

## HOME FUNDING ELIGIBILITY

**Home Investments Partnerships Program (HOME)** – to expand the supply of decent, safe, sanitary and affordable housing with primary attention to rental housing for very low-income families, and to strengthen the County’s ability to assist the financing and development of low and very-low income housing. In this program, housing units must be produced.

### **Spartanburg County 2019-2023 Consolidated Plan Goals:**

The four (4) PRIORITY NEEDS of the Consolidated Plan and GOALS to provide for the needs are:

1. Affordable Housing Opportunities
  - a. Preservation of Existing Affordable Housing
  - b. Development of New Affordable Housing
  - c. Increase Homeownership Opportunities
  - d. Provide for Rental Assistance
2. Non-Housing Community Development
  - a. Increase & Expand Public Services for LMI
  - b. Increase & Expand Public Services for Special Needs
  - c. Promotion of Fair Housing
3. Community Revitalization
  - a. Increase & Improve Access to Public Facilities
  - b. Increase & Expand Capacity of Public Infrastructure
4. Economic Development
  - a. Provide Financial Assistance to For-Profit Businesses and Microenterprises
  - b. Provide Technical Assistance to For-Profit Businesses and Microenterprises
  - c. Provide Assistance for Commercial/Industrial Improvements

### **Home Investment Partnerships (HOME) Program**

#### **A. What is the HOME Program?**

The HOME Program was created by the National Affordable Housing Act of 1990 (NAHA) and has been amended several times by subsequent legislation. The objectives of the program are:

1. Provide decent affordable housing to lower-income households,
2. Expand the capacity of non-profit housing providers,
3. Strengthen the ability of state and local governments to provide housing, and
4. Leverage private sector participation

All housing units produced with HOME funds must provide housing assistance to low and moderate-income households, as defined by HUD's Section 8 Guidelines:

<b>2018 HUD HOME Annual Income By Family Size<sup>1</sup></b>	<b>1 Person</b>	<b>2 Persons</b>	<b>3 Persons</b>	<b>4 Persons</b>	<b>5 Persons</b>	<b>6 Persons</b>	<b>7 Persons</b>	<b>8 or more Persons</b>
<b>30% LIMITS</b>	13600	15550	17500	19400	21000	22550	24100	25650
<b>VERY LOW INCOME:</b>	22650	25900	29150	32350	34950	37550	40150	42750
<b>60% LIMITS</b>	27180	31080	34980	38820	41940	45060	48180	51300
<b>LOW INCOME:</b>	36250	41400	46600	51750	55900	60050	64200	68350

<sup>1</sup> Effective Date, July 1, 2020

**B. What Activities are Eligible for HOME Funding?**

1. Homeowner Rehabilitation: HOME funds may be used to assist existing owner-occupants with the repair, rehabilitation or reconstruction of their homes
2. Homebuyer Activities: the County may finance the acquisition and/or rehabilitation or new construction of homes for low-to moderate-income homebuyers
3. Rental Housing: Affordable rental housing may be acquired and/or rehabilitated or constructed
4. Tenant-Based Rental Assistance (TBRA): Financial assistance for rent, security deposits and, under certain conditions, utility deposits may be provided to tenants. Assistance for utility deposits may only be provided in conjunction with a TBRA security deposit or monthly rental assistance program

**C. There Are Some Limitations on the Use of the County's HOME Funds:**

1. A minimum of fifteen percent (15%) of HOME funding must be set aside for Community Housing Development Corporation (CHDO) capital projects.
2. The HOME Program requires non-federal match funding at 25% of grant award.
3. Administrative costs cannot exceed 10% of the annual allocation.
4. Projects must (a) have a written agreement/contract within 24 months and (b) be completed within five (5) years of the County receiving HOME funds.
5. HOME funds may only be committed to a project after underwriting of the project, assessment of the development capacity and fiscal soundness of the developer being funded, and examination of the neighborhood market conditions to ensure that there is an adequate need for the HOME project.

6. Projects are required to be completed within four years of the date that HOME funds are committed to the project, as determined by a dated signature of each party to the written agreement.
7. PJs must convert any HOME-assisted homeownership unit that has not been sold to an eligible homebuyer within six months of construction completion to a HOME-assisted rental unit.
8. The minimum amount of subsidy per housing unit is \$1,000. The maximum is no longer calculated using HUD's 221(d)(3) limits but is instead calculated based on an interim policy that was established using the Section 234-Condominium basic mortgage limits, for elevator-type projects as an alternative. It is also based on the number of subsidized units and the total cost of the project. See <https://www.hudexchange.info/resource/2315/home-per-unit-subsidy/> for additional information.
9. A maximum of five percent (5%) can be set aside for CHDO operating/capacity building.

#### **D. What Geographic Areas are Covered by HOME?**

A HOME project can occur anywhere within unincorporated areas of the County of Spartanburg but priority funding consideration will be given to HOME activities that occur within any Community Development Target Areas (CDTA). The CDTAs are made up of selected communities in which at least 51% of the population has incomes at or below 80% of the area median income as stated in Spartanburg County's Consolidated Plan.

#### **E. Keeping HOME-Assisted Units Affordable**

To ensure that HOME investments yield affordable housing over the long term, HOME imposes rent and occupancy requirements for all units produced over the length of an affordability period. For homebuyers and rental projects, the length of the affordability period depends on the amount of the HOME investment in the property and the nature of the activity funded.

HOME-assisted rental units carry rent and occupancy restrictions for varying lengths of time, known as the affordability period. The chart below shows how the activity and per-unit subsidy determine the HOME required affordability period.

HOME REQUIRED AFFORDABILITY PERIOD		
Activity	Average HOME Investment Per Unit	Minimum Affordability Period
Rehabilitation or Acquisition of Existing Housing	Less than \$15,000	5 years
	\$15,000-40,000	10 years
	More than \$40,000	15 years
Refinance of Rehabilitation Project	Any Dollar Amount	15 years
New Construction or Acquisition of New Housing	Any Dollar Amount	20 years

## **F. HOME Rental Units and Tenant-based Rental Assistance (TBRA)**

### **HOME-assisted Rental Units**

1. A maximum subsidy per rental unit will apply, depending on
  - a. proportion of total project costs,
  - b. number of units to be subsidized, and
  - c. the overall financial needs of the project.
2. The number of HOME-assisted units must be specified at the time of project funding.
3. All assisted units must be rented to low-income eligible persons, leased for at least one (1) year, and leases may not contain certain provisions.
4. All assisted units must meet/be brought up to local housing code, conform to fair housing regulations, and a portion of the units may be required to be accessible to persons with disabilities.
5. Rents may not exceed specific HUD guidelines for the metro area, according to unit size.
6. Assisted units can only be rented to low-income tenants for 5-20 years, depending on the type of construction and level of HOME investment.

### **TBRA-Assisted Units**

1. TBRA assistance offers a household the opportunity to choose its neighborhood and type of housing; the assistance “travels” with the individual/family; it is not project based.
2. All assisted persons/families must be low-income but at least 100% of those assisted must be at/below 80% local area median income (AMI).
3. TBRA funds may be used for rent, security, and/or utility deposits.
4. Individuals/families assisted must be from within the County of Spartanburg (but rental units may be outside the County of Spartanburg).
5. TBRA requires certain lease requirements, including County/HUD approval to increase rent rates.
6. Individual assistance is limited to 24 months, unless otherwise approved by the County/HUD and must requalify after 12 months.
7. Assistance may not be used for relocation/displacement, rent in cooperatives, or temporary/emergency shelter.
8. All rental units must meet local housing code and/or HUD Housing Quality Standards (HQS), including lead-based paint regulations.

*For more information concerning the HOME program, access the following HUD web site:*

[https://www.hud.gov/program\\_offices/comm\\_planning/affordablehousing/programs/home/](https://www.hud.gov/program_offices/comm_planning/affordablehousing/programs/home/)