HOME & HTF Updates

NACCED Annual Spring Meeting
March 1, 2019
HOME Budget

• FY 2019 HOME = $1.25 billion
  – $112 million (8%) decrease
  – $45 million less for States

• FY 2020 Administration budget will be released in March
HOME Timeliness Deadlines

• FY 2019 HUD Appropriation Act suspended:
  – 24-month commitment deadlines occurring during 2016 – 2021
  – 24-month CHDO reservation deadlines for funds deobligated in or would be deobligated in 2018 - 2021

• 5-year expenditure deadlines in effect through FY 2014 allocations
  – Last deadlines occur in 2019
CHDO Deadline Suspension

• Provision retroactive to 1/1/2018
• Permits smaller PJs to accumulate multiple grant years to fund a CHDO project – approximates previous “cumulative average” approach to compliance
• PJs can fund the best or highest priority CHDO projects rather than the quickest.
• Enables more complete and careful pre-commitment planning
<table>
<thead>
<tr>
<th></th>
<th>2016</th>
<th>2017</th>
<th>2018</th>
<th>2019 Targets</th>
</tr>
</thead>
<tbody>
<tr>
<td>Rental Units</td>
<td>14,026</td>
<td>15,837</td>
<td>10,893</td>
<td>8,714</td>
</tr>
<tr>
<td>Homebuyer Units</td>
<td>10,050</td>
<td>9,881</td>
<td>9,199</td>
<td>7,359</td>
</tr>
<tr>
<td>Homeowner rehab</td>
<td>4,736</td>
<td>4,307</td>
<td>4,612</td>
<td>3,690</td>
</tr>
<tr>
<td>Total Units Completed</td>
<td>28,812</td>
<td>30,025</td>
<td>24,704</td>
<td>19,763</td>
</tr>
<tr>
<td>TBRA Households</td>
<td>19,576</td>
<td>17,424</td>
<td>16,306</td>
<td>12,230</td>
</tr>
</tbody>
</table>
Follow-Up on HOME Production

• OAHP analyzed FY 2018 data to identify cause of 31% production decrease
• Conclusion: Commitment suspension was cause
  – Avg per unit cost increased only $121 from 2017
  – # of units in open rental projects decreased 24%
  – # of open rental projects decreased by 9%
• OAHP expects completion numbers to rebound as the lengthened time to commitment becomes established in PJ project pipelines
Closing Out HOME Grants

• **Phase 1** – close out 14 ex-PJs - **completed**
• **Phase 2** – close out 1992-2010 grants for PJs with:
  – All funds expended
  – All activities completed and units occupied
  – No open monitoring or audit findings
  – HUD will contact PJs that are ready
Currently piloting the process w/6 PJs in 3 FOs
• **Phase 3** – closeout of 2011+ future grants
  – Each year after expiration of the grant
Risk Assessment & Monitoring

• Updating HOME risk factors to include:
  – Flagged activities
  – Average time from commitment to completion
  – Repayments
  – Unexpended balances
  – Voucher revisions
  – Press reports / citizen complaints

• Comprehensive revision of HOME monitoring exhibits
Follow-up on Flagged HOME Activities

- HOME IDIS Flags
  - Involuntarily Terminated - Activity not completed within 4 years of Initial Funding Date
    - Activity blocked in IDIS – PJ cannot access activity
  - Final Draw for 120 days or more
    - No ability for PJ to set up new activities or commit funds
  - Infrequent Draws for 12 months or more
    - PJ may enter a reason and narrative explanation to restore ability to set up new activities or commit funds

- Review Activities screen or IDIS PR 46 Report
Upcoming HOME Guidance

- Four-Year Project Completion Notice
- Property Standards Notice and Toolkit
- Resale and Recapture Provision Requirements
- Written Agreement Checklist
HOME Training

- 2019 Building HOME Webinar Series
- Homebuyer Program Policies and Procedures, HUD Notice CPD 18-09 (August 2018)
  - Webinar planned in 2019
  - In-person homebuyer program training in 2019
- CHDO Opportunities in HOME Training
- eBuilding HOME – HOME e-Learning platform under development (2019)
Housing Trust Fund

• FY 2018 – $266,775,403.45 allocated to 53 grantees
  • Increase of $47.6 million over FY 17 & $93.2 million over FY 16
  • 25 grantees received $3m minimum – down from 28 in FY 17 & 36 in FY 16
  • 3 Insular Areas declined allocations
• FY 2019 number available April 2019
HTF Production To Date

• 17 projects completed in IDIS
  • Located in Idaho, Kansas, North Dakota, Utah, Virginia, Vermont
• 11 rehabilitation projects
• 5 new construction projects
• 1 acquisition only project
• 88 HTF-assisted units
• 208 projects committed/underway
HOME:  www.hudexchange.info/home

Sign up for HOME listserv:
www.hudexchange.info/mailinglist/

HTF:  www.hudexchange.info/htf

Sign up for HTF listserv:
www.hudexchange.info/mailinglist/
Section 3 requirements governed by an interim regulation since 1995

HUD anticipates publishing proposed rule (by April) intended to increase effectiveness & decrease administrative burden

– Please review and comment
• OZs were designed to spur economic development by providing tax benefits to investors

• HUD Opportunity Zone Task Force
  – Coordinate with Federal agencies
  – Solicit ideas and feedback from stakeholders
  – Develop strategies, including changes to HUD policies/programs to prioritize investment in OZs
  – Identify guidance and TA needed to improve grantee capacity