



**Homes and
Community Renewal**

“How To” with HOME

Rural Housing Coalition Conference
September 24, 2024

Agenda

- Homebuyer Development
- Tenant Based Rental Assistance (TBRA)
- Returned/Recaptured Funds
- Assumptions
- Subordinations
- True/False Game
- Q&A



Homebuyer Development

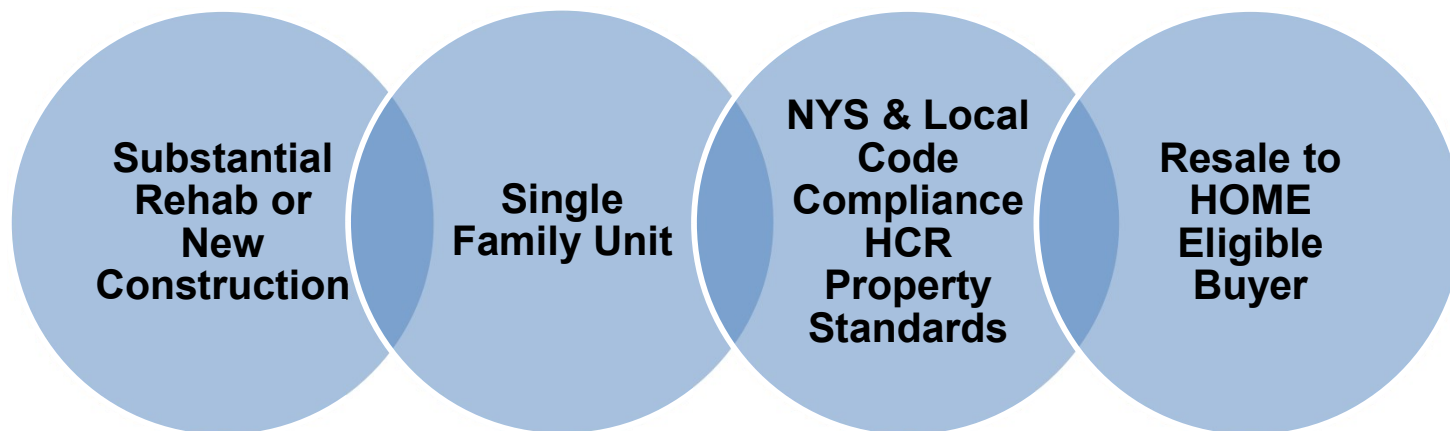
Marjorie McAllister | Assistant Program Director



Homebuyer Development

Increase the supply of single-family affordable housing throughout NYS

- 4 homes/units or less
- Nonprofit housing developers with a preference for Community Housing Development Organizations (CHDOs).



Maximum Award \$1,000,000

Maximum Per Unit Subsidy \$250,000



Funding Availability

- **\$10 million**
 - Available throughout NYS
 - Including other HOME PJs
- **Application materials posted on the HOME Program website**
[NYS HOME Program | Homes and Community Renewal](#)

Open funding round through October 31st, 2024



**Homes and
Community Renewal**

Funding Timeline

Q1 2025

3 Year Contract Term Begins

Wednesday, April 17th, 2024

Beginning of Open Round

Thursday, October 31, 2024

Applications Due by 4:00PM

Tuesday, April 30th, 2024

Application Presentation

November/December 2024

Estimated Award Announcements



**Homes and
Community Renewal**

Development Funding

0% interest loan
forgiven upon sale to
HOME eligible buyer

15% max developer fee
for nonprofits; 17% max
for CHDOs

Surplus proceeds from
the sale of the home, if
any, must be returned.

Disbursements as
costs incurred tied to
satisfactory inspections
and development
milestones

Construction loans or
lines of credit likely
needed but not
required



Eligible Homebuyers



- Combined household income of $\leq 80\%$ HOME Area Median Income (AMI) for the county served
- Live in the home as primary residence for the Period of Affordability
- Complete homeownership counseling with a HUD certified Housing Counselor.
- Underwritten to meet 45% back-end ratio and able to sustain ownership for the Period of Affordability.

Selling the Unit



Marketing plans and process

HOME Max Sales Price Limit & Fair Market Value

HOME Max subsidy limit subject to underwriting

Sold within 9 months of construction completion



Other Requirements

- Contract term 3 years
- Property Standards
- NEPA Environmental Review
- Underwriting Guidelines



TBRA Tenant Based Rental Assistance

Courtney Burke | Project Manager

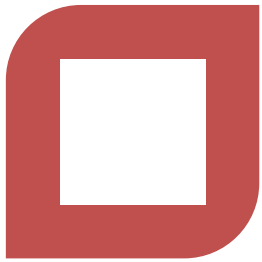
Program Overview



Maximum Award \$1,250,000 – Maximum Per Unit \$60,000



Key Program Elements



TENANT
SELECTION PLAN



PAYMENT
STANDARD



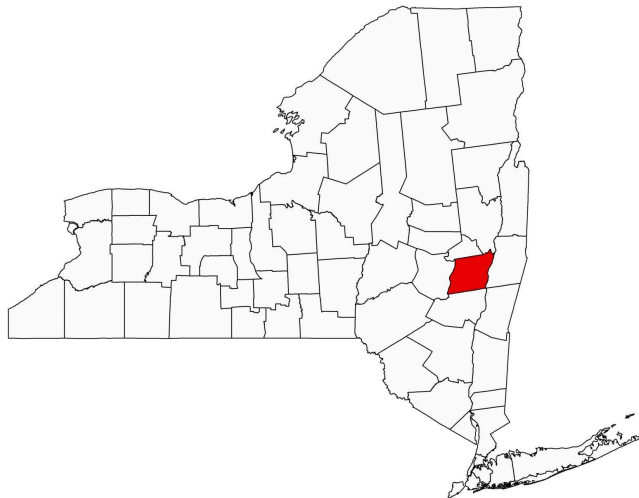
HOUSING QUALITY
STANDARDS
INSPECTION (HQS)



LEAD-BASED
PAINT INSPECTION

Schoharie County Rural Preservation Corporation

- ❖ Service Area: Schoharie County
- ❖ Rent, Security Deposit, Utility Assistance
- ❖ Partners with the local housing authority
- ❖ Section 8 waiting list is 2-3 years long



Since February 2023

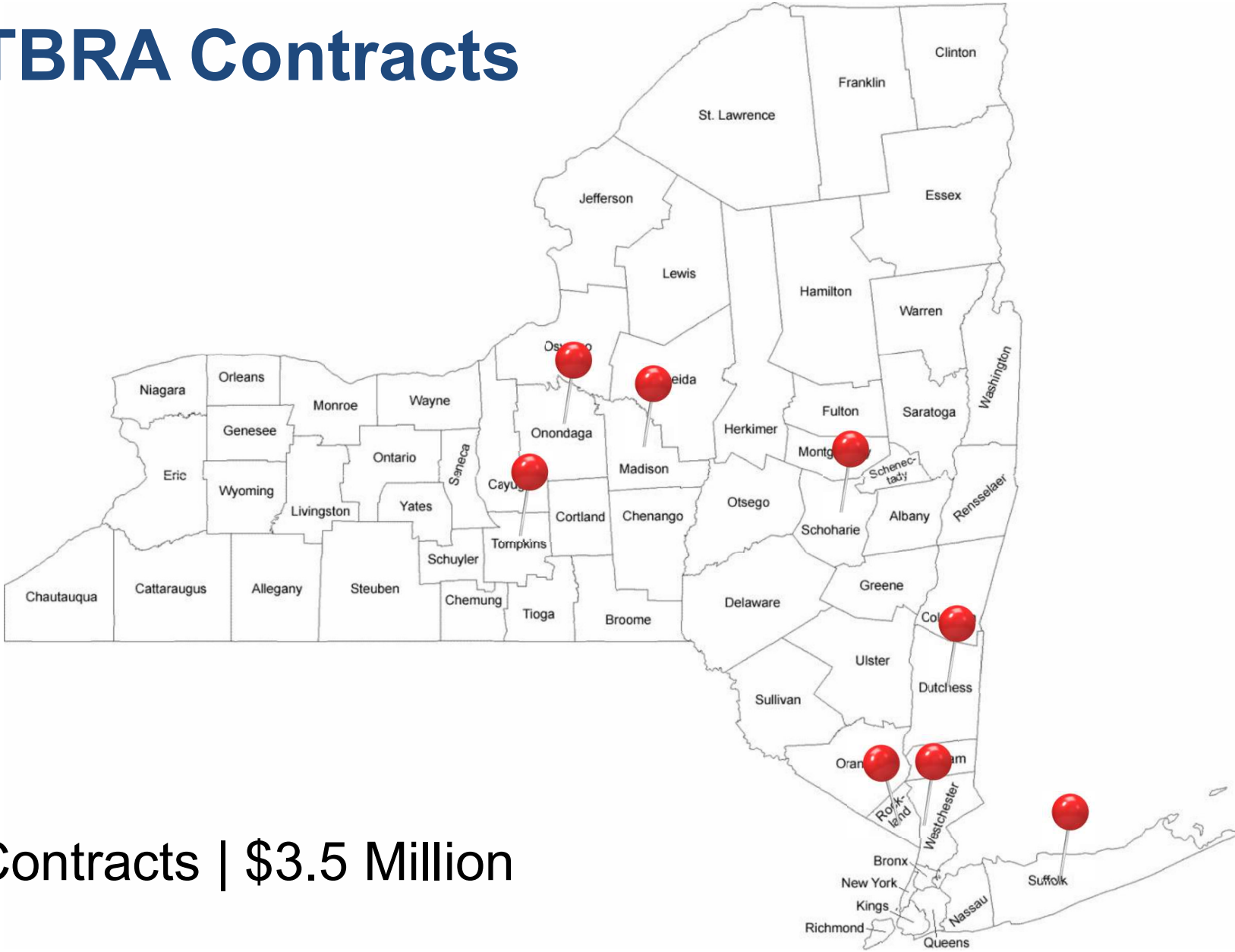
16 households

\$228,145



Homes and
Community Renewal

Current TBRA Contracts



8 Active Contracts | \$3.5 Million

Example

Single disabled man living in a homeless encampment

- Lost his job due to missing work because of his medical condition
- As a result, he was evicted
- His public assistance wasn't enough to afford housing

Tenant-Based Rental Assistance

- Received 24 months of rental assistance totaling to \$29,000

Outcome

- Ability to focus on his health
- Obtained Social Security Disability
- Transition to Section 8 while remaining in his current apartment
- No longer frequents the hospital
- Retained a primary care provider with medical insurance



Returned/Recaptured Funds Satisfactions Assumptions Subordinations

Sarah Braymer | Senior Project Manager



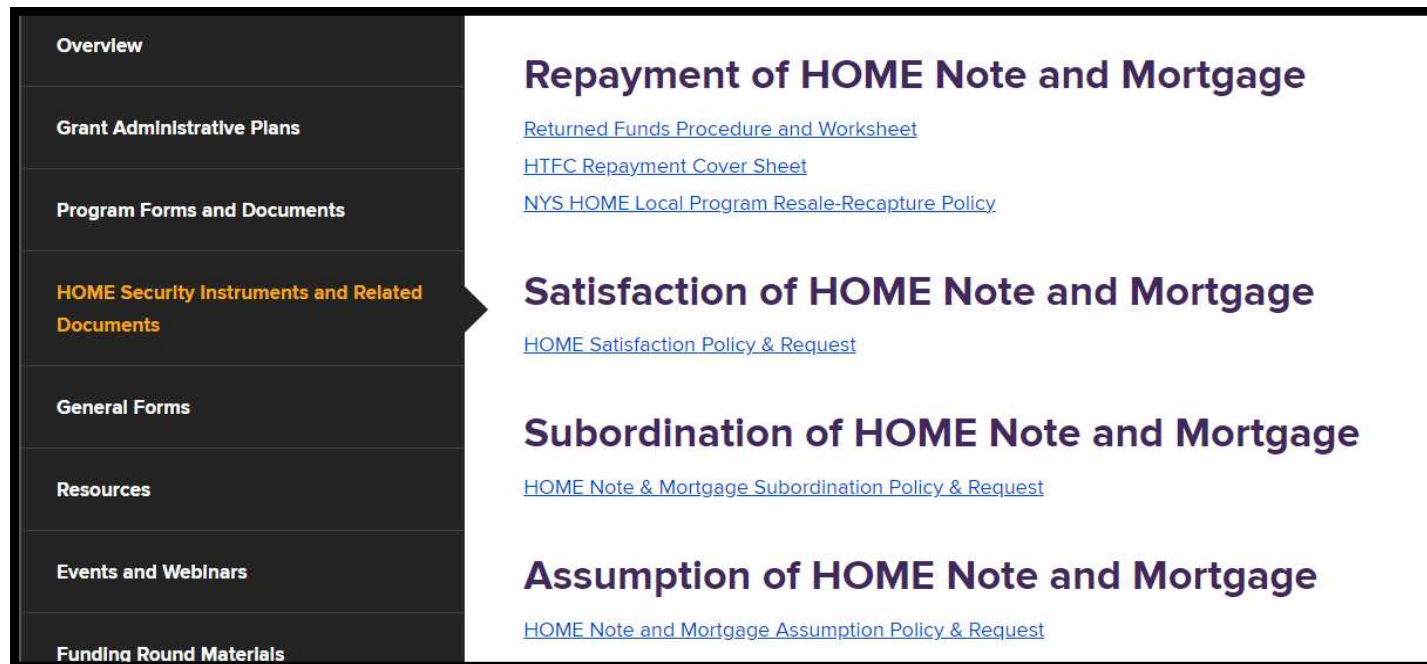
Processes

- **Returned funds** – unit is no longer the primary residence, typically due to sale
- **Satisfactions** – POA has been met, either by term or by returned funds
- **Subordinations** – Refinance, only under certain circumstances
- **Assumptions** – allowed in 2013, new owner assumes remaining terms/POA of HOME grant enforcement mortgage

All requests must be submitted to the HOME mailbox for review and approval, even if N&M is in name of LPA.

Resources

- Instructions and forms are available on the HOME website
- All requests must be reviewed and approved by HOME staff even if the mortgage is in the name of the LPA



The screenshot shows a website interface with a dark sidebar on the left containing a navigation menu. The menu items are: Overview, Grant Administrative Plans, Program Forms and Documents, HOME Security Instruments and Related Documents (highlighted in orange), General Forms, Resources, Events and Webinars, and Funding Round Materials. The main content area on the right is white and contains four sections, each with a bold heading and a link:

- Repayment of HOME Note and Mortgage**
[Returned Funds Procedure and Worksheet](#)
[HTFC Repayment Cover Sheet](#)
[NYS HOME Local Program Resale-Recapture Policy](#)
- Satisfaction of HOME Note and Mortgage**
[HOME Satisfaction Policy & Request](#)
- Subordination of HOME Note and Mortgage**
[HOME Note & Mortgage Subordination Policy & Request](#)
- Assumption of HOME Note and Mortgage**
[HOME Note and Mortgage Assumption Policy & Request](#)



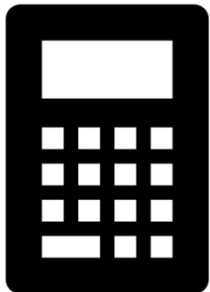
Returned Funds

- Triggered when the HOME-assisted individual is in **noncompliance with the principal residency requirement** (the unit is sold or vacant) during the **period of affordability**
- Repayment amount is based on the terms of the grant enforcement mortgage, and the date of the noncompliance
- Principal balance reduces annually
- Clause 6 or 7 of the grant enforcement mortgage lays out the terms
 - Older mortgages - if it references the IDIS completion date, that is what must be used
 - Homebuyer DPA – regardless of terms in the mortgage, must use the IDIS completion date as that is the HUD regulation



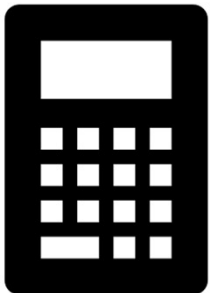
Returned Funds

- How to calculate:
 - HOME activity – Down Payment Assistance
 - HOME funds in HTFC mortgage - \$18,000
 - 10 year POA
 - IDIS completion date February 18, 2020



Returned Funds

- How to calculate:
 - HOME funds in HTFC mortgage - \$18,000
 - 10 year POA = repayment reduces by \$1,800 (1/10th) every year
 - Starting February 18, 2020 (IDIS completion date)
 - If home sells by 12/31/2024 - 4 year of POA have passed, 6 years remain
 - $4 \times \$1,800 = \$7,200$
 - The amount to be repaid = $18,000 - 7,200 = \mathbf{\$10,800}$



Returned Funds

7. The amount to be recaptured under this Note and Mortgage shall be the Recapture Obligation, except that such amount will be reduced as described herein. Commencing one year from the date of this Note and Mortgage (“Anniversary Date”), provided that Owner has continuously occupied the Property as his/her principal residence and is not in default hereunder, the Recapture Obligation will be reduced by 1/5th. On each Anniversary Date thereafter that Owner has continuously occupied the Property as his/her principal residence and is not in default hereunder, the Recapture Obligation will be further reduced by 1/5th.

6. The amount to be recaptured under this Enforcement Mortgage shall be the full amount of the Recapture Obligation, except that such amount will be reduced as follows: Commencing one year from date the unit was closed out in HUD's Integrated Disbursement and Information System (IDIS), provided that Owner has continuously occupied the Property as his/her principal residence and is not in default hereunder, the Recapture Obligation will be reduced by 1/5. The Period of Affordability for this unit is **FIVE (5) years** and the start date of the period of affordability is the date the unit was closed out in HUD's Integrated Disbursement and Information System (IDIS). Contact LPA or HTFC identified in Clause 15 for this date. Should the Owner continuously occupy the Property as his/her principal residence and not default hereunder for the full Period of Affordability of **FIVE (5) years**, no Recapture Obligation will be required.



Satisfactions

Period of affordability has been met

Older mortgages in the name of the LPA:
still need HTFC review and approval

If HTFC is the mortgagee, we provide the
satisfaction once reviewed and approved

Clause 6 or 7 of the grant enforcement
mortgage lays out the POA

Most mortgages have a self-extinguishing
clause (#12)

This should be sufficient to satisfy the
mortgage without a formal discharge

Subordinations

**HTFC
subordinates to
a new loan or
mortgage**

**Refinance while
the unit is still
within the POA**

- Lower interest rate, no cash out
- Major expense for education, home, or medical crisis

**Clause 8 in the
grant
enforcement
mortgage**

Assumptions

An income-qualified buyer/household assumes the terms of the HTFC grant enforcement mortgage and remaining length of POA

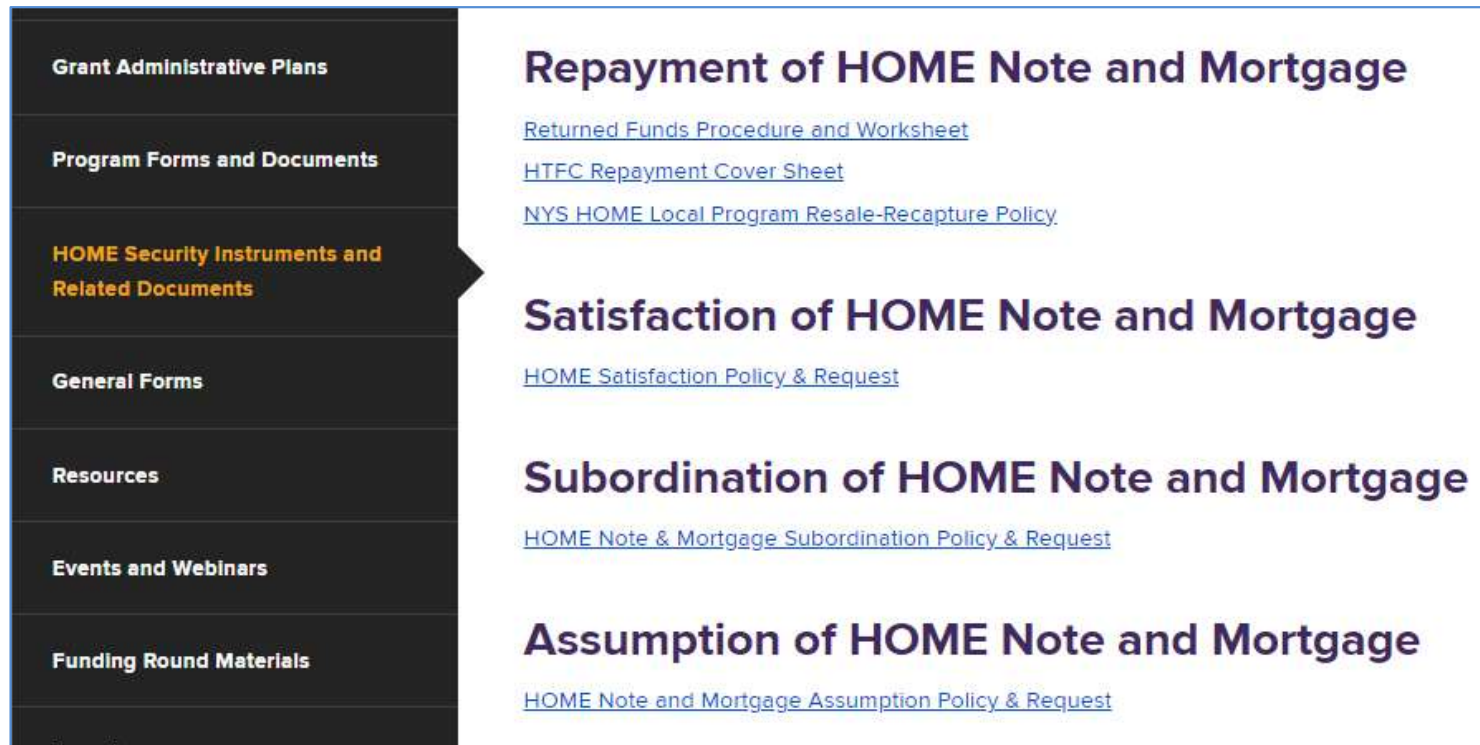
HOME regs – only permitted for post 2013 mortgages

AND the mortgage must include an assumption clause



Summary

- Any of these request require HTFC review and approval
- Requests must be sent to the HOME mailbox
- Instructions and forms for all of these are on the HOME website



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A close-up photograph of a yellow pencil with a sharpened lead tip, resting on a multiple-choice test paper. The paper has blue horizontal lines and several questions visible, each with four circular options labeled A, B, C, and D. The text "Quiz time!" is overlaid in a white box with a thin black border in the center of the image.

Quiz time!

True or False?

1. Rehabilitation is not available for manufactured homes **FALSE**
 - HOME now allows for rehabilitation for manufactured homes under the Homeowner Rehabilitation activity
2. Homebuyer Down Payment Assistance can be done in conjunction with Rehabilitation **TRUE**
 - Whether using HOME funds or funds from other sources, rehabilitation must be complete within 6 months of move-in
3. Procurement for program wide services can be done every 3 years **TRUE**
 - Services for rehabilitation coordinators, real estate appraisers, environmental or lead based paint specialists, and consultants must be procured at least every 3 years, be tracked and documented and memorialized in a written contract with the service provider

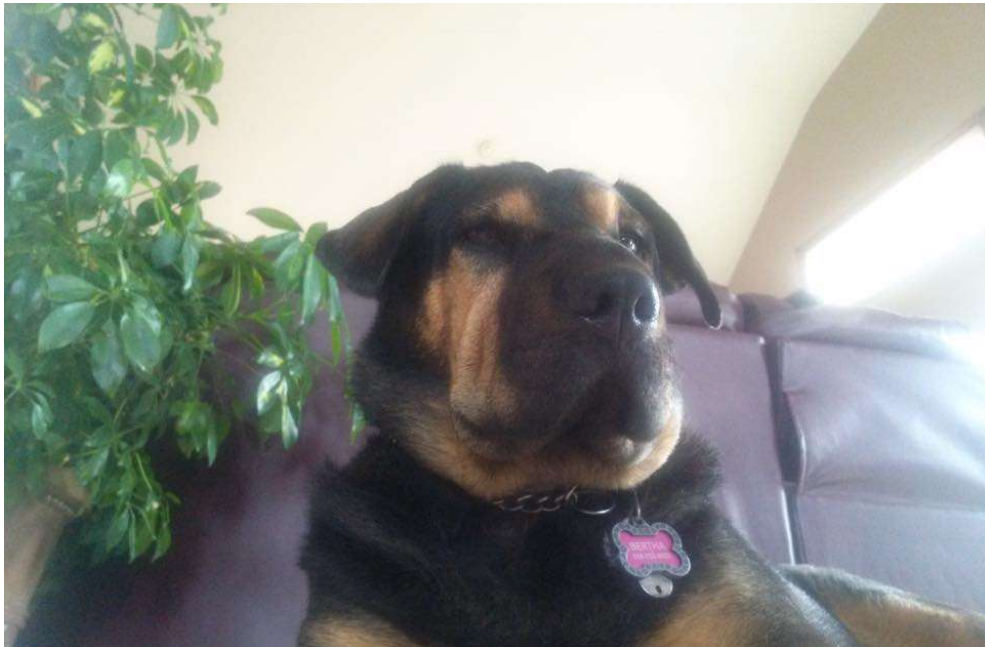


True or False?

4. A Lead-Based Paint visual inspection is always required for TBRA units **FALSE**
 - It is only required when there is a child under 6 in the home
5. Under TBRA, each individual unit in a building requires a separate Tier 2 environmental review **FALSE**
 - Tier 2 environmental clearance can be given to a whole building and applied to individual units
6. An LPA can assist a person in purchasing a 2-family unit with HOME funds **TRUE**
 - Purchases of 2–4-unit properties must cost allocate out rental units as HOME funds can only be used to assist the buyer/owner unit
7. An LPA may submit reimbursement for general office supplies **FALSE**
 - The LPA should utilize the 10% de minimis rate to obtain funds for indirect costs

True or False?

8. If a project falls out and does not proceed to completion, the LPA must cover the costs out of their own or other funds **FALSE**
 - LPAs can bill incomplete projects costs to Admin
9. If a project is over the per unit limit posted in the Administrative Plan, it is ineligible for assistance **FALSE**
 - LPAs may request waivers through their Project Manager, however costs must ultimately be within the HOME subsidy limits
10. The HOME Program is the best and most fun program to administer **TRUE**
11. Stephanie has a 14-year-old Sharpei Rottweiler mix **TRUE**





Where to go for HOME guidance



- Your HOME Contract
- Administrative Plans
- NYS HOME Website
 - <https://hcr.ny.gov/nys-home-program>
- Program Managers
- HOMEprogram@hcr.ny.gov

ANY
QUESTIONS
?



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