

## **FUNDING ELIGIBILITY**

- 1. Community Development Block Grant (CDBG)** – to provide housing, improve living conditions, improve community facilities, and expand economic opportunities, principally for low and moderate-income persons.
- 2. Home Investments Partnerships Program (HOME)** – to expand the supply of decent, safe, sanitary and affordable housing with primary attention to rental housing for very low-income families, and to strengthen the County’s ability to assist the financing and development of low and very-low income housing. In this program, housing units must be produced.

Each of these funding sources has a different purpose and different eligible activities that can be funded.

## **The Consolidated Plan Goals**

The three (3) goals of the Consolidated Plan are:

1. Provide decent, safe and sanitary affordable housing with a special emphasis on low-to-moderate income and special needs citizens;
2. Improve the quality of life for low-to-moderate income and special needs citizens; and
3. Improve physical sustainability, economic vitality and social well being as a foundation for systematic and comprehensive revitalization of low and moderate income communities.

# The Home Investment Partnerships (HOME) Program

## A. What is the HOME Program?

The HOME Program was created by the National Affordable Housing Act of 1990 (NAHA) and has been amended several times by subsequent legislation. The objectives of the program are:

1. Provide decent affordable housing to lower-income households,
2. Expand the capacity of non-profit housing providers,
3. Strengthen the ability of state and local governments to provide housing, and
4. Leverage private sector participation

All housing units produced with HOME funds must provide housing assistance to low and moderate-income households, as defined by HUD's Section 8 Guidelines:

2012 HUD HOME Section 8 Annual Income By Family Size <sup>1</sup>	1 Person	2 Persons	3 Persons	4 Persons	5 Persons	6 Persons	7 Persons	8 or more Person s
<b>VERY LOW:</b> Up to 30% of median	11,800	13,500	15,200	16,850	18,200	19,550	20,900	22,250
<b>VERY LOW:</b> Up to 50% of median	19,650	22,450	25,250	28,050	30,300	32,550	34,800	37,050
<b>LOW:</b> Up to 60% of Median	23,580	26,940	30,300	33,660	36,360	39,060	41,760	44,460
<b>LOW:</b> Up to 80% of median	31,450	35,950	40,450	44,900	48,500	52,100	55,700	59,300

<sup>1</sup> Effective Date, June 2011

## B. What Activities are Eligible for HOME Funding?

1. Homeowner Rehabilitation: HOME funds may be used to assist existing owner-occupants with the repair, rehabilitation or reconstruction of their homes
2. Homebuyer Activities: the County may finance the acquisition and/or rehabilitation or new construction of homes for low/moderate income homebuyers
3. Rental Housing: Affordable rental housing may be acquired and/or rehabilitated or constructed
4. Tenant-Based Rental Assistance (TBRA): Financial assistance for rent, security deposits and, under certain conditions, utility deposits may be provided to tenants. Assistance for utility deposits may only be provided in conjunction with a TBRA security deposit or monthly rental assistance program.

**C. There Are Some Limitations on the Use of the County’s HOME Funds:**

1. A minimum of fifteen percent (15%) of HOME funding must be set aside for Community Housing Development Corporation (CHDO) capital projects.
2. The HOME Program requires non-federal match funding at 25% of grant award.
3. Administrative costs cannot exceed 10% of the annual allocation.
4. Projects must (a) have a written agreement/contract within 24 months and (b) be completed with five (5) years of the County receiving HOME funds.
5. The minimum amount of subsidy per housing unit is \$1,000 and the maximum is calculated using HUD’s 221(d)(3) limits, based on number of subsidized units and the total cost of the project.
6. A maximum of 15% can be set aside for CHDO operating/capacity building.

**D. What Geographic Areas are Covered by HOME?**

A HOME project can occur anywhere within the County of Spartanburg but priority funding consideration will be given to HOME activities that occur within the Community Development Target Areas (CDTA). The CDTAs are made up of selected communities in which at least 51% of the population has incomes at or below 80% of the area median income.

**E. Keeping HOME-Assisted Units Affordable**

To ensure that HOME investments yield affordable housing over the long term, HOME imposes rent and occupancy requirements for all units produced over the length of an affordability period. For homebuyers and rental projects, the length of the affordability period depends on the amount of the HOME investment in the property and the nature of the activity funded. The table below provides the affordability periods.

HOME Investment Per Unit	Length of the Affordability Period
Less than \$15,000	5 years
\$15,000-40,000	10 years
More than \$40,000	15 years
New construction of <i>rental</i> housing	20 years
Refinancing of <i>rental</i> housing	15 years

## **F. HOME Rental Units and Tenant-based Rental Assistance (TBRA)**

### **HOME-assisted Rental Units**

1. A maximum subsidy per rental unit will apply, depending on
  - a. proportion of total project costs,
  - b. number of units to be subsidized, and
  - c. the overall financial needs of the project.
2. The number of HOME-assisted units must be specified at the time of project funding.
3. All assisted units must be rented to low-income eligible persons, leased for at least one (1) year, and leases may not contain certain provisions.
4. All assisted units must meet/be brought up to local housing code, conform to fair housing regulations, and a portion of the units may be required to be handicapped accessible.
5. Rents may not exceed specific HUD guidelines for the metro area, according to unit size.
6. Assisted units can only be rented to low-income tenants for 5-20 years, depending on the type of construction and level of HOME investment.

### **TBRA-Assisted Units**

1. TBRA assistance offers a household the opportunity to choose its neighborhood and type of housing; the assistance “travels” with the individual/family; it is not project based.
2. All assisted persons/families must be low-income but at least *100% of those assisted must be at/below 80% local area median income (AMI)*.
3. TBRA funds may be used for rent, security, and/or utility deposits.
4. Individuals/families assisted must be from within the County of Spartanburg (but rental units may be outside the County of Spartanburg).
5. TBRA requires certain lease requirements, including County/HUD approval to increase rent rates.
6. Individual assistance is limited to 24 months, unless otherwise approved by the County/HUD.
7. Assistance may not be used for relocation/displacement, rent in cooperatives, or temporary/emergency shelter.
8. All rental units must meet local housing code and/or HUD Housing Quality Standards (HQS), including lead-based paint regulations.

*For more information concerning the HOME program, access the following HUD web site:*

<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm>