



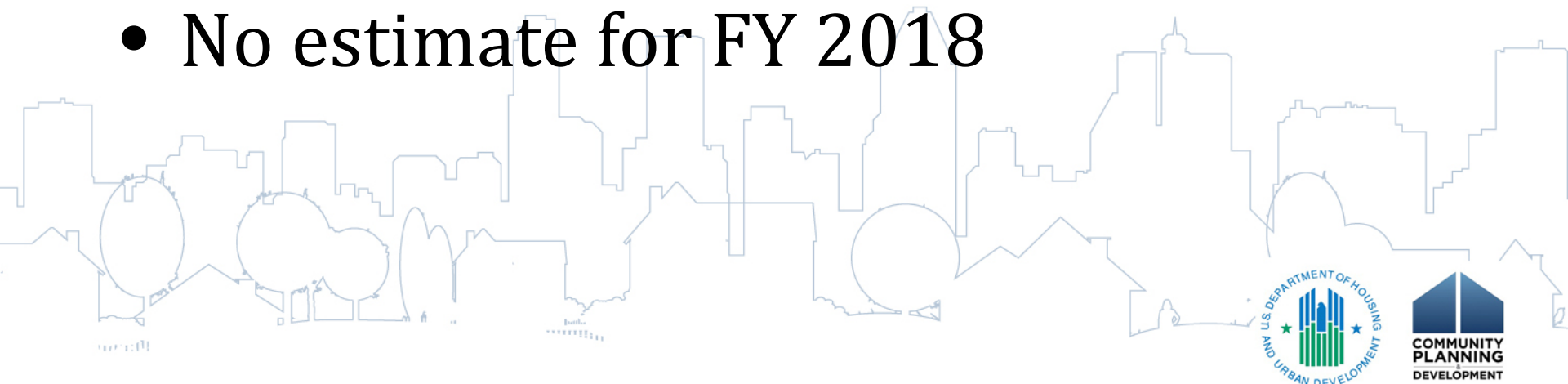
# **HOME and Housing Trust Fund Breaking News**

**NCSHA HFA Institute  
January 8, 2018**

U.S. Department of Housing and Urban Development

# Housing Trust Fund

- FY 2017 - \$219.17 million allocated
- 28 grantees received \$3 million minimum – down from 35 in FY 16
- 3 Insular Areas declined allocations
- No estimate for FY 2018



# HOME Budget

- No FY 2018 Administration Request for HOME or HTF
  - House mark - \$850 million
  - Senate mark - \$950 million
- No legislative proposals in budget
- Continuing Resolution in effect through January 19<sup>th</sup>



# Regulatory Reform Process

- NCSHA and many individual State HFAs submitted comments on HOME and HTF
- OAHP has reviewed/assessed comments:
  - HOME Program comments largely relate to statutory provisions (e.g., CHDOs)
  - HTF Program wide range of comments about allocation plan requirements, rents, operating cost assistance, etc.



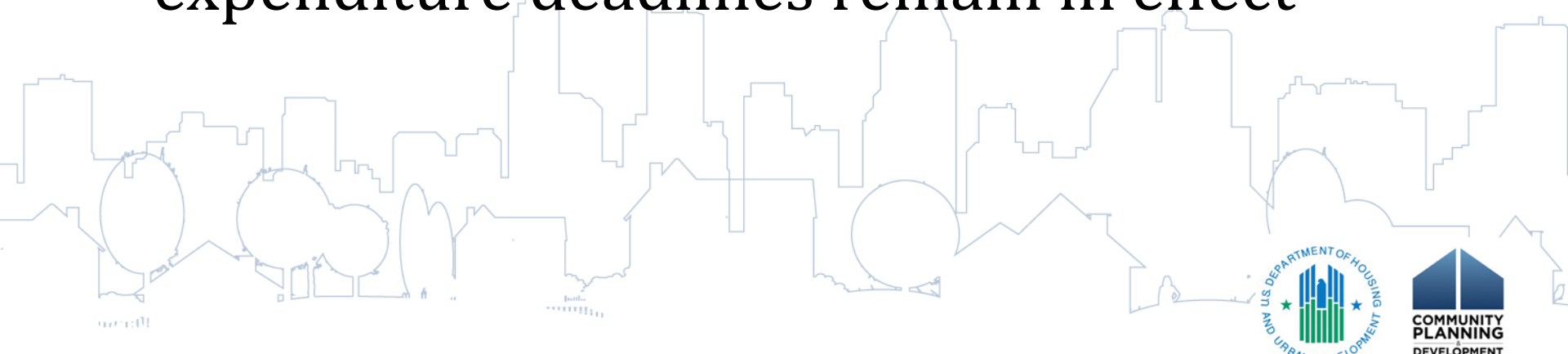
# Section 3 Rulemaking

- Section 3 requirements governed by an interim regulation since 1994
- In 2015, HUD published a proposed rule that would have significantly changed Section 3 applicability and compliance
- HUD working on new proposed rule to increase effectiveness & address concerns about administrative burden



# HOME Commitment Deadline

- FY 2017 HUD Appropriations Act suspended 24-month commitment deadlines occurring during calendar 2016, 2017, 2018, and 2019
- CHDO reservation (commitment) and 5-year expenditure deadlines remain in effect





# HOME Commitment Rule

- HUD published interim rule (Dec 2016) implementing grant-specific deadline compliance for FY 15 & later HOME grants.
  - CHDO set-aside measured grant-by-grant
  - 5-yr Expenditure Deadline eliminated (2019)
- Beginning in FY 2016, program income & other funds in “local” HOME account are accumulated and programmed in next year’s Action Plan



# Funds Not Committed by “Deadline”

- States left a total of \$104.6m uncommitted as of their would be deadlines
  - \$63.6m cumulative (1992-2014)
    - Highest shortfall was nearly \$14m
    - 20 States had no shortfall
  - \$41m FY 2015
    - Highest shortfall was nearly \$4m
  - 16 States had no shortfall
- Be prepared to resume compliance in 2020





# CHDO Deobligations

- For deadlines occurring in 2017:
  - 55 Deobligations from PJs in 17 States for deadlines through September 30, 2017
    - One state has unresolved CHDO shortfall
  - 46 PJs lost entire 15% CHDO set-aside
  - 23 Deobligations from PJs in California
  - Deobligations range from \$ 1,000 to \$309,000
  - Dollar amount is relatively small - \$3.7 million



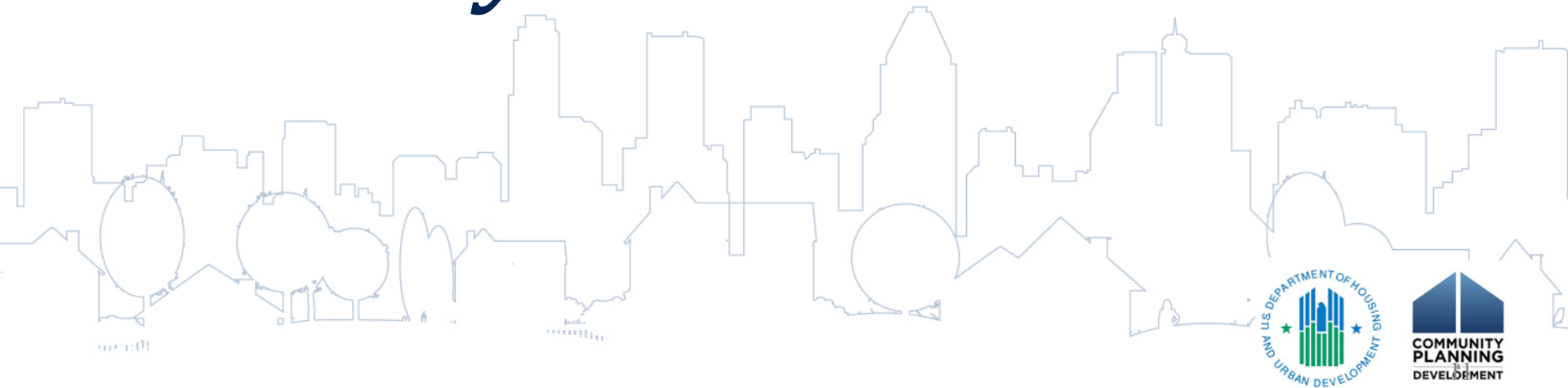
# CHDO Set-Aside Challenges

- Avg. HOME Cost per CHDO Unit = \$63,070
  - \$63,070 is 15% of \$420,467
- 203 of 581 (35%) Local PJs' FY 17 HOME Allocations < \$420,467
- Smaller HOME allocations means “effective” CHDO set-aside for 35% of local PJs is greater than 15%



# HOME

## *By the Numbers*



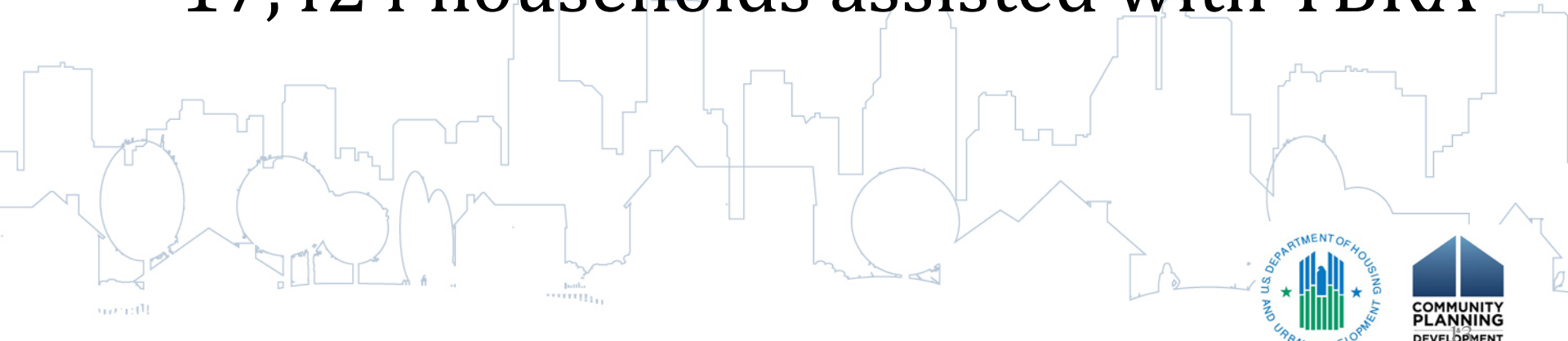
# HOME – Historical Accomplishments

- HOME program (as of December 31, 2017):
  - 1,273,156 HOME units completed
    - 505,469 rental units (39.7%)
    - 522,732 homebuyer units (41.1%)
    - 244,955 homeowner rehab units (19.2%)
  - 337,733 households received TBRA
  - Historical average HOME cost/unit = \$25,117
  - Historical average TBRA/household = \$3,308
  - Historical leveraging 4.32 : 1



# HOME FY 2017 Accomplishments

- 28,812 HOME units completed
  - 15,837 rental units (52.7%)
  - 9,881 homebuyer units (32.9%)
  - 4,307 homeowner rehab units (14.4%)
- 17,424 households assisted with TBRA



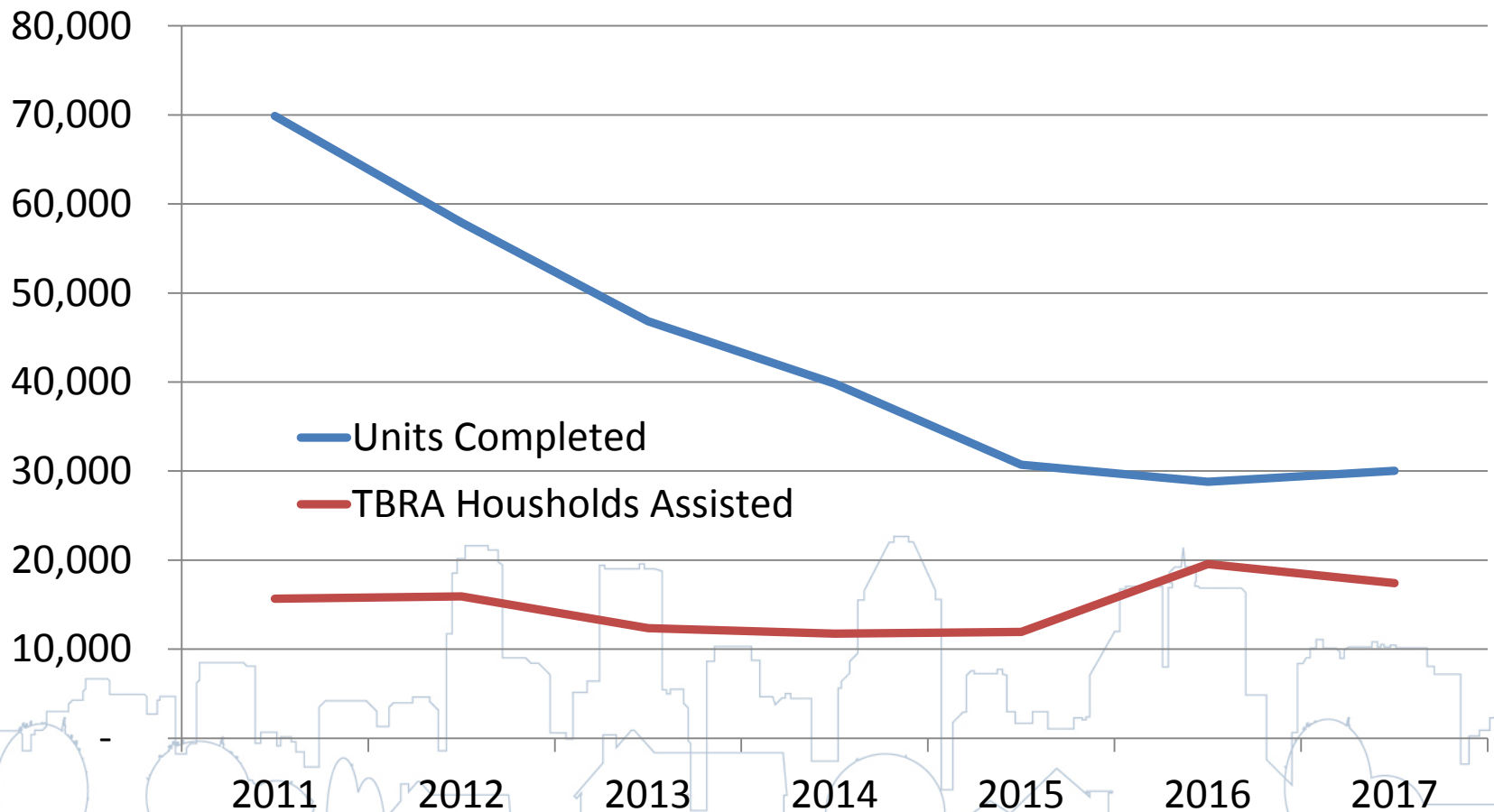
# HOME 2016 vs. 2017 Accomplishments

	2016	2017	Change
Rental Units	14,026	15,837	1,811
Homebuyer Units	10,050	9,881	-169
Homeowner rehab	4,736	4,307	-429
<b>Total Units Completed</b>	<b>28,812</b>	<b>30,025</b>	<b>1,213</b>
TBRA Households	19,576	17,424	-2,152





# HOME Seven-Year Trend



# State Cost/Unit and TDC

- From FY 2013-2017, States spent \$1.76 billion of HOME funds on 30,290 HOME rental units
  - State average HOME cost per unit ranged from \$23.7K to \$154.8K
  - State average TDC/unit = \$181K



# State Leverage

- From FY 2013-2017, States leveraged \$10.6 billion of other funds on HOME rental projects
  - State HOME funds average 14% of project total development cost
  - States leveraged \$6 of other funds for every \$1 of HOME



# State HOME & LIHTC

- From FY 2013-2017, States used \$6.3 billion of LIHTC in their own HOME projects
  - Total LIHTC equity in State HOME projects ranged from \$5.8m - \$621.8m
  - Average total LIHTC equity in State HOME/LIHTC projects is \$126m



# HOME & LIHTC – all PJs

- From FY 2013-2017, among all State and local PJs:
  - 44.7% of all HOME funds used for LIHTC projects
  - 67.2% of all HOME funds used for rental projects were in LIHTC projects
  - 62.1% of all completed HOME rental units were in LIHTC projects
  - 35.9% of all HOME rental projects were LIHTC projects



# HOME for TBRA

- From FY 2013-2017, 27 States used HOME to assist 32,621 low-income households with TBRA
  - Avg. HOME cost/household: \$3,734
  - HOME funds expended: \$8k - \$15.9m
  - # of households assisted: 4 - 4,237





# CHDO Set-aside Percentages

- Cumulatively, from 1992-2014, States used \$2.77b in CHDO set aside funds
  - 19.85% of State HOME funds (1992-2014)
  - Highest State % = 40.46%
- For FY 2015 HOME grants, States used \$70.8m in CHDO set aside funds
  - 19.55% of FY 2015 State HOME funds
  - Highest State % = 56.54%



# Program Income

- Since 1992, States received nearly \$1.29 billion of HOME program income
  - 90.4% committed
  - 89.6% expended
  - \$133.7m available to disburse
  - Average total program income for a State is \$25.3 million



# Other Data Points

- Average # years from commitment to completion of HOME rental projects completed by State PJs FY 2013-2017 = 2.02
  - Range from 1.01 – 6.43 average years
- 28 States w/Infrequent Draw activities
  - 16 States have activities w/2+ reports in IDIS
  - 15 States have activities w/3+ reports in IDIS
  - 11 States have activities w/4+ reports in IDIS
  - 9 States have activities w/5+ reports in IDIS

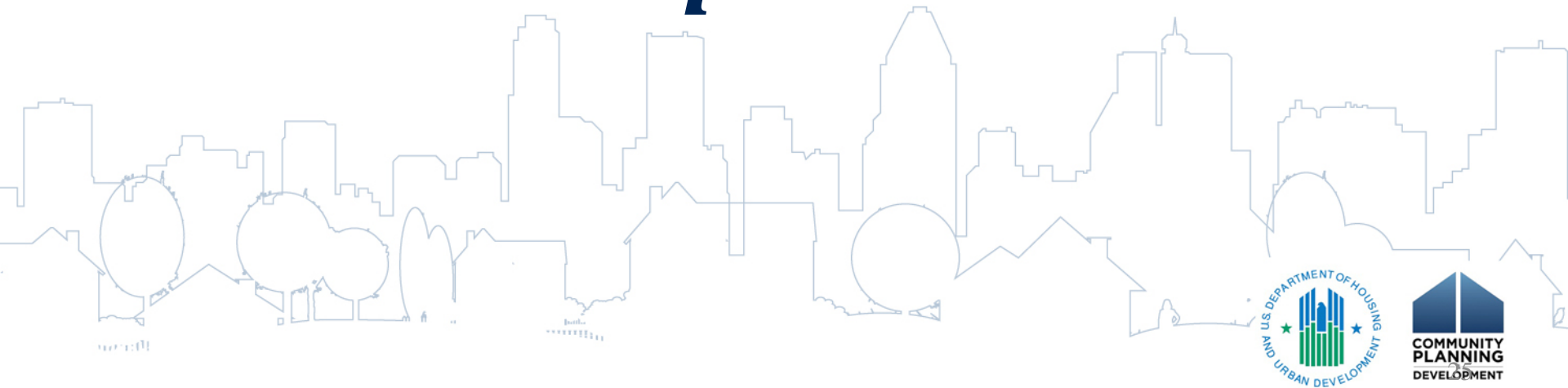


# Other Data Points

- 19 States have vacant units in HOME projects completed from FY 2013-2017
  - Range from 1 to 42 total vacant units
- All States leverage other funds in projects completed from FY 2013-2017
  - Overall leveraging: all tenure & activity types
  - Range \$1.25 to \$24.76 for every HOME dollar

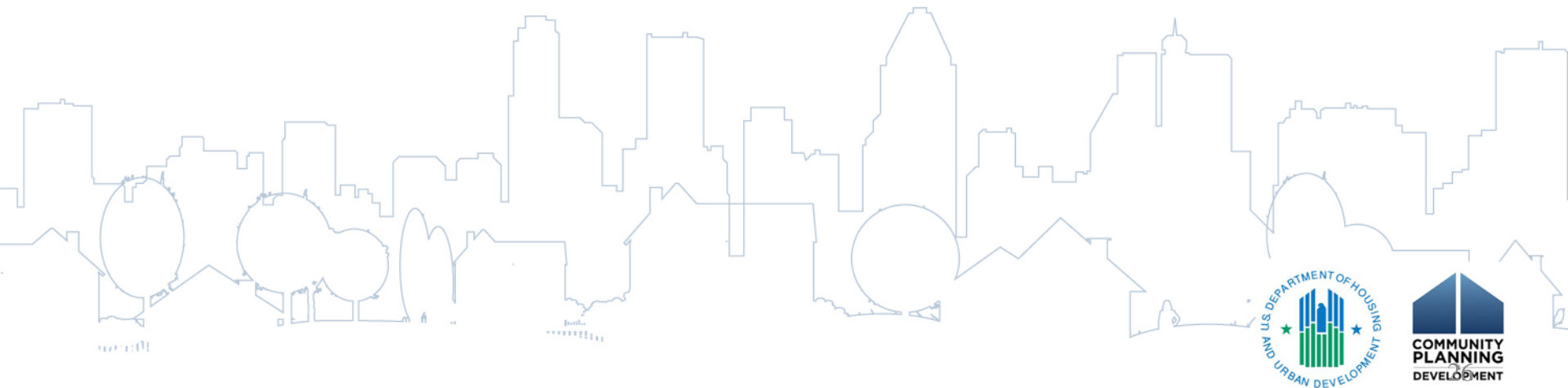


# Housing Trust Fund *Update*



# 2016 HTF

- \$173.4m available for allocation in 2016
  - 35 states received the minimum \$3m allocation
- Total committed = \$29.9m
- Total disbursed = \$8.0m
  - Includes admin commitments & disbursements

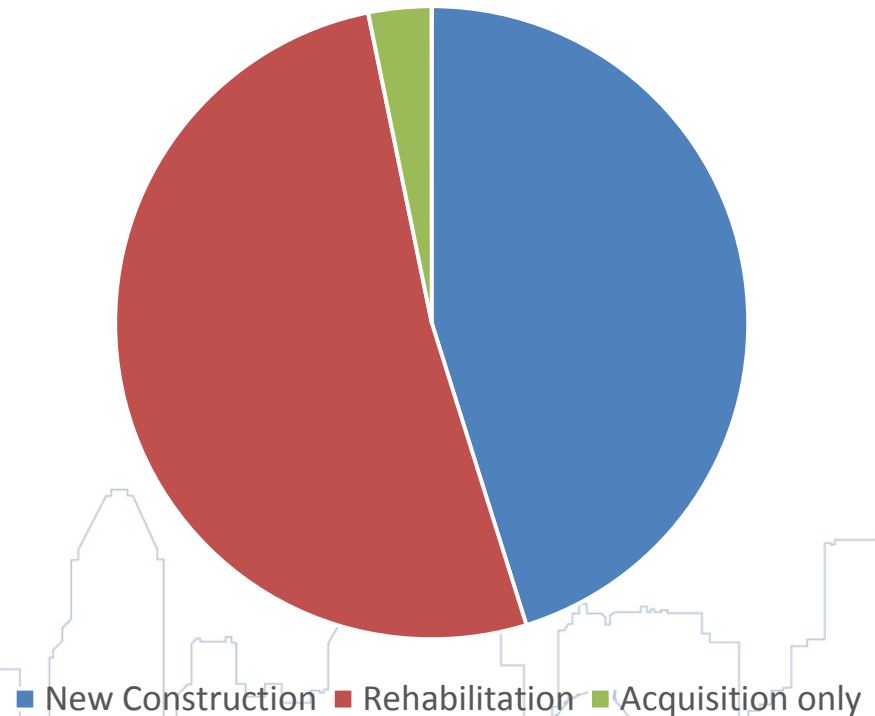




# 2016 HTF

- \$23.1m committed to projects
- \$6.6m disbursed for projects
- 31 rental projects
  - 14 new construction
  - 16 rehabilitation
  - 1 acquisition
- 4 completed projects

Projects by Type



# 2017 HTF

- \$219m available for allocation in 2017
  - Increase of \$45.5m from 2016
  - 27 States and DC received \$3m minimum
    - 8 fewer than 2016
    - CA & NY rec'd more than 2X their 2016 allocations
- 44 grants obligated & available in IDIS
  - No projects at this time



# HTF Moving Forward....

- For 2018 grantees use IDIS eCon Planning Suite to submit their HTF allocation plans as part of their annual action plans
  - IDIS release 11.15 (10/9/2017)
  - Webinar: HTF e-Con Planning Suite Screens Office Hours (9/14 & 19/2017)
    - Archived on HUD Exchange
    - Will repeat in early 2018





# **HOME and HTF Guidance and Training**



# New HOME Notices

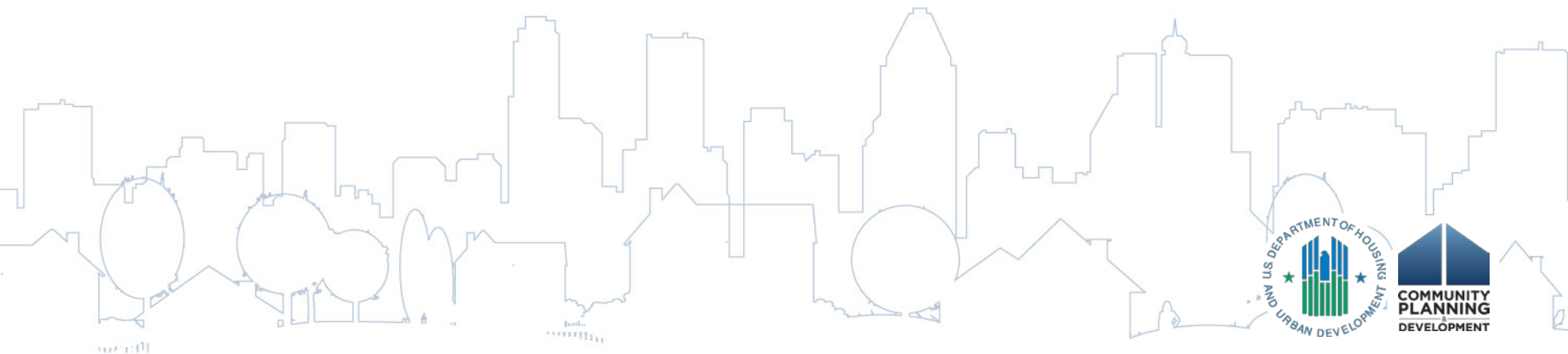
- Homebuyer Program Policies and Procedures
- Violence Against Women Reauthorization Act of 2013 Guidance for HOME
- Development and Implementation of HOME Property Standards and Inspection Protocol
- HOME Written Agreements
- Using HOME/HTF for RAD Projects



# HOME Notices Being Updated

- Resale and Recapture Guidelines
- HOME Match Guidance

Webinar held on each notice



# Upcoming HOMEfires

- HOMEfires on Monitoring Fees  
§92.214(b)(1)(i) (NEW)
  - How PJ can determine its fee for ongoing monitoring of HOME-assisted rental projects?
- HOMEfires on Affirmative Marketing Responsibilities §92.351(a) (UPDATED)
  - PJ responsibilities for developing, disseminating, and implementing affirmative marketing procedures





# Upcoming HOME Training and TA

- Building HOME Webinar Series – online deliveries with office hours.
  - Next class January 17- February 7, 2018
- E-Building HOME – HOME e-Learning platform under development
- Digital Publication series
  - interactive educational series to build CHDO capacity



# Upcoming HOME Training and TA

- Multifamily Rental Underwriting Template
- Single Family Underwriting Template

For updated info on HOME training, guidance, TA products, visit: [www.hudexchange.info/home](http://www.hudexchange.info/home)

Sign up for HOME listserv at:  
[www.hudexchange.info/maillinglist/](http://www.hudexchange.info/maillinglist/)



# Upcoming HTF Notices

- Violence Against Women Reauthorization Act of 2013 Guidance for HTF
- HTF Subgrantee Allocation Plan Guidance
- Operating Cost Assistance Guidance
- HTF Written Agreements
- Webinar will be held on each notice



# Upcoming HTF Training and TA

- Operating Cost Assistance (web-based product)

For information on HTF training, guidance, TA products, visit: [www.hudexchange.info](http://www.hudexchange.info)

Sign up for HTF listserv at:

[www.hudexchange.info/maillinglist/](http://www.hudexchange.info/maillinglist/)





# Questions?



U.S. Department of Housing and Urban Development