

# HOME Investment Partnerships Program



## Overview:

- Provides formula grants to states and localities that communities use - often in partnership with local nonprofit groups - to fund a wide range of activities:
  - building, buying, and/or rehabilitating affordable housing for rent or homeownership.
- It is the largest Federal block grant to state and local governments designed exclusively **to create affordable housing** for low-income households.

HOME Program Staff Recommendation	Justification:
<p><b>Homeowner Rehabilitation Assistance (HRA):</b> provides funding for assisting lower income households that own their home with the following activities:</p> <ul style="list-style-type: none"> <li>• rehabilitation</li> <li>• reconstruction</li> <li>• new construction</li> </ul>	<ul style="list-style-type: none"> <li>• A Workforce Housing City Council Strategic Initiative's objective: <b>maintain existing housing stock in safe conditions</b></li> <li>• Relocation also possible (removal from floodways or other geographic areas)</li> <li>• BR3T is not rehabilitating houses in 2018 (Related to CDBG program)</li> <li>• Southside Community Center only funded \$100,000 for home rehabs in 2018 (Related to CDBG program)</li> </ul>

Application process through Texas Department of Housing and Community Affairs Reservation System\*

Application components require attention from:

Council	Staff
(1) Local Cash Reserves (\$40,000)	Previous Participation
(2) Match (15%)	✓ Affirmative Fair Housing Marketing Plan
(3) Resolution	Administrative Forms Construction Oversight

\*Available funding based on a communal pot, no deadline to apply. Funds may be moved into Reservation System to meet demand.

# **(1) Local Cash Reserve**

## **The cash reserve requirement for Homeowner Rehabilitation Assistance (HRA) is \$40,000.**

Must provide documentation of financial capacity through **one** of the following methods:

- (1) Accounting financial statements indicating adequate local unrestricted cash or cash equivalents to utilize as cash reserves as well as a letter from the applicant's bank or financial institution stating the balances are available.
- (2) Evidence of an available line of credit or equivalent in an amount equal to or exceeding \$40,000

## **(2) Match**

- A. Amount needed
- B. Types of matches
- C. Matches used previously



**A. Amount Needed** - The Match Requirement is 15%.

Region 7 was allocated \$565,543 for HRA. (Region 7 includes 24 places, including San Marcos, Austin, Leander, Kyle, Buda, Georgetown.)

**Sample HOME Program Match Breakdown**

1-3 Bedroom		4 Bedroom	
Price per ft²	\$90	Price per ft²	\$90
Total ft²	1307	Total ft²	1438
Total Cost	\$117,647	Total Cost	\$129,412
<b>City Match 15%</b>	<b>\$17,647</b>	<b>City Match 15%</b>	<b>\$19,412</b>
HOME Program Cap	\$100,000	HOME Program Cap	\$ 110,000

**City Match Estimate 4 houses per year**

Three (1-3 Bedroom)    \$52,941

One (4 Bedroom)    \$19,412

**Total City Match:    \$72,353**



## B. Types of Matches

1. Cash / cash equivalents from non-federal sources
2. Value of waived taxes, fees or charges associated with HOME projects
3. Value of donated labor (includes volunteers)
4. Value of donated professional services
5. Donated site preparation (limit \$1,500/unit)
6. Donated demolition services (limit \$4,000/unit)
7. Cost of infrastructure improvements associated with HOME projects
8. Value of donated use of site preparation or construction equipment and materials
9. Donated real property
- ~~10. Direct cost of homebuyer counseling (N/A)~~

## C. Matches used previously

- Councilwoman Robertson provided housing plans and specifications at no-cost
- Water department donated a dual-flush toilet for each home
- Primary means of the Match were satisfied using the employee man-hours and equipment usage to calculate “force labor” during the demolition process
- Rental fees for dumpsters and large equipment



## **(3) Resolution**

## **Requirements:**

1. Authorization of application submission
2. Commitment of and amount of cash reserves
3. Source of funds for Match and Match dollar amount
4. Name and title of the person authorized to represent the organization and who also has signature authority to execute a contract and grant agreement or loan documents
5. Enforcement of applicant's Affirmative Fair Housing Marketing Plan
6. Date passed (must be within 6 months prior to application)

# QUESTIONS?

