unemployed or underemployed and is experiencing difficulty in obtaining or upgrading employment.

Family *has the same meaning given that term in 24 CFR 5.403.*

First-time homebuyer *means an individual and his or her spouse who have not owned a home during the three-year period prior to purchase of a home with assistance under the American Dream Downpayment Initiative (ADDI) described in subpart M of this part. The term first-time homebuyer also includes an individual who is a displaced homemaker or single parent, as those terms are defined in this section.*

HOME funds *means funds made available under this part through allocations and reallocations, plus program income.*

Homeownership *means ownership in fee simple title or a 99 year leasehold interest in a one- to four-unit dwelling or in a condominium unit, or equivalent form of ownership approved by HUD. The ownership interest may be subject only to the restrictions on resale required under § 92.254(a); mortgages, deeds of trust, or other liens or instruments securing debt on the property as approved by the participating jurisdiction; or any other restrictions or encumbrances that do not impair the good and marketable nature of title to the ownership interest. For purposes of the insular areas, homeownership includes leases of 40 years or more. For purposes of housing located on trust or restricted Indian lands, homeownership includes leases of 50 years. The participating jurisdiction must determine whether or not ownership or membership in a cooperative or mutual housing project constitutes homeownership under State law.*

Household *means one or more persons occupying a housing unit.*

Housing includes manufactured housing and manufactured housing lots, permanent housing for disabled homeless persons, transitional housing, single-room occupancy housing, and group homes. Housing also includes elder cottage housing opportunity (ECHO) units that are small, free-standing, barrier-free, energy-efficient, removable, and designed to be installed adjacent to existing single-family dwellings. Housing does not include emergency shelters (including shelters for disaster victims) or facilities such as nursing homes, convalescent homes, hospitals, residential treatment facilities, correctional facilities and student dormitories.

Insular areas means Guam, the Northern Mariana Islands, the United States Virgin Islands, and American Samoa.

Jurisdiction means a State or unit of general local government.

Low-income families means families whose annual incomes do not exceed 80 percent of the median income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 80 percent of the median for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

Metropolitan city has the meaning given the term in 24 CFR 570.3.

Neighborhood means a geographic location designated in comprehensive plans, ordinances, or other local documents as a neighborhood, village, or similar geographical designation that is within the boundary but does not encompass the entire area of a unit of general local government; except that if the unit of general local government has a population under 25,000, the neighborhood may, but need not, encompass the entire area of a unit of general local government.

Participating jurisdiction means a jurisdiction (as defined in this section) that has been so designated by HUD in accordance with § 92.105.

Person with disabilities means a household composed of one or more persons, at least one of whom is an adult, who has a disability.

1. A person is considered to have a disability if the person has a physical, mental, or emotional impairment that:
 - i. Is expected to be of long-continued and indefinite duration;
 - ii. Substantially impedes his or her ability to live independently; and
 - iii. Is of such a nature that such ability could be improved by more suitable housing conditions.
2. A person will also be considered to have a disability if he or she has a developmental disability, which is a severe, chronic disability that:

- i. Is attributable to a mental or physical impairment or combination of mental and physical impairments;
- ii. Is manifested before the person attains age 22;
- iii. Is likely to continue indefinitely;
- iv. Results in substantial functional limitations in three or more of the following areas of major life activity: self-care, receptive and expressive language, learning, mobility, self-direction, capacity for independent living, and economic self-sufficiency; and
- v. Reflects the person's need for a combination and sequence of special, interdisciplinary, or generic care, treatment, or other services that are of lifelong or extended duration and are individually planned and coordinated. Notwithstanding the preceding provisions of this definition, the term "person with disabilities" includes two or more persons with disabilities living together, one or more such persons living with another person who is determined to be important to their care or well-being, and the surviving member or members of any household described in the first sentence of this definition who were living, in a unit assisted with HOME funds, with the deceased member of the household at the time of his or her death.

Program income means gross income received by the participating jurisdiction, State recipient, or a subrecipient directly generated from the use of HOME funds or matching contributions. When program income is generated by housing that is only partially assisted with HOME funds or matching funds, the income shall be prorated to reflect the percentage of HOME funds used. Program income includes, but is not limited to, the following:

1. Proceeds from the disposition by sale or long-term lease of real property acquired, rehabilitated, or constructed with HOME funds or matching contributions;
2. Gross income from the use or rental of real property, owned by the participating jurisdiction, State recipient, or a subrecipient, that was acquired, rehabilitated, or constructed, with HOME funds or matching contributions, less costs incidental to generation of the income;
3. Payments of principal and interest on loans made using HOME funds or matching contributions;
4. Proceeds from the sale of loans made with HOME funds or matching contributions;
5. Proceeds from the sale of obligations secured by loans made with HOME funds or matching contributions;
6. Interest earned on program income pending its disposition; and
7. Any other interest or return on the investment permitted under § 92.205(b) of HOME funds or matching contributions.

Project means a site or sites together with any building (including a manufactured housing unit) or buildings located on the site(s) that are under common ownership, management, and financing and are to be assisted with HOME funds as a single undertaking under this part. The project includes all the activities associated with the site and building. For tenant-based rental assistance, project means assistance to one or more families.

Project completion means that all necessary title transfer requirements and construction work have been performed; the project complies with the requirements of this part (including the property standards under § 92.251); the final drawdown has been disbursed for the project; and the project completion information has been entered in the disbursement and information system established by HUD. For tenant-based rental assistance, project completion means the final drawdown has been disbursed for the project.

Reconstruction means the rebuilding, on the same lot, of housing standing on a site at the time of project commitment. The number of housing units on the lot may not be decreased or increased as part of a reconstruction project, but the number of rooms per unit may be increased or decreased. Reconstruction also includes replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing. Reconstruction is rehabilitation for purposes of this part.

Single family housing means a one- to four-family residence, condominium unit, cooperative unit, combination of manufactured housing and lot, or manufactured housing lot.

Single parent means an individual who:

1. Is unmarried or legally separated from a spouse; and
2. Has one or more minor children of whom the individual has custody or joint custody, or is pregnant.

Single room occupancy (SRO) housing means housing (consisting of single room dwelling units) that is the primary residence of its occupant or occupants. The unit must contain either food preparation or sanitary facilities (and may contain both) if the project consists of new construction, conversion of non-residential space, or reconstruction. For acquisition or rehabilitation of an existing residential structure or hotel, neither food preparation nor sanitary facilities are required to be in the unit. If the units do not contain sanitary facilities, the building must contain sanitary facilities that are shared by tenants.

State means any state of the United States, the District of Columbia, the Commonwealth of Puerto Rico, or any agency or instrumentality thereof that is established pursuant to legislation and designated by the chief executive officer to act on behalf of the state with regard to the provisions of this part; however, for purposes of the American Dream Downpayment Initiative (ADDI) described in subpart M of this part, the term "state" does not include the Commonwealth of Puerto Rico (except for FY2003 ADDI funds).

State recipient. See § 92.201(b)(2).

Subrecipient means a public agency or nonprofit organization selected by the participating jurisdiction to administer all or a portion of the participating jurisdiction's HOME program. A public agency or nonprofit organization that receives HOME funds solely as a developer or owner of housing is not a subrecipient. The participating jurisdiction's selection of a subrecipient is not subject to the procurement procedures and requirements.

Tenant-based rental assistance is a form of rental assistance in which the assisted tenant may move from a dwelling unit with a right to continued assistance. Tenant-based rental assistance under this part also includes security deposits for rental of dwelling units.

Transitional housing means housing that:

1. Is designed to provide housing and appropriate supportive services to persons, including (but not limited to) deinstitutionalized individuals with disabilities, homeless individuals with disabilities, and homeless families with children; and
2. Has as its purpose facilitating the movement of individuals and families to independent living within a time period that is set by the participating jurisdiction or project owner before occupancy.

Unit of general local government means a city, town, township, county, parish, village, or other general purpose political subdivision of a State; a consortium of such political subdivisions recognized by HUD in accordance with § 92.101; and any agency or instrumentality thereof that is established pursuant to legislation and designated by the chief executive to act on behalf of the jurisdiction with regard to provisions of this part. When a county is an urban county, the urban county is the unit of general local government for purposes of the HOME Investment Partnerships Program.

Urban county has the meaning given the term in 24 CFR 570.3.

Very low-income families means low-income families whose annual incomes do not exceed 50 percent of the median family income for the area, as determined by HUD with adjustments for smaller and larger families, except that HUD may establish income ceilings higher or lower than 50 percent of the median for the area on the basis of HUD findings that such variations are necessary because of prevailing levels of construction costs or fair market rents, or unusually high or low family incomes.

§ 92.4 Waivers and Suspension of Requirements for Disaster Areas

HUD's authority for waiver of regulations and for the suspension of requirements to address damage in a Presidentially declared disaster area is described in 24 CFR 5.110 and in section 290 of the Act, respectively.

SUBPART B – ALLOCATION FORMULA

§ 92.50 Formula Allocation

- a. *Jurisdictions eligible for a formula allocation.* HUD will provide allocations of funds in amounts determined by the formula described in this section to units of general local governments that, as of the end of the previous fiscal year, are metropolitan cities, urban counties, or consortia approved under § 92.101; and States.
- b. *Amounts available for allocation; State and local share.* The amount of funds that are available for allocation by the formula under this section is equal to the balance of funds remaining after reserving amounts for insular areas, housing education and organizational support, other support for State and local housing strategies, and other purposes authorized by Congress, in accordance with the Act and appropriations.
- c. *Formula factors.* The formula for determining allocations uses the following factors. The first and sixth factors are weighted 0.1; the other four factors are weighted 0.2.
 1. Vacancy-adjusted rental units where the household head is at or below the poverty level. These rental units are multiplied by the ratio of the national rental vacancy rate over a jurisdiction's rental vacancy rate.
 2. Occupied rental units with at least one of four problems (overcrowding, incomplete kitchen facilities, incomplete plumbing, or high rent costs). Overcrowding is a condition that exists if there is more than one person per room occupying the unit. Incomplete kitchen facilities means the unit lacks a sink with running water, a range, or a refrigerator. Incomplete plumbing means the unit lacks hot and cold piped water, a flush toilet, or a bathtub or shower inside the unit for the exclusive use of the occupants of the unit. High rent costs occur when more than 30 percent of household income is used for rent.
 3. Rental units built before 1950 occupied by poor households.
 4. Rental units described in paragraph (c)(2) of this section multiplied by the ratio of the cost of producing housing for a jurisdiction divided by the national cost.
 5. Number of families at or below the poverty level.
 6. Population of a jurisdiction multiplied by a net per capita income (pci). To compute net pci for a jurisdiction or for the nation, the pci of a three person family at the poverty threshold is subtracted from the pci of the jurisdiction or of the nation. The index is constructed by dividing the national net pci by the net pci of a jurisdiction.
- d. *Calculating formula allocations for units of general local government.*
 1. Initial allocation amounts for units of general local government described in paragraph (a) of this section are determined by multiplying the sum of the shares of the six factors in paragraph (c) of this section by 60 percent of the amount available

under paragraph (b) of this section for formula allocation. The shares are the ratio of the weighted factor for each jurisdiction over the corresponding factor for the total for all of these units of general local government.

2. If any of the initial amounts for such units of general local government in Puerto Rico exceeds twice the national average, on a per rental unit basis, that amount is capped at twice the national average.
3. To determine the maximum number of units of general local government that receive a formula allocation, only one jurisdiction (the unit of general local government with the smallest allocation of HOME funds) is dropped from the pool of eligible jurisdictions on each successive recalculation, except that jurisdictions that are participating jurisdictions (other than consortia that fail to renew the membership of all of their member jurisdictions) are not dropped. Then the amount of funds available for units of general local government is redistributed to all others. This recalculation/redistribution continues until all remaining units of general local government receive an allocation of \$500,000 or more or are participating jurisdictions. Only units of general local government which receive an allocation of \$500,000 or more under the formula or which are participating jurisdictions will be awarded an allocation. In fiscal years in which Congress appropriates less than \$1.5 billion of HOME funds, \$335,000 is substituted for \$500,000.
4. The allocation amounts determined under paragraph (d)(3) of this section are reduced by any amounts that are necessary to provide increased allocations to States that have no unit of general local government receiving a formula allocation (see paragraph (e)(4) of this section). These reductions are made on a pro rata basis, except that no unit of general local government allocation is reduced below \$500,000 (or \$335,000 in fiscal years in which Congress appropriates less than \$1.5 billion of HOME funds) and no participating jurisdiction allocation which is below this amount is reduced.

e. Calculating formula allocations for States.

1. Forty percent of the funds available for allocation under paragraph (b) of this section are allocated to States. The allocation amounts for States are calculated by determining initial amounts for each State, based on the sum of the shares of the six factors. For 20 percent of the funds to be allocated to States, the shares are the ratio of the weighted factor for the entire State over the corresponding factor for the total for all States. For 80 percent of the funds to be allocated to States, the shares are the ratio of the weighted factor for all units of general local government within the State that do not receive a formula allocation over the corresponding factor for the total for all States.
2. If the initial amounts for Puerto Rico (based on either or both the 80 percent of funds or 20 percent of funds calculation) exceed twice the national average, on a per rental unit basis, each amount that exceeds the national average is capped at twice the national average, and the resultant funds are reallocated to other States on a prorata basis.

3. If the initial amounts when combined for any State are less than the \$3,000,000, the allocation to that State is increased to the \$3,000,000 and all other State allocations are reduced by an equal amount on a prorata basis, except that no State allocation is reduced below \$3,000,000.
4. The allocation amount for each State that has no unit of general local government within the State receiving an allocation under paragraph (d) of this section is increased by \$500,000. Funds for this increase are derived from the funds available for units of general local government, in accordance with paragraph (d)(4) of this section.

§ 92.60 Allocation Amounts for Insular Areas

- a. *Initial allocation amount for each insular area.* The initial allocation amount for each insular area is determined based upon the insular area's population and occupied rental units compared to all insular areas.
- b. *Threshold requirements.* The HUD Field Office shall review each insular area's progress on outstanding allocations made under this section, based on the insular area's performance report, the timeliness of close-outs, and compliance with fund management requirements and regulations, taking into consideration the size of the allocation and the degree and complexity of the program. If HUD determines from this review that the insular area does not have the capacity to administer effectively a new allocation, or a portion of a new allocation, in addition to allocations currently under administration, HUD may reduce the insular area's initial allocation amount.
- c. *Previous audit findings and outstanding monetary obligations.* HUD shall not make an allocation to an insular area that has either an outstanding audit finding for any HUD program, or an outstanding monetary obligation to HUD that is in arrears, or for which a repayment schedule has not been established. This restriction does not apply if the HUD Field Office finds that the insular area has made a good faith effort to clear the audit and, when there is an outstanding monetary obligation to HUD, the insular area has made a satisfactory arrangement for repayment of the funds due HUD and payments are current.
- d. *Increases to the initial allocation amount.* If funds reserved for the insular areas are available because HUD has decreased the amount for one or more insular areas in accordance with paragraphs (b) or (c) of this section, or for any other reason, HUD may increase the allocation amount for one or more of the remaining insular areas based upon the insular area's performance in committing HOME funds within the 24 month deadline, producing housing units described in its program description, and meeting HOME program requirements. Funds that become available but which are not used to increase the allocation amount for one or more of the remaining insular areas will be reallocated in accordance with § 92.66.
- e. *Notice of allocation amounts.* HUD will notify each insular area, in writing, as to the amount of its HOME allocation.

§ 92.61 Program Description

- a. *Submission requirement.* Not later than 90 days after HUD notifies the insular area of the amount of its allocation, the insular area must submit a program description and certifications to HUD.
- b. *Content of program description.* The program description must contain the following:
 1. An executed Standard Form 424;
 2. The estimated use of HOME funds and a description of projects and eligible activities, including number of units to be assisted, estimated costs, and tenure type (rental or owner occupied) and, for tenant assistance, number of households to be assisted;
 3. A timetable for the implementation of the projects or eligible activities;
 4. If the insular area intends to use HOME funds for homebuyers, the guidelines for resale or recapture as required in § 92.254(a)(5);
 5. If the insular area intends to use HOME funds for tenant-based rental assistance, a description of how the program will be administered consistent with the minimum guidelines described in § 92.209;
 6. If an insular area intends to use other forms of investment not described in § 92.205(b), a description of the other forms of investment;
 7. A statement of the policy and procedures to be followed by the insular area to meet the requirements for affirmative marketing, and establishing and overseeing a minority and women business outreach program under § 92.351;
 8. If the insular intends to use HOME funds for refinancing along with rehabilitation, the insular area's guidelines described in § 92.206(b).
- c. *Certifications.* The following certifications must accompany the program description:
 1. A certification that, before committing funds to a project, the insular area will evaluate the project in accordance with guidelines that it adopts for this purpose and will not invest any more HOME funds in combination with other governmental assistance than is necessary to provide affordable housing;
 2. If the insular area intends to provide tenant-based rental assistance, the certification required by § 92.209;
 3. A certification that the submission of the program description is authorized under applicable law and the insular area possesses the legal authority to carry out the HOME Investment Partnerships Program, in accordance with the HOME regulations;

4. A certification that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, implementing regulations at 49 CFR part 24 and the requirements of § 92.353;
5. A certification that the insular area will use HOME funds in compliance with all requirements of this part;
6. The certification with regard to the drug-free workplace required by 24 CFR part 24, subpart F; and
7. The certification required with regard to lobbying required by 24 CFR part 87, together with disclosure forms, if required by 24 CFR part 87.

§ 92.62 Review of Program Description and Certifications

- a. *Review of program description.* The responsible HUD Field Office will review an insular area's program description and will approve the description unless the insular area has failed to submit information sufficient to allow HUD to make the necessary determinations required for § 92.61(b)(4), (b)(6), and (b)(7), or the guidelines under (b)(8) are not satisfactory to HUD, if applicable; or if the level of proposed projects or eligible activities is not within the management capability demonstrated by past performance in housing and community development programs. If the insular area has not submitted information on § 92.61(b)(4), (b)(6), and (b)(7), or the guidelines under (b)(8) are not satisfactory to HUD, if applicable; or if the level of proposed projects or eligible activities is not within the management capability demonstrated by past performance in housing and community development programs, the insular area may be required to furnish such further information or assurances as HUD may consider necessary to find the program description and certifications satisfactory. The HUD Field Office shall work with the insular area to achieve a complete and satisfactory program description.
- b. *Review period.* Within thirty days of receipt of the program description, the HUD Field Office will notify the insular area if determinations cannot be made under § 92.61(b)(4), (b)(6), (b)(7), or (b)(8) with the supporting information submitted, or if the proposed projects or activities are beyond currently demonstrated capability. The insular area will have a reasonable period of time, agreed upon mutually, to submit the necessary supporting information or to revise the proposed projects or activities in its program description.
- c. *HOME Investment Partnership Agreement.* After HUD Field Office approval under this section, a HOME funds allocation is made by HUD execution of the agreement, subject to execution by the insular area. The funds are obligated on the date HUD notifies the insular area of HUD's execution of the agreement.

§ 92.63 Amendments to Program Description

An insular area must submit to HUD for approval any substantial change in its HUD-approved program description that it makes and must document any other changes in its file. A substantial change involves a change in the guidelines for resale or recapture (§ 92.61(b)(4)), other forms of investment (§ 92.61(b)(6)), minority and women business outreach program (§ 92.61(b)(7)) or refinancing (§ 92.61(b)(8)); or a change in the tenure type of the project or activities; or a funding increase to a project or activity of \$100,000 or 50% (whichever is greater).

The HUD Field Office will notify the insular area if its program description, as amended, does not permit determinations to be made under § 92.61(b)(4), (b)(6), (b)(7), or (b)(8), or if the level of proposed projects or eligible activities is not within the management capability demonstrated by past performance in housing and community development programs, within 30 days of receipt.

The insular area will have a reasonable period of time, agreed upon mutually, to submit the necessary supporting information to revise the proposed projects or activities in its program description.

§ 92.64 Applicability of Requirements to Insular Areas

- a. Insular areas are subject to the same requirements in subpart E (Program Requirements), subpart F (Project Requirements), subpart K (Program Administration), and subpart L (Performance Reviews and Sanctions) of this part as participating jurisdictions, except for the following.
 1. Subpart E (Program Requirements): Administrative costs, as described in § 92.207, are eligible costs for insular areas in an amount not to exceed 15 percent of the HOME funds provided to the insular area. The matching contribution requirements in this part do not apply.
 2. Subpart K (Program Administration):
 - i. Section 92.500 (The HOME Investment Trust Fund) does not apply. HUD will establish a HOME account in the United States Treasury for each insular area and the HOME funds must be used for approved activities. A local account must be established for program income. Each insular area may use either a separate local HOME account or a subsidiary account within its general fund (or other appropriate fund) as the local HOME account. HUD will recapture HOME funds in the HOME Treasury account by the amount of:
 - A. Any funds that are not committed within 24 months after the last day of the month in which HUD notifies the insular area of HUD's execution of the HOME Investment Partnership Agreement;
 - B. Any funds that are not expended within five years after the last day of the month in which HUD notifies the insular area of HUD's execution of the HOME Investment Partnership Agreement; and

C. Any penalties assessed by HUD under § 92.552.

- ii. Section 92.502 (Program disbursement and information system) applies, except that references to the HOME Investment Trust Fund mean HOME account. In addition, § 92.502(c) does not apply, and instead compliance with Treasury Circular No. 1075 (31 CFR part 205) and 24 CFR 85.21 is required.
 - iii. Section 92.503 (Program income, repayments, and recaptured funds) applies, except that the funds may be retained provided the funds are used for eligible activities in accordance with the requirements of this section.
3. Section 92.504 (Participating jurisdiction responsibilities; written agreements; on-site inspections) applies, except that the written agreement must ensure compliance with the requirements in this section.
 4. Section 92.508 (Recordkeeping) applies with respect to the records that relate to the requirements of this section.
 5. Section 92.509 (Performance reports) applies, except that a performance report is required for the fiscal year allocation only after completion of the approved projects funded by the allocation.
 6. Subpart L (Performance Reviews and Sanctions): Section 92.552 does not apply. Instead, § 92.65 applies.
- b. The requirements of subpart H (Other Federal Requirements) of this part apply as follows: § 92.357 Executive Order 12372 applies as written, and the requirements of the remaining sections which apply to participating jurisdictions are applicable to the insular areas.
 - c. Subpart B (Allocation Formula), subpart C (Consortia; Designation and Revocation as a Participating Jurisdiction), subpart D (Submission Requirements), and subpart G (Community Housing Development Organizations) of this part do not apply.
 - d. Subpart A (General) applies, except that for the definitions of commitment, program income, and subrecipient, “participating jurisdiction” means “insular area.”

§ 92.65 Funding Sanctions

Following notice and opportunity for informal consultation, HUD may withhold, reduce or terminate the assistance where any corrective or remedial actions taken under § 92.551 fail to remedy an insular area’s performance deficiencies, and the deficiencies are sufficiently substantial, in the judgment of HUD, to warrant sanctions.

§ 92.66 Reallocation

Any HOME funds which are reduced or recaptured from an insular area’s allocation and which are not used to increase the allocation amount for one or more of the remaining insular areas as provided in § 92.60 of this part, will be reallocated by HUD to the States in

SUBPART C – CONSORTIA; DESIGNATION AND REVOCATION OF DESIGNATION AS A PARTICIPATING JURISDICTION

§ 92.100 [Reserved]

§ 92.101 Consortia

- a. A consortium of geographically contiguous units of general local government is a unit of general local government for purposes of this part if the requirements of this section are met.
 1. One or more members of a proposed consortium or an existing consortium whose consortium qualification terminates at the end of the fiscal year, must provide written notification to the HUD Field Office of its intent to participate as a consortium in the HOME Program for the following fiscal year. HUD shall establish the deadline for this submission.
 2. The proposed consortium must provide, at such time and in a manner and form prescribed by HUD, the qualification documents, which will include submission of:
 - i. A written certification by the State that the consortium will direct its activities to alleviation of housing problems within the State; and
 - ii. Documentation which demonstrates that the consortium has executed one legally binding cooperation agreement among its members authorizing one member unit of general local government to act in a representative capacity for all member units of general local government for the purposes of this part and providing that the representative member assumes overall responsibility for ensuring that the consortium's HOME Program is carried out in compliance with the requirements of this part.
 3. Before the end of the fiscal year in which the notice of intent and documentation are submitted, HUD must determine that a proposed consortium has sufficient authority and administrative capability to carry out the purposes of this part on behalf of its member jurisdictions. HUD will endeavor to make its determination as quickly as practicable after receiving the consortium's documentation in order to provide the consortium an opportunity to correct its submission, if necessary. If the submission is deficient, HUD will work with the consortium to resolve the issue, but will not delay the formula allocations. HUD, at its discretion, may review the performance of an existing consortium that wishes to requalify to determine whether it continues to have sufficient authority and administrative capacity to successfully administer the program.

- b. A metropolitan city or an urban county may be a member of a consortium. A unit of general local government that is included in an urban county may be part of a consortium, only if the urban county joins the consortium. The included local government cannot join the consortium except through participation in the urban county.
- c. A non-urban county may be a member of a consortium. However, the county cannot on its own include the whole county in the consortium. A unit of local government located within the non-urban county that wishes to participate as a member of the consortium must sign the HOME consortium agreement.
- d. If the representative unit of general local government distributes HOME funds to member units of general local government, the representative unit is responsible for applying to the member units of general local government the same requirements as are applicable to subrecipients.
- e. The consortium's qualification as a unit of general local government continues for a period of three successive Federal fiscal years, or until HUD revokes its designation as a participating jurisdiction, or until an urban county member fails to requalify under the CDBG program as an urban county for a fiscal year included in the consortium's qualification period, or the consortium fails to receive a HOME allocation for the first Federal fiscal year of the consortium's qualification period and does not request to be considered to receive a HOME allocation in each of the subsequent two years. However, if a member urban county's three year CDBG qualification cycle is not the same as the consortium, the consortium may elect a shorter qualification period than three years to synchronize with the urban county's qualification period. During the period of qualification, additional units of general local government may join the consortium, but no included unit of general local government may withdraw from the consortium. See 24 CFR part 91, subpart E, for consolidated plan requirements for consortia, including the requirement that all members of the consortia must be on the same program year.
- f. The consortium agreement may, at the option of its member units of general local government, contain a provision that authorizes automatic renewals for the successive qualification period of three Federal fiscal years. The provision authorizing automatic renewal must require the lead consortium member to give the consortium members written notice of their right to elect not to continue participation for the new qualification period.

§ 92.102 Participation Threshold Amount

- a. To be eligible to become a participating jurisdiction, a unit of general local government must have a formula allocation under § 92.50 that is equal to or greater than \$750,000; or
- b. If a unit of general local government's formula allocation is less than \$750,000, HUD must find:
 - 1. The unit of general local government has a local PHA and has demonstrated a capacity to carry out the provisions of this part, as evidenced by satisfactory performance under one or more HUD-administered programs that provide assistance for activities comparable to the eligible activities under this part; and

2. The State has authorized HUD to transfer to the unit of general local government a portion of the State's allocation or the State, the unit of general local government, or both, has made available its own resources such that the sum of the amounts transferred or made available are equal to or greater than the difference between the unit of general local government's formula allocation and \$750,000.
- c. In fiscal years in which Congress appropriates less than \$1.5 billion for this part, \$500,000 is substituted for \$750,000 each time it appears in this section.

§ 92.103 Notification of Intent to Participate

- a. Not later than 30 days after receiving notice of its formula allocation amount, a jurisdiction must notify HUD in writing of its intention to become a participating jurisdiction.
- b. A unit of general local government that has a formula allocation of less than \$750,000, or less than \$500,000 in fiscal years in which Congress appropriates less than \$1.5 billion for this part, must submit, with its notice, one or more of the following, as appropriate, as evidence that it has met the threshold allocation requirements in § 92.102(b):
 1. Authorization from the State to transfer a portion of its allocation to the unit of general local government;
 2. A letter from the governor or designee indicating that the required funds have been approved and budgeted for the unit of general local government;
 3. A letter from the chief executive officer of the unit of general local government indicating that the required funds have been approved and budgeted.

§ 92.104 Submission of a Consolidated Plan

A jurisdiction that has not submitted a consolidated plan to HUD must submit to HUD, not later than 90 days after providing notification under § 92.103, a consolidated plan in accordance with 24 CFR part 91.

§ 92.105 Designation as a Participating Jurisdiction

When a jurisdiction has complied with the requirements of §§ 92.102 through 92.104 and HUD has approved the jurisdiction's consolidated plan in accordance with 24 CFR part 91, HUD will designate the jurisdiction as a participating jurisdiction.

§ 92.106 Continuous Designation as a Participating Jurisdiction

Once a State or unit of general local government is designated a participating jurisdiction, it remains a participating jurisdiction for subsequent fiscal years and the requirements of §§ 92.102 through 92.105 do not apply, unless HUD revokes the designation in accordance with § 92.107.

§ 92.107 Revocation of Designation as a Participating Jurisdiction

HUD may revoke a jurisdiction's designation as a participating jurisdiction if:

- a. HUD finds, after reasonable notice and opportunity for hearing as provided in § 92.552(b) that the jurisdiction is unwilling or unable to carry out the provisions of this part, including failure to meet matching contribution requirements; or
- b. The jurisdiction's formula allocation falls below \$750,000 (or below \$500,000 in fiscal years in which Congress appropriates less than \$1.5 billion for this part) for three consecutive years, below \$625,000 (or below \$410,000 in fiscal years in which Congress appropriates less than \$1.5 billion for this part) for two consecutive years, or the jurisdiction does not receive a formula allocation in any one year.
- c. When HUD revokes a participating jurisdiction's designation as a participating jurisdiction, HUD will reallocate any remaining funds in the jurisdiction's HOME Investment Trust Fund established under § 92.500 in accordance with § 92.451.

SUBPART D – SUBMISSION REQUIREMENTS

§ 92.150 Submission Requirements

In order to receive its HOME allocation, a participating jurisdiction must submit a consolidated plan in accordance with 24 CFR part 91. That part includes requirements for the content of the consolidated plan, the process of developing the consolidated plan, including citizen participation, the submission date, HUD approval, and amendments.

SUBPART E – PROGRAM REQUIREMENTS

§ 92.200 Private-public Partnership

Each participating jurisdiction must make all reasonable efforts to maximize participation by the private sector in accordance with section 221 of the Act.

§ 92.201 Distribution of Assistance

a. *Local.*

1. Each local participating jurisdiction must, insofar as is feasible, distribute HOME funds geographically within its boundaries and among different categories of housing need, according to the priorities of housing need identified in its approved consolidated plan.
2. The participating jurisdiction may only invest its HOME funds in eligible projects within its boundaries, or in joint projects within the boundaries of contiguous local jurisdictions which serve residents from both jurisdictions.

b. *State.*

1. Each State participating jurisdiction is responsible for distributing HOME funds throughout the State according to the State's assessment of the geographical distribution of the housing needs within the State, as identified in the State's approved consolidated plan. The State must distribute HOME funds to rural areas in amounts that take into account the non-metropolitan share of the State's total population and objective measures of rural housing need, such as poverty and substandard housing, as set forth in the State's approved consolidated plan. To the extent the need is within the boundaries of a participating unit of general local government, the State and the unit of general local government shall coordinate activities to address that need.
2. A State may carry out its own HOME program without active participation of units of general local government or may distribute HOME funds to units of general local government to carry out HOME programs in which both the State and all or some of the units of general local government perform specified program functions. A unit of general local government designated by a State to receive HOME funds from a State is a State recipient.
3.
 - i. A State that uses State recipients to perform program functions shall ensure that the State recipients use HOME funds in accordance with the requirements of this part and other applicable laws. The State may require the State recipient to comply with requirements established by the State or may permit the State recipient to establish its own requirements to comply with this part.
 - ii. The State shall conduct such reviews and audit of its State recipients as may be necessary or appropriate to determine whether the State recipient has committed and expended the HOME funds in the United States Treasury account as required by § 92.500, and has met the requirements of this part, particularly eligible activities, income targeting, affordability, and matching contribution requirements.
4. A State and local participating jurisdiction may jointly fund a project within the boundaries of the local participating jurisdiction. The State may provide the HOME funds to the project or it may provide the HOME funds to the local participating jurisdiction to fund the project.
5. A State may fund projects on Indian reservations located within the State provided that the State includes Indian reservations in its consolidated plan.

§ 92.202 Site and Neighborhood Standards

- a. *General.* A participating jurisdiction must administer its HOME program in a manner that provides housing that is suitable from the standpoint of facilitating and furthering full compliance with the applicable provisions of title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), the Fair Housing Act (42 U.S.C. 3601 et seq.), E.O. 11063

(3 CFR, 1959-1963 Comp., p. 652), and HUD regulations issued pursuant thereto; and promotes greater choice of housing opportunities.

b. *New rental housing.* In carrying out the site and neighborhood requirements with respect to new construction of rental housing, a participating jurisdiction is responsible for making the determination that proposed sites for new construction meet the requirements in 24 CFR 983.6(b).

§ 92.203 Income Determinations

a. The HOME program has income targeting requirements for the HOME program and for HOME projects. Therefore, the participating jurisdiction must determine each family is income eligible by determining the family's annual income.

1. For families who are tenants in HOME-assisted housing and not receiving HOME tenant-based rental assistance, the participating jurisdiction must initially determine annual income using the method in paragraph (a)(1)(i) of this section. For subsequent income determinations during the period of affordability, the participating jurisdiction may use any one of the following methods in accordance with § 92.252(h):

i. Examine the source documents evidencing annual income (e.g., wage statement, interest statement, unemployment compensation statement) for the family.

ii. Obtain from the family a written statement of the amount of the family's annual income and family size, along with a certification that the information is complete and accurate. The certification must state that the family will provide source documents upon request.

iii. Obtain a written statement from the administrator of a government program under which the family receives benefits and which examines each year the annual income of the family. The statement must indicate the tenant's family size and state the amount of the family's annual income; or alternatively, the statement must indicate the current dollar limit for very low- or low-income families for the family size of the tenant and state that the tenant's annual income does not exceed this limit.

2. For all other families, the participating jurisdiction must determine annual income by examining the source documents evidencing annual income (e.g., wage statement, interest statement, unemployment compensation statement) for the family.

b. When determining whether a family is income eligible, the participating jurisdiction must use one of the following three definitions of "annual income":

1. "Annual income" as defined at 24 CFR 5.609 (except when determining the income of a homeowner for an owner-occupied rehabilitation project, the value of the homeowner's principal residence may be excluded from the calculation of Net Family Assets); or

2. Annual Income as reported under the Census long-form for the most recent available decennial Census. This definition includes:

- i. Wages, salaries, tips, commissions, etc.;
- ii. Self-employment income from owned non-farm business, including proprietorships and partnerships;
- iii. Farm self-employment income;
- iv. Interest, dividends, net rental income, or income from estates or trusts;
- v. Social Security or railroad retirement;
- vi. Supplemental Security Income, Aid to Families with Dependent Children, or other public assistance or public welfare programs;
- vii. Retirement, survivor, or disability pensions; and
- viii. Any other sources of income received regularly, including Veterans' (VA) payments, unemployment compensation, and alimony; or

3. Adjusted gross income as defined for purposes of reporting under Internal Revenue Service (IRS) Form 1040 series for individual Federal annual income tax purposes.

c. Although the participating jurisdiction may use any of the three definitions of "annual income" permitted in paragraph (b) of this section, to calculate adjusted income it must apply exclusions from income established at 24 CFR 5.611. The HOME rents for very low-income families established under § 92.252(b)(2) are based on adjusted income. In addition, the participating jurisdiction may base the amount of tenant-based rental assistance on the adjusted income of the family.

d.

1. The participating jurisdiction must calculate the annual income of the family by projecting the prevailing rate of income of the family at the time the participating jurisdiction determines that the family is income eligible. Annual income shall include income from all family members. Income or asset enhancement derived from the HOME-assisted project shall not be considered in calculating annual income.
2. The participating jurisdiction is not required to re-examine the family's income at the time the HOME assistance is provided, unless more than six months has elapsed since the participating jurisdiction determined that the family qualified as income eligible.
3. The participating jurisdiction must follow the requirements in § 5.617 when making subsequent income determinations of persons with disabilities who are tenants in HOME-assisted rental housing or who receive tenant-based rental assistance.

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§ 92.204 Applicability of Requirements to Entities that Receive a Reallocation of HOME Funds, Other than Participating Jurisdictions

- a. Jurisdictions other than participating jurisdictions and community housing development organizations receiving competitive reallocations from HUD are subject to the same requirements in subpart E (Program Requirements), subpart F (Project Requirements), subpart K (Program Administration), and subpart L (Performance Reviews and Sanctions) of this part as participating jurisdictions, except for the following:
 1. Subpart E (Program Requirements): the matching contribution requirements in § 92.218 through § 92.221 do not apply.
 2. Subpart K (Program Administration):
 - i. Section 92.500 (The HOME Investment Trust Fund) does not apply. HUD will establish a HOME account in the United States Treasury and the HOME funds must be used for approved activities. A local account must be established for program income. HUD will recapture HOME funds in the HOME Treasury account by the amount of:
 - A. Any funds that are not committed within 24 months after the last day of the month in which HUD notifies the entity of HUD's execution of the HOME Investment Partnership Agreement;
 - B. Any funds that are not expended within five years after the last day of the month in which HUD notifies the entity of HUD's execution of the HOME Investment Partnership Agreement; and
 - C. Any penalties assessed by HUD under § 92.552.
 - ii. Section 92.502 (Program disbursement and information system) applies, except that references to the HOME Investment Trust Fund mean HOME account and the reference to 24 CFR part 58 does not apply. In addition, § 92.502(c) does not apply, and instead, compliance with Treasury Circular No. 1075 (31 CFR part 205) and 24 CFR 85.21 is required.
 - iii. Section 92.503 (Program income, repayments, and recaptured funds) applies, except that program income may be retained provided the funds are used for eligible activities in accordance with the requirements of this section.
 3. Section 92.504 (Participating jurisdiction responsibilities; written agreements; on-site inspections) applies, except that the written agreement must ensure compliance with the requirements in this section.
 4. Section 92.508 (Recordkeeping) applies with respect to the records that relate to the requirements of this section.
 5. Section 92.509 (Performance reports) applies, except that a performance report is required only after completion of the approved projects.

- b. The requirements in subpart H (Other Federal Requirements) of this part apply as written, except that jurisdictions and community housing development organizations receiving reallocations from HUD must comply with affirmative marketing requirements, labor requirements, and lead-based paint requirements, applicable to participating jurisdictions.
- c. Subpart B (Allocation Formula), subpart C (Consortia; Designation and Revocation of Designation as a Participating Jurisdiction), and subpart G (Community Housing Development Organizations) of this part do not apply.
- d. Subpart A (General) applies, except that for the definitions of commitment, program income, and subrecipient, “participating jurisdiction” means jurisdiction or community housing development organization receiving the competitive reallocation.

ELIGIBLE AND PROHIBITED ACTIVITIES

§ 92.205 Eligible Activities: General

a. *Eligible activities.*

1. HOME funds may be used by a participating jurisdiction to provide incentives to develop and support affordable rental housing and homeownership affordability through the acquisition (including assistance to homebuyers), new construction, reconstruction, or rehabilitation of non-luxury housing with suitable amenities, including real property acquisition, site improvements, conversion, demolition, and other expenses, including financing costs, relocation expenses of any displaced persons, families, businesses, or organizations; to provide tenant-based rental assistance, including security deposits; to provide payment of reasonable administrative and planning costs; and to provide for the payment of operating expenses of community housing development organizations. The housing must be permanent or transitional housing. The specific eligible costs for these activities are set forth in §§ 92.206 through 92.209.
2. Acquisition of vacant land or demolition must be undertaken only with respect to a particular housing project intended to provide affordable housing.
3. Conversion of an existing structure to affordable housing is rehabilitation, unless the conversion entails adding one or more units beyond the existing walls, in which case, the project is new construction for purposes of this part.
4. *Manufactured housing.* HOME funds may be used to purchase and/or rehabilitate a manufactured housing unit, or purchase the land upon which a manufactured housing unit is located. Except for existing, owner-occupied manufactured housing that is rehabilitated with HOME funds, the manufactured housing unit must, at the time of project completion, be connected to permanent utility hook-ups and be located on land that is owned by the manufactured housing unit owner or land for which the manufactured housing owner has a lease for a period at least equal to the applicable period of affordability.

b. *Forms of assistance.*

1. A participating jurisdiction may invest HOME funds as equity investments, interest-bearing loans or advances, non-interest-bearing loans or advances, interest subsidies consistent with the purposes of this part, deferred payment loans, grants, or other forms of assistance that HUD determines to be consistent with the purposes of this part. Each participating jurisdiction has the right to establish the terms of assistance, subject to the requirements of this part.
2. A participating jurisdiction may invest HOME funds to guarantee loans made by lenders and, if required, the participating jurisdiction may establish a loan guarantee account with HOME funds. The HOME funds may be used to guarantee the timely payment of principal and interest or payment of the outstanding principal and interest upon foreclosure of the loan. The amount of the loan guarantee account must be based on a reasonable estimate of the default rate on the guaranteed loans, but under no circumstances may the amount on deposit exceed 20 percent of the total outstanding principal amount guaranteed; except that the account may include a reasonable minimum balance. While loan funds guaranteed with HOME funds are subject to all HOME requirements, funds which are used to repay the guaranteed loans are not.

c. *Minimum amount of assistance.* The minimum amount of HOME funds that must be invested in a project involving rental housing or homeownership is \$1,000 times the number of HOME-assisted units in the project.

d. *Multi-unit projects.* HOME funds may be used to assist one or more housing units in a multi-unit project. Only the actual HOME eligible development costs of the assisted units may be charged to the HOME program. If the assisted and non-assisted units are not comparable, the actual costs may be determined based on a method of cost allocation. If the assisted and non-assisted units are comparable in terms of size, features and number of bedrooms, the actual cost of the HOME-assisted units can be determined by pro-rating the total HOME eligible development costs of the project so that the proportion of the total development costs charged to the HOME program does not exceed the proportion of the HOME-assisted units in the project.

e. *Terminated projects.* A HOME assisted project that is terminated before completion, either voluntarily or otherwise, constitutes an ineligible activity and any HOME funds invested in the project must be repaid to the participating jurisdiction's HOME Investment Trust Fund in accordance with § 92.503(b) (except for project-specific assistance to community housing development organizations as provided in § 92.301(a)(3) and § 92.301(b)(3)).

§ 92.206 Eligible Project Costs

HOME funds may be used to pay the following eligible costs:

a. *Development hard costs.* The actual cost of constructing or rehabilitating housing. These costs include the following:

1. For new construction, costs to meet the applicable new construction standards of the participating jurisdiction and the Model Energy Code referred to in § 92.251;
 2. For rehabilitation, costs:
 - i. To meet the property standards in § 92.251;
 - ii. To make essential improvements, including energy-related repairs or improvements, improvements necessary to permit use by persons with disabilities, and the abatement of lead-based paint hazards, as required by part 35 of this title.
 3. For both new construction and rehabilitation, costs:
 - i. To demolish existing structures;
 - ii. To make utility connections including off-site connections from the property line to the adjacent street; and
 - iii. To make improvements to the project site that are in keeping with improvements of surrounding, standard projects. Site improvements may include on-site roads and sewer and water lines necessary to the development of the project. The project site is the property, owned by the project owner, upon which the project is located.
 4. For both new construction and rehabilitation of multifamily rental housing, costs to construct or rehabilitate laundry and community facilities which are located within the same building as the housing and which are for the use of the project residents and their guests.
 5. Costs to make utility connections or to make improvements to the project site, in accordance with the provisions of § 92.206(a)(3)(ii) and (iii) are also eligible in connection with acquisition of standard housing.
- b. *Refinancing costs.* The cost to refinance existing debt secured by housing that is being rehabilitated with HOME funds:
1. For single-family (1- to 4-family) owner-occupied housing when loaning HOME funds to rehabilitate the housing, if the refinancing is necessary to reduce the overall housing costs to the borrower and make the housing more affordable.
 2. For multifamily projects, when loaning HOME funds to rehabilitate the units if refinancing is necessary to permit or continue affordability under § 92.252. The participating jurisdiction must establish refinancing guidelines and state them in its consolidated plan described in 24 CFR part 91. Regardless of the amount of HOME funds invested, the minimum affordability period shall be 15 years. The guidelines shall describe the conditions under which the participating jurisdictions will refinance existing debt. At minimum, the guidelines must:

- i. Demonstrate that rehabilitation is the primary eligible activity and ensure that this requirement is met by establishing a minimum level of rehabilitation per unit or a required ratio between rehabilitation and refinancing;
 - ii. Require a review of management practices to demonstrate that disinvestment in the property has not occurred, that the long term needs of the project can be met and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated;
 - iii. State whether the new investment is being made to maintain current affordable units, create additional affordable units, or both;
 - iv. Specify the required period of affordability, whether it is the minimum 15 years or longer;
 - v. Specify whether the investment of HOME funds may be jurisdiction-wide or limited to a specific geographic area, such as a neighborhood identified in a neighborhood revitalization strategy under 24 CFR 91.215(e)(2) or a Federally designated Empowerment Zone or Enterprise Community; and
 - vi. State that HOME funds cannot be used to refinance multifamily loans made or insured by any Federal program, including CDBG.
- c. *Acquisition costs.* Costs of acquiring improved or unimproved real property, including acquisition by homebuyers.
- d. *Related soft costs.* Other reasonable and necessary costs incurred by the owner or participating jurisdiction and associated with the financing, or development (or both) of new construction, rehabilitation or acquisition of housing assisted with HOME funds. These costs include, but are not limited to:
- 1. Architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups.
 - 2. Costs to process and settle the financing for a project, such as private lender origination fees, credit reports, fees for title evidence, fees for recordation and filing of legal documents, building permits, attorneys fees, private appraisal fees and fees for an independent cost estimate, builders or developers fees.
 - 3. Costs of a project audit that the participating jurisdiction may require with respect to the development of the project.
 - 4. Costs to provide information services such as affirmative marketing and fair housing information to prospective homeowners and tenants as required by § 92.351.
 - 5. For new construction or rehabilitation, the cost of funding an initial operating deficit reserve, which is a reserve to meet any shortfall in project income during the period of project rent-up (not to exceed 18 months) and which may only be used to pay project operating expenses, scheduled payments to a replacement reserve, and debt

service. Any HOME funds placed in an operating deficit reserve that remain unexpended after the period of project rent-up may be retained for project reserves if permitted by the participating jurisdiction.

6. Staff and overhead costs directly related to carrying out the project, such as work specifications preparation, loan processing inspections, and other services related to assisting potential owners, tenants, and homebuyers, e.g., housing counseling, may be charged to project costs only if the project is funded and the individual becomes the owner or tenant of the HOME-assisted project. For multi-unit projects, such costs must be allocated among HOME-assisted units in a reasonable manner and documented.

7. For both new construction and rehabilitation, costs for the payment of impact fees that are charged for all projects within a jurisdiction.

8. Costs of environmental review and release of funds in accordance with 24 CFR Part 58 which are directly related to the project.

e. *Community housing development organization costs.* Eligible costs of project-specific assistance are set forth in § 92.301.

f. *Relocation costs.* The cost of relocation payments and other relocation assistance to persons displaced by the project are eligible costs.

1. Relocation payments include replacement housing payments, payments for moving expenses, and payments for reasonable out-of-pocket costs incurred in the temporary relocation of persons.

2. Other relocation assistance means staff and overhead costs directly related to providing advisory and other relocation services to persons displaced by the project, including timely written notices to occupants, referrals to comparable and suitable replacement property, property inspections, counseling, and other assistance necessary to minimize hardship.

g. *Costs relating to payment of loans.* If the HOME funds are not used to directly pay a cost specified in this section, but are used to pay off a construction loan, bridge financing loan, or guaranteed loan, the payment of principal and interest for such loan is an eligible cost only if:

1. The loan was used for eligible costs specified in this section, and

2. The HOME assistance is part of the original financing for the project and the project meets the requirements of this part.

§ 92.207 Eligible Administrative and Planning Costs

A participating jurisdiction may expend, for payment of reasonable administrative and planning costs of the HOME program and ADDI, an amount of HOME funds that is not more than ten percent of the sum of the Fiscal Year HOME basic formula allocation plus any funds received in accordance with § 92.102(b) to meet or exceed participation threshold

requirements that Fiscal Year. A state that transfers any HOME funds in accordance with § 92.102(b) must exclude these funds in calculating the amount it may expend for administrative and planning costs. A participating jurisdiction may also expend, for payment of reasonable administrative and planning costs of the HOME program and the ADDI described in subpart M of this part, a sum up to ten percent of the program income deposited into its local account or received and reported by its state recipients or subrecipients during the program year. A participating jurisdiction may expend such funds directly or may authorize its state recipients or subrecipients, if any, to expend all or a portion of such funds, provided total expenditures for planning and administrative costs do not exceed the maximum allowable amount. Reasonable administrative and planning costs include:

- a. *General management, oversight and coordination.* Reasonable costs of overall program management, coordination, monitoring, and evaluation. Such costs include, but are not limited to, necessary expenditures for the following:
 1. Salaries, wages, and related costs of the participating jurisdiction's staff. In charging costs to this category the participating jurisdiction may either include the entire salary, wages, and related costs allocable to the program of each person whose primary responsibilities with regard to the program involves program administration assignments, or the prorated share of the salary, wages, and related costs of each person whose job includes any program administration assignments. The participating jurisdiction may use only one of these methods. Program administration includes the following types of assignments:
 - i. Developing systems and schedules for ensuring compliance with program requirements;
 - ii. Developing interagency agreements and agreements with entities receiving HOME funds;
 - iii. Monitoring HOME-assisted housing for progress and compliance with program requirements;
 - iv. Developing agreements and monitoring housing not assisted with HOME funds that the participating jurisdiction designates as a matching contribution in accordance with § 92.219(b) for compliance with applicable program requirements;
 - v. Preparing reports and other documents related to the program for submission to HUD;
 - vi. Coordinating the resolution of audit and monitoring findings;
 - vii. Evaluating program results against stated objectives; and
 - viii. Managing or supervising persons whose primary responsibilities with regard to the program include such assignments as those described in paragraphs (a)(1)(i) through (vii) of this section;
 2. Travel costs incurred for official business in carrying out the program;

3. Administrative services performed under third party contracts or agreements, including such services as general legal services, accounting services, and audit services;
 4. Other costs for goods and services required for administration of the program, including such goods and services as rental or purchase of equipment, insurance, utilities, office supplies, and rental and maintenance (but not purchase) of office space; and
 5. Costs of administering tenant-based rental assistance programs.
- b. *Staff and overhead.* Staff and overhead costs directly related to carrying out the project, such as work specifications preparation, loan processing, inspections, and other services related to assisting potential owners, tenants, and homebuyers (e.g., housing counseling); and staff and overhead costs directly related to providing advisory and other relocation services to persons displaced by the project, including timely written notices to occupants, referrals to comparable and suitable replacement property, property inspections, counseling, and other assistance necessary to minimize hardship. These costs may be charged as administrative costs or as project costs under § 92.206 (d)(6) and (f)(2), at the discretion of the participating jurisdiction.
 - c. *Public information.* The provision of information and other resources to residents and citizen organizations participating in the planning, implementation, or assessment of projects being assisted with HOME funds.
 - d. *Fair housing.* Activities to affirmatively further fair housing in accordance with the participating jurisdiction's certification under 24 CFR part 91.
 - e. *Indirect Costs.* Indirect costs may be charged to the HOME program under a cost allocation plan prepared in accordance with OMB Circulars A-87 or A-122 as applicable.
 - f. *Preparation of the consolidated plan.* Preparation of the consolidated plan required under 24 CFR part 91. Preparation includes the costs of public hearings, consultations, and publication.
 - g. *Other Federal requirements.* Costs of complying with the Federal requirements in subpart H of this part. Project-specific environmental review costs may be charged as administrative costs or as project costs in accordance with § 92.206(d)(8), at the discretion of the participating jurisdiction.

§ 92.208 Eligible Community Housing Development Organization (CHDO) Operating Expense and Capacity Building Costs

- a. Up to 5 percent of a participating jurisdiction's fiscal year HOME allocation may be used for the operating expenses of community housing development organizations (CHDOs). These funds may not be used to pay operating expenses incurred by a CHDO acting as a subrecipient or contractor under the HOME Program. Operating expenses means reasonable and necessary costs for the operation of the community housing development organization. Such costs include salaries, wages, and other employee

compensation and benefits; employee education, training, and travel; rent; utilities; communication costs; taxes; insurance; equipment; materials and supplies. The requirements and limitations on the receipt of these funds by CHDOs are set forth in § 92.300(e) and (f).

b. HOME funds may be used for capacity building costs under § 92.300(b).

§ 92.209 Tenant-based Rental Assistance: Eligible Costs and Requirements

a. *Eligible costs.* Eligible costs are the rental assistance and security deposit payments made to provide tenant-based rental assistance for a family pursuant to this section. Administration of tenant-based rental assistance is eligible only under general management oversight and coordination at § 92.207(a).

b. *General requirement.* A participating jurisdiction may use HOME funds for tenant-based rental assistance only if the participating jurisdiction makes the certification about inclusion of this type of assistance in its consolidated plan in accordance with 24 CFR 91.225(d)(1), 91.325(d)(1), or 91.425(a)(2)(i), and specifies local market conditions that lead to the choice of this option.

c. *Tenant selection.* The participating jurisdiction must select families in accordance with written tenant selection policies and criteria that are consistent with the following:

1. *Low-income families.* Tenant-based rental assistance may only be provided to very low- and low-income families. The participating jurisdiction must determine that the family is very low- or low-income before the assistance is provided. During the period of assistance, the participating jurisdiction must annually determine that the family continues to be low-income.

2. *Preferences for Individuals with Special Needs.*

i. The participating jurisdiction may establish a preference for individuals with special needs. The participating jurisdiction may offer, in conjunction with a tenant-based rental assistance program, particular types of non-mandatory services that may be most appropriate for persons with a special need or a particular disability. Generally, tenant-based rental assistance and the related services should be made available to all persons with special needs or disabilities who can benefit from such services.

ii. The participating jurisdiction may also provide a preference for a specific category of individuals with disabilities (e.g., persons with HIV/AIDS or chronic mental illness) if the specific category is identified in the participating jurisdiction's consolidated plan as having unmet need and the preference is needed to narrow the gap in benefits and services received by such persons.

iii. Preferences cannot be administered in a manner that limits the opportunities of persons on any basis prohibited by the laws listed under 24 CFR 5.105(a). For example, a participating jurisdiction may not determine that persons given a preference under the program are therefore prohibited from applying for or participating in other programs or forms of assistance.

3. *Existing tenants in the HOME-assisted projects.* A participating jurisdiction may select low-income families currently residing in housing units that are designated for rehabilitation or acquisition under the participating jurisdiction's HOME program. Participating jurisdictions using HOME funds for tenant-based rental assistance programs may establish local preferences for the provision of this assistance. Families so selected may use the tenant-based assistance in the rehabilitated or acquired housing unit or in other qualified housing.
- d. *Portability of assistance.* A participating jurisdiction may require the family to use the tenant-based assistance within the participating jurisdiction's boundaries or may permit the family to use the assistance outside its boundaries.
 - e. *Term of rental assistance contract.* The term of the rental assistance contract providing assistance with HOME funds may not exceed 24 months, but may be renewed, subject to the availability of HOME funds. The term of the rental assistance contract must begin on the first day of the term of the lease. For a rental assistance contract between a participating jurisdiction and an owner, the term of the contract must terminate on termination of the lease. For a rental assistance contract between a participating jurisdiction and a family, the term of the contract need not end on termination of the lease, but no payments may be made after termination of the lease until a family enters into a new lease.
 - f. *Rent reasonableness.* The participating jurisdiction must disapprove a lease if the rent is not reasonable, based on rents that are charged for comparable unassisted rental units.
 - g. *Tenant protections.* The lease must comply with the requirements in § 92.253(a) and (b).
 - h. *Maximum subsidy.*
 1. The amount of the monthly assistance that a participating jurisdiction may pay to, or on behalf of, a family may not exceed the difference between a rent standard for the unit size established by the participating jurisdiction and 30 percent of the family's monthly adjusted income.
 2. The participating jurisdiction must establish a minimum tenant contribution to rent.
 3. The participating jurisdiction's rent standard for a unit size must be based on:
 - i. Local market conditions; or
 - ii. For each unit size, may not be less than 80 percent of the published Section 8 Existing Housing fair market rent (in effect when the payment standard amount is adopted) nor more than the fair market rent or HUD-approved community- wide exception rent (in effect when the participating jurisdiction adopts its rent standard amount). (Community-wide exception rents are maximum gross rents approved by HUD for the Rental Certificate Program under 24 CFR 882.106(a)(3) for a designated municipality, county, or similar locality, which apply to the whole PHA jurisdiction.) A participating jurisdiction may approve on a unit-by- unit basis a subsidy based on a rent

standard that exceeds the applicable fair market rent by up to 10 percent for 20 percent of units assisted.

- i. *Housing quality standards.* Housing occupied by a family receiving tenant-based assistance under this section must meet the requirements set forth in 24 CFR 982.401. The participating jurisdiction must inspect the housing initially and re-inspect it annually.
- j. *Security deposits.*
 1. A participating jurisdiction may use HOME funds provided for tenant-based rental assistance to provide loans or grants to very low- and low-income families for security deposits for rental of dwelling units whether or not the participating jurisdiction provides any other tenant-based rental assistance under this section.
 2. The relevant State or local definition of “security deposit” in the jurisdiction where the unit is located is applicable for the purposes of this part, except that the amount of HOME funds that may be provided for a security deposit may not exceed the equivalent of two month’s rent for the unit.
 3. Only the prospective tenant may apply for HOME security deposit assistance, although the participating jurisdiction may pay the funds directly to the tenant or to the landlord.
 4. HOME funds for security deposits may be provided as a grant or as a loan. If they are provided as a loan, the loan repayments are program income to be used in accordance with § 92.503.
 5. Paragraphs (b), (c), (d), (f), (g) and (i) of this section are applicable to HOME security deposit assistance, except that income determinations pursuant to paragraph (c)(1) of this section and Housing Quality Standard inspections pursuant to paragraph (i) of this section are required only at the time the security deposit assistance is provided.
- k. *Program operation.* A tenant-based rental assistance program must be operated consistent with the requirements of this section. The participating jurisdiction may operate the program itself, or may contract with a PHA or other entity with the capacity to operate a rental assistance program. The tenant-based rental assistance may be provided through an assistance contract to an owner that leases a unit to an assisted family or directly to the family. In either case, the participating jurisdiction (or entity operating the program) must approve the lease.
- l. *Use of Section 8 assistance.* In any case where assistance under section 8 of the 1937 Act becomes available to a participating jurisdiction, recipients of tenant-based rental assistance under this part will qualify for tenant selection preferences to the same extent as when they received the tenant-based rental assistance under this part.

§ 92.212 Pre-award Costs

- a. *General.* Before the effective date of the HOME Investment Partnership Agreement, the participating jurisdiction may incur costs which may be charged to the HOME allocation after the award of the HOME allocation, provided the costs are in compliance with the requirements of this part (including environmental review requirements) and with the statutory and regulatory requirements in effect at the time the costs are charged to the HOME allocation.
- b. *Administrative and planning costs.* Eligible administrative and planning costs may be incurred as of the beginning of the participating jurisdiction's consolidated program year (see 24 CFR 91.10) or the date the consolidated plan describing the HOME allocation to which the costs will be charged is received by HUD, whichever is later.
- c. *Project costs.* Eligible project costs may be incurred during the current program year in an amount not to exceed 25% of the current HOME allocation amount, to be charged to the following year's HOME allocation. Before incurring the pre-award costs, the participating jurisdiction must comply with its citizen participation plan requirements addressing 24 CFR 91.105(b)(2), (4), (5) and (g) (local governments) or 91.115(b)(2), (4), (5) and (f) (States). In lieu of a full action plan, the participating jurisdiction may develop a mini-action plan which describes the proposed pre-award projects and costs in accordance with 91.220(c) and includes, if applicable, 91.220(g)(2) (local governments) or 91.320(c) and, if applicable, 91.320(g)(2) (States). The mini-action plan must state that HOME funding for the project(s) is subject to the future availability of HOME funds. The subsequent action plan (i.e., action plan for the HOME allocation to which the costs will be charged) must also include the use of HOME funds contained in the mini-action plan.
- d. *Subrecipient or State recipient costs.* The participating jurisdiction may authorize its subrecipient or State recipient to incur pre-award costs in accordance with the requirements of this section. The authorization must be in writing.
- e. *Other pre-agreement costs.* Pre-agreement costs in excess of the amount set forth in paragraph (c) of this section must be approved, in writing, by the HUD Field Office before the costs are incurred.

§ 92.213 [Reserved]

§ 92.214 Prohibited Activities

- a. HOME funds may not be used to:

1. Provide project reserve accounts, except as provided in § 92.206(d)(5), or operating subsidies;
2. Provide tenant-based rental assistance for the special purposes of the existing section 8 program, in accordance with section 212(d) of the Act;

3. Provide non-federal matching contributions required under any other Federal program;
 4. Provide assistance authorized under section 9 of the 1937 Act (Public Housing Capital and Operating Funds);
 5. Provide assistance to eligible low-income housing under 24 CFR part 248 (Prepayment of Low Income Housing Mortgages), except that assistance may be provided to priority purchasers as defined in 24 CFR 248.101;
 6. Provide assistance (other than tenant-based rental assistance or assistance to a homebuyer to acquire housing previously assisted with HOME funds) to a project previously assisted with HOME funds during the period of affordability established by the participating jurisdiction in the written agreement under § 92.504. However, additional HOME funds may be committed to a project up to one year after project completion (see § 92.502), but the amount of HOME funds in the project may not exceed the maximum per-unit subsidy amount established under § 92.250.
 7. Pay for the acquisition of property owned by the participating jurisdiction, except for property acquired by the participating jurisdiction with HOME funds, or property acquired in anticipation of carrying out a HOME project; or
 8. Pay delinquent taxes, fees or charges on properties to be assisted with HOME funds.
 9. Pay for any cost that is not eligible under §§ 92.206 through 92.209.
- b. Participating jurisdictions may not charge monitoring, servicing and origination fees in HOME-assisted projects. However, participating jurisdictions may charge nominal application fees (although these fees are not an eligible HOME cost) to project owners to discourage frivolous applications. Such fees are applicable credits under OMB Circular A-87.

§ 92.215 Limitation on Jurisdictions under Court Order

Limitations on the use of HOME funds in connection with litigation involving discrimination or fair housing are set forth in section 224 of the Act.

INCOME TARGETING

§ 92.216 Income Targeting: Tenant-based Rental Assistance and Rental Units

Each participating jurisdiction must invest HOME funds made available during a fiscal year so that, with respect to tenant-based rental assistance and rental units:

- a. Not less than 90 percent of:
 1. The families receiving such rental assistance are families whose annual incomes do not exceed 60 percent of the median family income for the area, as determined and

made available by HUD with adjustments for smaller and larger families (except that HUD may establish income ceilings higher or lower than 60 percent of the median for the area on the basis of HUD's findings that such variations are necessary because of prevailing levels of construction cost or fair market rent, or unusually high or low family income) at the time of occupancy or at the time funds are invested, whichever is later; or

2. The dwelling units assisted with such funds are occupied by families having such incomes; and

b. The remainder of:

1. The families receiving such rental assistance are households that qualify as low-income families (other than families described in paragraph (a)(1) of this section) at the time of occupancy or at the time funds are invested, whichever is later; or

2. The dwelling units assisted with such funds are occupied by such households.

§ 92.217 Income Targeting: Homeownership

Each participating jurisdiction must invest HOME funds made available during a fiscal year so that with respect to homeownership assistance, 100 percent of these funds are invested in dwelling units that are occupied by households that qualify as low-income families.

MATCHING CONTRIBUTION REQUIREMENT

§ 92.218 Amount of Matching Contribution

a. *General.* Each participating jurisdiction must make contributions to housing that qualifies as affordable housing under the HOME program, throughout a fiscal year. The contributions must total not less than 25 percent of the funds drawn from the jurisdiction's HOME Investment Trust Fund Treasury account in that fiscal year, excluding funds drawn for purposes identified in paragraph (c) of this section.

b. *Shortfall amount from State or local resources.* Amounts made available under § 92.102(b)(2) from the resources of a State (other than a transfer of the State's formula allocation), the local participating jurisdiction, or both, to enable the local participating jurisdiction to meet the participation threshold amount are not required to be matched and do not constitute matching contributions.

c. *HOME funds not required to be matched.* HOME funds used for administrative and planning costs (pursuant to § 92.207); community housing development organization operating expenses (pursuant to § 92.208); capacity building (pursuant to 92.300(b)) of community housing development organizations; and project specific assistance to community housing development organizations (pursuant to § 92.301) when the participating jurisdiction waives repayment under the provisions of § 92.301(a)(3) or § 92.301(b)(3) are not required to be matched.

d. *Match contribution for other programs.* Contributions that have been or will be counted as satisfying a matching requirement of another Federal grant or award may not count as satisfying the matching contribution requirement for the HOME program.

§ 92.219 Recognition of Matching Contribution

a. *Match contribution to HOME-assisted housing.* A contribution is recognized as a matching contribution if it is made with respect to:

1. A tenant who is assisted with HOME funds;
2. A HOME-assisted unit;
3. The portion of a project that is not HOME-assisted provided that at least 50 percent of the housing units in the project are HOME-assisted. If the match contribution to the portion of the project that is not HOME-assisted meets the affordable housing requirements of § 92.219(b)(2), the percentage requirement for HOME-assisted units does not apply; or
4. The commercial space in a mixed-use project in which at least 51 percent of the floor space is residential provided that at least 50 percent of the dwelling units are HOME-assisted.

b. *Match contribution to affordable housing that is not HOME-assisted.* The following requirements apply for recognition of matching contributions made to affordable housing that is not HOME-assisted:

1. For tenant-based rental assistance that is not HOME-assisted:
 - i. The contribution must be made with respect to a tenant who is assisted with tenant-based rental assistance that meets the requirements of § 92.203 (Income determinations) and paragraphs (a), (c), (f), and (i) of § 92.209 (Tenant-based rental assistance); and
 - ii. The participating jurisdiction must demonstrate in writing that such assistance meets the provisions of §§ 92.203 and 92.209 (except § 92.209(e)).
2. For affordable housing that is not HOME-assisted:
 - i. The contribution must be made with respect to housing that qualifies as affordable housing under § 92.252 or § 92.254.
 - ii. The participating jurisdiction or its instrumentality must execute, with the owner of the housing (or, if the participating jurisdiction is the owner, with the manager or developer), a written agreement that imposes and enumerates all of the affordability requirements from § 92.252 and § 92.253(a) and (b) (Tenant protections), or § 92.254, whichever are applicable; the property standards requirements of § 92.251; and income determinations made in accordance with § 92.203. This written agreement must be executed before any match contributions may be made.

- iii. A participating jurisdiction must establish a procedure to monitor HOME match-eligible housing to ensure continued compliance with the requirements of §§ 92.203 (Income determinations), 92.252 (Qualification as affordable housing: Rental housing), 92.253(a) and (b) (Tenant protections) and 92.254 (Qualification as affordable housing: Homeownership). No other HOME requirements apply.
- iv. The match may be in any eligible form of match except those in § 92.220(a)(2) (forbearance of fees), (a)(4) (on-site and off-site infrastructure), (a)(10) (direct cost of supportive services) and (a)(11) (direct costs of homebuyer counseling services).
- v. Match contributions to mixed-use or mixed-income projects that contain affordable housing units will be recognized only if the contribution is made to the project's affordable housing units.

§ 92.220 Form of Matching Contribution

a. *Eligible forms.* Matching contributions must be made from nonfederal resources and may be in the form of one or more of the following:

1. *Cash contributions from nonfederal sources.* To be recognized as a cash contribution, funds must be contributed permanently to the HOME program (or to affordable housing not assisted with HOME funds), regardless of the form of investment provided to the project. Therefore, to receive match credit for the full amount of a loan to a HOME project, all repayment, interest, or other return on investment of the contribution must be deposited in the local account of the participating jurisdiction's HOME Investment Trust Fund to be used for eligible HOME activities in accordance with the requirements of this part. A cash contribution to affordable housing that is not assisted with HOME funds must be contributed permanently to the project. Repayments of matching contributions in affordable housing projects, as defined in § 92.219(b), that are not HOME-assisted, must be made to the local account of the participating jurisdiction's HOME Investment Trust Fund to get match credit for the full loan amount.
 - i. A cash contribution may be made by the participating jurisdiction, non-Federal public entities, private entities, or individuals, except as prohibited under paragraph (b)(4) of this section. A cash contribution made to a nonprofit organization for use in a HOME project may be counted as a matching contribution.
 - ii. A cash contribution may be made from program income (as defined by 24 CFR § 85.25(b)) from a Federal grant earned after the end of the award period if no Federal requirements govern the disposition of the program income. Included in this category are repayments from closed out grants under the Urban Development Action Grant Program (24 CFR part 570, subpart G) and the Housing Development Grant Program (24 CFR part 850), and from the Rental Rehabilitation Grant Program (24 CFR part 511) after all fiscal year Rental Rehabilitation grants have been closed out.

- iii. The grant equivalent of a below-market interest rate loan to the project that is not repayable to the participating jurisdiction's HOME Investment Trust Fund may be counted as a cash contribution, as follows:
 - A. If the loan is made from funds borrowed by a jurisdiction or public agency or corporation the contribution is the present discounted cash value of the difference between the payments to be made on the borrowed funds and payments to be received from the loan to the project based on a discount rate equal to the interest rate on the borrowed funds.
 - B. If the loan is made from funds other than funds borrowed by a jurisdiction or public agency or corporation, the contribution is the present discounted cash value of the yield foregone. In determining the yield foregone, the participating jurisdiction must use as a measure of a market rate yield one of the following, as appropriate:
 - 1. With respect to one- to four-unit housing financed with a fixed interest rate mortgage, a rate equal to the 10-year Treasury note rate plus 200 basis points;
 - 2. With respect to one- to four-unit housing financed with an adjustable interest rate mortgage, a rate equal to the one-year Treasury bill rate plus 250 basis points;
 - 3. With respect to a multifamily project, a rate equal to the 10-year Treasury note rate plus 300 basis points;
 - 4. With respect to housing receiving financing for rehabilitation, a rate equal to the 10-year Treasury note rate plus 400 basis points.
- iv. Proceeds of bonds that are not repaid with revenue from an affordable housing project (e.g., general obligation bonds) and that are loaned to a HOME-assisted or other qualified affordable housing project constitute a cash contribution under this paragraph.
- v. A cash contribution may be counted as a matching contribution only if it is used for costs eligible under §§ 92.206 or 92.209, or for the following (which are not HOME eligible costs): the cost of removing and relocating ECHO housing unit during the period of affordability in accordance with § 92.258(d)(3)(ii), payments to a project reserve account beyond payments permitted by § 92.206(d)(5), operating subsidies, or costs relating to the portion of a mixed-income or mixed-use HOME-assisted project not related to the affordable housing units.

2. *Forbearance of fees.*

- i. *State and local taxes, charges or fees.* The value (based on customary and reasonable means for establishing value) of State or local taxes, fees, or other charges that are normally and customarily imposed or charged by a State or local government on all transactions or projects in the conduct of its

operations, which are waived, foregone, or deferred (including State low-income housing tax credits) in a manner that achieves affordability of HOME-assisted projects, may be counted as match. The amount of any real estate taxes may be based on post-improvement property value. For taxes, fees, or charges that are forgiven for future years, the value is the present discounted cash value, based on a rate equal to the rate for the Treasury security with a maturity closest to the number of years for which the taxes, fees, or charges are waived, foregone, or deferred.

ii. *Other charges or fees.* The value of fees or charges associated with the transfer or development of real estate that are normally and customarily imposed or charged by public or private entities, which are waived or foregone, in whole or in part, in a manner that achieves affordability of HOME-assisted projects, may be counted as match. Fees and charges under this paragraph do not include fees or charges for legal or other professional services; professional services which are donated, in whole or in part, are an eligible matching contribution in accordance with paragraph (a)(7) of this section.

iii. Fees or charges that are associated with the HOME Program only (rather than normally and customarily imposed or charged on all transactions or projects) are not eligible forms of matching contributions.

3. *Donated Real Property.* The value, before the HOME assistance is provided and minus any debt burden, lien, or other encumbrance, of donated land or other real property may be counted as match. The donation may be made by the participating jurisdiction, non-Federal public entities, private entities, or individuals, except as prohibited under paragraph (b)(4) of this section.

i. Donated property not acquired with Federal resources is a contribution in the amount of 100% of the value.

ii. Donated property acquired with Federal assistance may provide a partial contribution as follows. The property must be acquired with Federal assistance specifically for a HOME project (or for affordable housing that will be counted as match pursuant to § 92.219(b)(2)). The property must be acquired with the Federal assistance at demonstrably below the appraised value and must be acknowledged by the seller as a donation to affordable housing at the time of the acquisition with the Federal assistance. The amount of the contribution is the difference between the acquisition price and the appraised value at the time of acquisition with the Federal assistance. If the property is acquired with the Federal assistance by someone other than the HOME project (or affordable housing) owner, to continue to qualify as a contribution, the property must be given to the HOME project (or affordable housing) owner at a price that does not exceed the amount of the Federal assistance used to acquire the property.

iii. Property must be appraised in conformance with established and generally recognized appraisal practice and procedures in common use by professional appraisers. Opinions of value must be based on the best available data properly analyzed and interpreted. The appraisal of land and structures must be performed by an independent, certified appraiser.

4. The cost, not paid with Federal resources, of on-site and off-site infrastructure that the participating jurisdiction documents are directly required for HOME-assisted projects. The infrastructure must have been completed no earlier than 12 months before HOME funds are committed to the project.
5. Proceeds from multifamily and single family affordable housing project bond financing validly issued by a State or local government, or an agency or instrumentality of a State or local government or a political subdivision of a State and repayable with revenues from the affordable housing project financed as follows:
 - i. Fifty percent of the loan amount made from bond proceeds to a multifamily affordable housing project owner may qualify as match.
 - ii. Twenty-five percent of the loan amount from bond proceeds made to a single-family affordable housing project owner may qualify as match.
 - iii. Loans made from bond proceeds may not constitute more than 25 percent of a participating jurisdiction's total annual match contribution.
6. The reasonable value of donated site-preparation and construction materials, not acquired with Federal resources. The value of site-preparation and construction materials is to be determined in accordance with the participating jurisdiction's cost estimate procedures.
7. The reasonable rental value of the donated use of site preparation or construction equipment.
8. The value of donated or voluntary labor or professional services (see § 92.354(b)) in connection with the provision of affordable housing. A single rate established by HUD shall be applicable for determining the value of unskilled labor. The value of skilled labor or professional services shall be determined by the rate that the individual or entity performing the labor or service normally charges.
9. The value of sweat equity (see § 92.354(c)) provided to a homeownership project, under an established component of a participating jurisdiction's program, up until the time of project completion (i.e., submission of a project completion form). Such labor shall be valued at the rate established for unskilled labor at paragraph (a)(8) of this section.
10. The direct cost of supportive services provided to families residing in HOME-assisted units during the period of affordability or receiving HOME tenant-based rental assistance during the term of the tenant-based rental assistance contract. The supportive services must be necessary to facilitate independent living or be required as part of a self-sufficiency program. Examples of supportive services include: case management, mental health services, assistance with the tasks of daily living, substance abuse treatment and counseling, day care, and job training and counseling.

11. The direct cost of homebuyer counseling services provided to families that acquire properties with HOME funds under the provisions of § 92.254(a), including ongoing counseling services provided during the period of affordability. These services may be provided as part of a homebuyer counseling program that is not specific to the HOME Program, but only the cost of services to families that complete purchases with HOME assistance may be counted as match.
- b. *Ineligible forms.* The following are examples that do not meet the requirements of paragraph (a) of this section and do not count toward meeting a participating jurisdiction's matching contribution requirement:
1. Contributions made with or derived from Federal resources or funds, regardless of when the Federal resources or funds were received or expended. CDBG funds (defined in 24 CFR 570.3) are Federal funds for this purpose;
 2. The interest rate subsidy attributable to the Federal tax-exemption on financing or the value attributable to Federal tax credits;
 3. Owner equity or investment in a project; and
 4. Cash or other forms of contributions from applicants for or recipients of HOME assistance or contracts, or investors who own, are working on, or are proposing to apply for, assistance for a HOME-assisted project. The prohibition in this paragraph (b)(4) does not apply to contractors (who do not own any HOME project) contributing professional services in accordance with paragraph (a)(8) of this section or to persons contributing sweat equity in accordance with paragraph (a)(9) of this section.

§ 92.221 Match Credit

- a. *When credit is given.* Contributions are credited on a fiscal year basis at the time the contribution is made, as follows:
1. A cash contribution is credited when the funds are expended.
 2. The grant equivalent of a below-market interest rate loan is credited at the time of the loan closing.
 3. The value of state or local taxes, fees, or other charges that are normally and customarily imposed but are waived, foregone, or deferred is credited at the time the state or local government or other public or private entity officially waives, forgoes, or defers the taxes, fees, or other charges and notifies the project owner.
 4. The value of donated land or other real property is credited at the time ownership of the property is transferred to the HOME project (or affordable housing) owner.
 5. The cost of investment in infrastructure directly required for HOME-assisted projects is credited at the time funds are expended for the infrastructure or at the time the HOME funds are committed to the project if the infrastructure was completed before the commitment of HOME funds.

6. The value of donated material is credited as match at the time it is used for affordable housing.
 7. The value of the donated use of site preparation or construction equipment is credited as match at the time the equipment is used for affordable housing.
 8. The value of donated or voluntary labor or professional services is credited at the time the work is performed.
 9. A loan made from bond proceeds under § 92.220(a)(5) is credited at the time of the loan closing.
 10. The direct cost of social services provided to residents of HOME-assisted units is credited at the time that the social services are provided during the period of affordability.
 11. The direct cost of homebuyer counseling services provided to families that purchase HOME-assisted units is credited at the time that the homebuyer purchases the unit or for post-purchase counseling services, at the time the counseling services are provided.
- b. *Excess match.* Contributions made in a fiscal year that exceed the participating jurisdiction's match liability for the fiscal year in which they were made may be carried over and applied to future fiscal years' match liability. Loans made from bond proceeds in excess of 25 percent of a participating jurisdiction's total annual match contribution may be carried over to subsequent fiscal years as excess match, subject to the annual 25 percent limitation.
- c. Credit for match contributions shall be assigned as follows:
1. For HOME-assisted projects involving more than one participating jurisdiction, the participating jurisdiction that makes the match contribution may decide to retain the match credit or permit the other participating jurisdiction to claim the credit.
 2. For HOME match contributions to affordable housing that is not HOME-assisted (match pursuant to § 92.219(b)) involving more than one participating jurisdiction, the participating jurisdiction that makes the match contribution receives the match credit.
 3. A State that provides non-Federal funds to a local participating jurisdiction to be used for a contribution to affordable housing, whether or not HOME-assisted, may take the match credit for itself or may permit the local participating jurisdiction to receive the match credit.

§ 92.222 Reduction of Matching Contribution Requirement

a. *Reduction for fiscal distress.* HUD will determine match reductions annually.

1. *Distress criteria for local government participating jurisdictions.* If a local government participating jurisdiction satisfies both of the distress factors in

paragraphs (a)(1)(i) and (ii) of this section, it is in severe fiscal distress and its match requirement will be reduced by 100% for the period specified in paragraph (a)(3) of this section. If a local government participating jurisdiction satisfies either distress factor in paragraphs (a)(1)(i) or (ii) of this section, it is in fiscal distress and its match requirement will be reduced by 50 percent, for the period specified in paragraph (a)(4) of this section.

i. *Poverty rate.* The average poverty rate in the participating jurisdiction was equal to or greater than 125 percent of the average national poverty rate during the calendar year for which the most recent data are available, as determined according to information of the Bureau of the Census.

ii. *Per capita income.* The average per capita income in the participating jurisdiction was less than 75 percent of the average national per capita income, during the calendar year for which the most recent data are available, as determined according to information from the Bureau of the Census.

2. *Distress criteria for participating jurisdictions that are States.* If a State satisfies at least 2 of the 3 distress factors in paragraphs (a)(2)(i) - (iii) of this section, it is in severe fiscal distress and its match requirement will be reduced by 100% for the period specified in paragraph (a)(3) of this section. If a State satisfies any 1 of the 3 distress factors in paragraphs (a)(2)(i) - (iii) of this section, it is in fiscal distress and its match requirement will be reduced by 50 percent, for the period specified in paragraph (a)(4) of this section.

i. *Poverty rate.* The average poverty rate in the State was equal to or greater than 125 percent of the average national poverty rate during the calendar year for which the most recent data are available, as determined according to information from the Bureau of the Census.

ii. *Per capita income.* The average per capita income in the State was less than 75 percent of the average national per capita income, during the calendar year for which the most recent data are available, as determined according to information from the Bureau of the Census.

iii. *Personal income growth.* The average personal income growth rate in the State over the most recent four quarters for which the data are available was less than 75 percent of the average national personal income growth rate during that period, as determined according to information from the Bureau of Economic Analysis.

3. *Period of match reduction for severe fiscal distress.* A 100% match reduction is effective for the fiscal year in which the severe fiscal distress determination is made and for the following fiscal year.

4. *Period of match reduction for fiscal distress.* A 50% match reduction is effective for the fiscal year in which the fiscal distress determination is made and for the following fiscal year, except that if a severe fiscal distress determination is published in that following fiscal year, the participating jurisdiction starts a new

two-year match reduction period in accordance with the provisions of paragraph (a)(3) of this section.

- b. *Reduction of match for participating jurisdictions in disaster areas.* If a participating jurisdiction is located in an area in which a declaration of major disaster pursuant to the Robert T. Stafford Disaster Relief and Emergency Assistance Act is made, it may request a reduction of its matching requirement. For a local participating jurisdiction, the HUD Field office may reduce the matching requirement specified in § 92.218 by up to 100 percent for the fiscal year in which the declaration of major disaster is made and the following fiscal year. For a State participating jurisdiction, the HUD Field office may reduce the matching requirement specified in § 92.218, by up to 100 percent for the fiscal year in which the declaration of major disaster is made and the following fiscal year with respect to any HOME funds expended in an area to which the declaration of a major disaster applies. At its discretion and upon request of the participating jurisdiction, the HUD Field Office may extend the reduction for an additional year.

SUBPART F – PROJECT REQUIREMENTS

§ 92.250 Maximum Per-unit Subsidy Amount and Subsidy Layering

- a. *Maximum per-unit subsidy amount.* The total amount of HOME funds and ADDI funds that a participating jurisdiction may invest on a per-unit basis in affordable housing may not exceed the per-unit dollar limitations established under section 221(d)(3)(ii) of the National Housing Act (12 U.S.C. 17151(d)(3)(ii)) for elevator-type projects that apply to the area in which the housing is located. These limits are available from the Multifamily Division in the HUD Field Office. If the participating jurisdiction's per-unit subsidy amount has already been increased to 210% as permitted under section 221(d)(3)(ii) of the National Housing Act, upon request to the Field Office, HUD will allow the per-unit subsidy amount to be increased on a program-wide basis to an amount, up to 240% of the original per unit limits.
- b. *Subsidy layering.* Before committing funds to a project, the participating jurisdiction must evaluate the project in accordance with guidelines that it has adopted for this purpose and will not invest any more HOME funds, in combination with other governmental assistance, than is necessary to provide affordable housing.

§ 92.251 Property Standards

- a.
1. Housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion, except as provided in paragraph (b) of this section. The participating jurisdiction must have written standards for rehabilitation that ensure that HOME-assisted housing is decent, safe, and sanitary. In the absence of a local code for new construction or rehabilitation, HOME-assisted new construction or rehabilitation must meet, as applicable: one of three model codes (Uniform Building Code (ICBO), National Building Code (BOCA), Standard

(Southern) Building Code (SBCCI)); or the Council of American Building Officials (CABO) one or two family code; or the Minimum Property Standards (MPS) in 24 CFR 200.925 or 200.926. To avoid duplicative inspections when FHA financing is involved in a HOME-assisted property, a participating jurisdiction may rely on a Minimum Property Standards (MPS) inspection performed by a qualified person. Newly constructed housing must meet the current edition of the Model Energy Code published by the Council of American Building Officials.

2. All other HOME-assisted housing (e.g., acquisition) must meet all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the housing quality standards in 24 CFR 982.401.
 3. The housing must meet the accessibility requirements at 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619).
 4. Construction of all manufactured housing must meet the Manufactured Home Construction and Safety Standards established in 24 CFR Part 3280. These standards pre-empt State and local codes covering the same aspects of performance for such housing. Participating jurisdictions providing HOME assistance to install manufactured housing units must comply with applicable State and local laws or codes. In the absence of such laws or codes, the participating jurisdiction must comply with the manufacturer's written instructions for installation of manufactured housing units. Manufactured housing that is rehabilitated using HOME funds must meet the requirements set out in paragraph (a)(1) of this section.
- b. The following requirements apply to housing for homeownership that is to be rehabilitated after transfer of the ownership interest:
1. Before the transfer of the homeownership interest, the participating jurisdiction must:
 - i. Inspect the housing for any defects that pose a danger to health; and
 - ii. Notify the prospective purchaser of the work needed to cure the defects and the time by which defects must be cured and applicable property standards met.
 2. The housing must be free from all noted health and safety defects before occupancy and not later than 6 months after the transfer.
 3. The housing must meet the property standards in paragraph (a)(1) of this section not later than 2 years after transfer of the ownership interest.
- c. An owner of rental housing assisted with HOME funds must maintain the housing in compliance with all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the housing quality standards in 24 CFR 982.401.

- d. All housing occupied by tenants receiving HOME tenant-based rental assistance must meet the housing quality standards in 24 CFR 982.401.

§ 92.252 Qualification as Affordable Housing: Rental Housing

The HOME-assisted units in a rental housing project must be occupied only by households that are eligible as low-income families and must meet the following requirements to qualify as affordable housing. The affordability requirements also apply to the HOME-assisted non-owner-occupied units in single-family housing purchased with HOME funds in accordance with § 92.254.

- a. *Rent limitation.* HUD provides the following maximum HOME rent limits. The maximum HOME rents are the lesser of:

1. The fair market rent for existing housing for comparable units in the area as established by HUD under 24 CFR 888.111; or
2. A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit. The HOME rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions.

- b. *Additional Rent limitations.* In rental projects with five or more HOME-assisted rental units, twenty (20) percent of the HOME-assisted units must be occupied by very low- income families and meet one of following rent requirements:

1. The rent does not exceed 30 percent of the annual income of a family whose income equals 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD provides the HOME rent limits which include average occupancy per unit and adjusted income assumptions. However, if the rent determined under this paragraph is higher than the applicable rent under (a) of this section, then the maximum rent for units under this paragraph is that calculated under paragraph (a).
2. The rent does not exceed 30 percent of the family's adjusted income. If the unit receives Federal or State project-based rental subsidy and the very low-income family pays as a contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project- based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

- c. *Initial rent schedule and utility allowances.* The participating jurisdiction must establish maximum monthly allowances for utilities and services (excluding telephone). The participating jurisdiction must review and approve rents proposed by the owner for units subject to the maximum rent limitations in paragraphs (a) or (b) of this section. For all units subject to the maximum rent limitations in paragraphs (a) or (b) of this section for which the tenant is paying utilities and services, the participating jurisdiction must ensure

47 that the rents do not exceed the maximum rent minus the monthly allowances for utilities and services.

- d. *Nondiscrimination against rental assistance subsidy holders.* The owner cannot refuse to lease HOME-assisted units to a certificate or voucher holder under 24 CFR part 982— Section 8 Tenant-Based Assistance: Unified Rule for Tenant-Based Assistance under the Section 8 Rental Certificate Program and the Section 8 Rental Voucher Program or to the holder of a comparable document evidencing participation in a HOME tenant-based rental assistance program because of the status of the prospective tenant as a holder of such certificate, voucher, or comparable HOME tenant-based assistance document.

<p>e. <i>Periods of Affordability.</i> The HOME-assisted units must meet the affordability requirements for not less than the applicable period specified in the following table, beginning after project completion. The affordability requirements apply without regard to the term of any loan or mortgage or the transfer of ownership. They must be imposed by deed restrictions, covenants running with the land, or other mechanisms approved by HUD, except that the affordability restrictions may terminate upon foreclosure or transfer in lieu of foreclosure. The participating jurisdiction may use purchase options, rights of first refusal or other preemptive rights to purchase the housing before foreclosure or deed in lieu of foreclosure to preserve affordability. The affordability restrictions shall be revived according to the original terms if, during the original affordability period, the owner of record before the foreclosure, or deed in lieu of foreclosure, or any entity that includes the former owner or those with whom the former owner has or had family or business ties, obtains an ownership interest in the project or property. Rental Housing Activity</p>	<p>Minimum period of affordability in years</p>
<p>Rehabilitation or acquisition of existing housing per unit amount of HOME funds: Under \$15,000</p>	<p>5</p>
<p>\$15,000 to \$40,000</p>	<p>10</p>
<p>Over \$40,000 or rehabilitation involving refinancing</p>	<p>15</p>
<p>New Construction or acquisition of newly constructed housing</p>	<p>20</p>

VIII. ACRONYMS

List of Neighborhood Development Acronyms

ACT	Cranston-Gonzales National Affordable Housing Act of 1990
ADA	Americans With Disability Act
AIDS	Acquired Immunodeficiency Syndrome
AMI	Area Median Income
AP	Action Plan
APR	Annual Performance Report
CAPER	Consolidate Annual Performance and Evaluation Report
CBDO	Community-Based Development Organization
CDBG	Community Development Block Grant (CDBG)
CFDA	Catalog of Federal Domestic Assistance (Grant numbers)
CFR	Code of Federal Regulations
CHDO	Community Housing Development Organization (HOME)
CLV	City of Las Vegas
CPD	(Office of) Community Planning & Development (HUD)
DPA	Down Payment Assistance
EA/ER	Environmental Assessment/Environmental Review
EEO	Equal Employment Opportunity
EIS	Environmental Impact Statement
EMSA	Eligible Metropolitan Statistical Area (HOPWA)
EPA	Environmental Protection Agency
ESG	Emergency Shelter Grant Program
ESL	English as a Second Language
EZ/EC	Empowerment Zone/Enterprise Community
FHEO	Fair Housing Equal Opportunity
FMR	Fair Market Rents
FY	Fiscal Year
GPR	Grantee Performance Report
HAMFI	HUD Adjusted Median Family Income
HCP	HUD Consolidated Plan
HOME	Home Investments Partnership Program

List of Neighborhood Development Acronyms

HOPWA	Housing Opportunities for People With Aids
HQS	Housing Quality Standards
HUD	(Department of) Housing and Urban Development
IDIS	Integrated Disbursement and Information System
LEP	Limited English Proficiency
LIHTC	Low-Income Housing Tax Credits Program
LIHTF	Low Income Housing Trust Fund
LMA	Low Income/Moderate Income Area (refers to Census Tracts)
LMC	Low Income/Moderate Income Client
IRA	Individual Retirement Account
IRS	Internal Revenue Service
MBE/WBE	Minority and Women Owned Business
MFI	Median Family Income
MOA	Memorandum of Agreement
MOU	Memorandum of Understanding
NDD	Neighborhood Development Division
NPO	Neighborhood Programs Officer
NRS	Nevada Revised Statutes
NSD	Neighborhood Services Department
OMB	Office of Management and Budget
PHA	Public Housing Authority
PI	Program Income
PJ	Participating Jurisdiction
RFA	Request for Application
RFI	Request for Interest
RFP	Request for Proposal
RFQ	Request for Qualifications
SHP	Supportive Housing Program
SRO	Single-Room Occupancy
URA	Uniform Relocation Act
WHHA	Welcome Home Homebuyer Assistance Program