



HOME Investment Partnerships Program (HOME)

Subrecipient Orientation | June 28, 2023 | FY 2023-2024 |

Agenda

1. Welcome
2. Introductions
3. HOME – HUD Basics
4. Participant Eligibility
5. Income Limits
6. Compliance & Reporting
7. Common Challenges
8. Q&A
9. HOME Specific Regulations
10. Federal Regulatory Regulations
11. Closing



Introductions

HOME – HUD Basics

- Moreno Valley (“City”) is an “Entitlement City”
- The City is considered the HUD Grant Recipient (grantee).
- Each of you are Subrecipients (sub-grantees) carrying out activities identified in the City’s 2023-2028 Five Year Consolidated Plan and 2023-24 Annual Action Plan



HOME Grant Objectives

- Expanding the supply of decent and affordable housing, particularly housing for low- and very low-income;
- Strategies for achieving adequate supplies of decent, affordable housing;
- Providing financial and technical assistance to participating jurisdictions; and
- Extending and strengthening partnerships among all levels of government and the private sector in the production and operation of affordable housing.



HOME Allowable Uses

- New Construction
- Conversion
- Rehabilitation
- Site Improvements
- Reconstruction



HOME Allowable Uses – cont.

- Acquisition of Property
- Acquisition of Vacant Land
- Demolition
- Relocation Costs

Project-Related Soft Costs

Examples Include:

- Finance-Related Costs
- Architectural
- Engineering
- Related Professional Services
- Tenant & Homebuyer Counseling
- Project Audit Costs
- Affirmative Marketing & Fair Housing Services to Perspective Tenants or Owners of Assist Project(s)

Maximum Per-Unit Subsidy Limit

| | HOME Maximum Subsidy |
|----------|----------------------|
| Bedrooms | |
| 0 | \$159,754 |
| 1 | \$183,132 |
| 2 | \$222,694 |
| 3 | \$288,094 |
| 4+ | \$316,236 |



Requirements: Committing HOME Funds

- Necessary financing has been secured
- Budget and schedule has been established
- Underwriting is complete
- Construction is scheduled to start within 12 months
- NEPA is complete



Acquiring Land with HOME Funds

Under [2 CFR 92.205\(a\)\(2\)](#), land can only be acquired for a specific local project, with construction scheduled to begin within 12 months of commitment.



Environmental Review Requirements

HUD environmental review regulations at [24 CFR Part 58](#) prohibit HOME funds or non-HUD funds from being committed to a project prior to completion of environmental review requirements.



Development Completion Timeline

Project completion deadline In accordance with [24 CFR 92.205\(e\)\(2\)](#), a PJ must complete each project within 4-years of the date of commitment of funds to the project.



Development Completion Timeline – cont.

- Construction is scheduled to begin within 12 months
- Project completion must be achieved within 4 years
- All HOME-assisted homebuyer units must be sold to an eligible homebuyer within 9-months of construction completion
- All HOME-assisted rental units must have initial occupancy within 18- months of project completion

Participant Eligibility

- Household income must be verified to qualify benefited persons as Low and Very-Low income using HUD Income Limit table.
 - Verifying documents may include, among others, most recent tax return showing reported dependents, W-2's of household members, recent pay stubs, bank statements, etc.
- For rehabilitation projects, proof of home ownership is also required.
 - Verifying documents should include a title report, deed of trust and most recent property tax bill.

Income Limits

Maximum Annual Household Income Limits as Determined by HUD effective May 15, 2023

| | # of Persons in Household | | | | | | | |
|----------------------------|---------------------------|----------|----------|----------|----------|----------|----------|----------|
| | 1 | 2 | 3 | 4 | 5 | 6 | 7 | 8 |
| Extremely Low Income (30%) | \$19,600 | \$22,400 | \$25,200 | \$30,000 | \$35,140 | \$40,280 | \$45,420 | \$50,560 |
| Very Low Income (50%) | \$32,650 | \$37,300 | \$41,950 | \$46,600 | \$50,350 | \$54,100 | \$57,800 | \$61,550 |
| Low Income (80%) | \$52,200 | \$59,650 | \$67,100 | \$74,550 | \$80,550 | \$86,500 | \$92,450 | \$98,450 |



Reporting & Monitoring

- Participant Eligibility
- Monthly Performance Statistics
- Request for Reimbursement
- Monitoring

Common Challenges

- Monitoring identifies non-compliance of HUD regulations resulting in a Finding. Common Findings include:
 - Inadequate record keeping; Lack of adequate accounting policies and procedures and internal controls.
 - Monitoring identifies non-compliance of City Agreement resulting in a Concern. Common Concerns include:
 - Late filing of invoices; Incomplete reporting; Lack of promotion

Q & A



HOME Specific Regulations & Policy

- Lead-Based Paint Testing ([24 CFR Part 35](#))
 - Rehab and repairs on homes built prior to 1978. Some De Minimus rules apply allowing exemptions ([24 CFR Part 35.1350](#)).
- Prevailing Wages ([24 CFR Part 92](#))
 - Prevailing wage required for projects containing cumulatively more than 12 units.

HOME Specific Regulations & Policy – cont.

- Rehab projects are subject to [HUD and City rehabilitation standards](#).
- Full HOME regulations found in [24 CFR Part 92](#).

Federal Regulatory Requirements

- Title 2 of Code of Federal Regulations Part 200 ([2 CFR Part 200](#))- Uniform Administrative Requirements:
 - Conflict of Interest ([200.112](#))
 - Standards of Financial Management ([200.302](#))
 - Internal Controls ([200.303](#))
 - Program Income ([200.307](#))
 - Procurement Standards ([200.320](#))
 - Monitoring ([200.329](#))
 - Direct & Indirect Cost Principles ([200.412](#) & [200.413](#))
 - Audit Requirements ([200.501](#))

Federal Regulatory Requirements cont.

- Title 24 of Code of Federal Regulations Part 570 ([24 CFR Part 570](#))- Basic provisions for all CDBG grants:
 - Eligible Activities; National Objectives
 - Records to be maintained
 - Labor standards (Davis-Bacon Prevailing Wage)
- Section 3 requirements for HUD awards in excess of \$200,000 for Covered Projects. Most CDBG and ESG programs are exempt.
- Various non-discrimination and affirmative action regulations.

HUD Exchange – CDBG Resources

- Register for [HUD Exchange Account](#)
- [*Building HOME Online Training*](#)
- [*HOME On-Demand Training*](#)

We're Here to Help!

Moreno Valley

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