



## ELIGIBLE AND INELIGIBLE

## HOME FUNDED ACTIVITIES

### ☐ Eligible HOME Activities and Costs

- **Hard Costs**
  - New construction of affordable housing
  - Rehabilitation of affordable housing
  - Reconstruction of affordable housing
  - Conversion to affordable housing
  - Site Improvements related to the development of affordable housing
- **Refinancing of existing debt secured by a housing project that is being rehabilitated w/ HOME Funds**
  - Refinancing of debt on a single-family (one to four family) owner occupied housing that is being rehabilitated with HOME funds and the refinancing will reduce the overall monthly housing cost to make it affordable
- **Acquisition Costs**
  - Improved or unimproved
  - Purchase of property by home buyers
- **Soft Costs necessary for the financing, development, rehabilitation or acquisition of housing using HOME Funds**
  - Architectural, engineering, and related professional services
  - Costs to process and settle the financing for a project such as lender origination fees, appraisal fees, etc.
  - Project audit costs and certification of costs by a CPA
  - Costs to provide information services such as affirmative marketing and fair housing information
  - Costs of funding an initial operation deficit reserve during the period of initial project rent-up but not to exceed 18 months

- Staff and overhead costs directly related to carrying out the project such as work specifications, loan processing inspections, housing consultation, etc.
  - Cost for the payment of impact fees that the local jurisdiction changes for all housing projects
  - Cost of environmental review and release of funds
- **CHDO Costs**
    - Cost of project-specific technical assistance and site control loans
    - Project feasibility costs, consulting fees, legal fees, architectural and engineering fees, property options, site control, and title clearance
    - Project specific seed money loans for preconstruction costs that are customary and reasonable such as costs of obtaining firm financing, construction loan commitments, architectural plans and specifications, zoning approvals, legal fees, etc.
- **Relocation costs for displaced households**
    - Relocation payments and other relocation assistance for persons displaced by the housing project
    - Replacement housing payments, moving expenses and payment for reasonable out-of-pocket costs incurred in the temporary relocation of persons
    - Other relocation assistance such as staff and overhead costs directly related to providing advisory and other relocation services to displaced persons
- **Administrative and planning costs**
    - General management, oversight and coordination
    - Staff and overhead costs
    - Public information costs in the planning and implementation of projects
- **Other Costs**
    - Fair housing activities to affirmatively further fair housing
    - Indirect costs as part of a cost allocation plan

- Preparation of the consolidated plan
- Compliance and reporting in reference to Federal requirements
- Tenant-based rental assistance (TBRA)
- Rental assistance and security deposit payments
- Utility deposit assistance only if rental or security deposit payments are made
- Cost of inspecting the housing and determining income eligibility of the household
- Troubled HOME-assisted rental housing projects
  - Applies to only an existing HOME assisted rental project
  - Project is no longer financially viable during the HOME 20 year affordability period for rental projects
  
  - Operating costs significantly exceed the operating revenue
  - HUD must approve this cost to preserve an affordable rental project
  - Additional HOME Funds and original HOME Funds may not exceed the maximum amount of per-unit subsidy [Section 221 (d)(3)(ii)]

**❑ Ineligible HOME Activities**

- **HOME funds may not be used to:**
  - Provide project reserve accounts, except for new construction or rehabilitation of an initial operating deficit reserve during the period of project read-up (not to exceed 18 months)
  - Provide tenant-based rental assistance for the special purpose of the existing Section 8 Program
  - Provide non-Federal matching contribution required under another Federal Programs
  - Provide assistance for uses authorized by Public Housing Capital and Operating Funds
  - Prepayment of Low Income Housing Mortgages

- Provide assistance to a homebuyer to acquire housing previously assisted with HOME funds during the period of affordability
- Provide funds for the acquisition of property owned by the participating jurisdiction (P.J.) except for property acquired by the P.J. with HOME funds, or property acquired in anticipation of carrying out a HOME project
- Pay for delinquent taxes, fees or charges on properties to be assisted with HOME funds
- Pay for any cost that is not listed as eligible under the HOME Regulations



## **ELIGIBLE AND INELIGIBLE**

## **HOME-ARP FUNDED ACTIVITIES**

### **☐ Eligible HOME-ARP Activities**

The following types of activities may be eligible for funding under the HOME ARP Program:

- Rental Development
- Supportive services
- Tenant Based Rental Assistance (TBRA)
- Non-Congregate Shelter
- Operating Assistance and Capacity Building
- Administration and Non-Profit Operating Expenses

### **☐ Ineligible HOME-ARP Activities**

- Homeownership Programs
- Development of Homeowner Housing