

**Implementing HOME Final Rule Changes
NCDA
Region 1 – New England
Fall Conference**

**November 19, 2015
Laurie Tickle
FinePoint Associates LLC**



Income Certifications Source Documentation

- New HOME Final Rule amended 92.203 (a)(1)(i) and a(2)
 - Change establishes a minimum standard.
 - Requires PJ to examine at least two months of **source documentation** when determining household income for all potential HOME beneficiaries.
 - Wage statements
 - Interest statements
 - Unemployment benefits.

Notes from the Field

- Collection of source documentation can be more difficult at “move-in”.
- Managers are continuing to collect both source documentation and third party verification.

HOME Annual Rent Approval

- New HOME Final Rule amended 92.252 9f) 2: Requires that PJs review and approve the proposed rents for each HOME-assisted rental project annually to ensure:
 - Compliance with the HOME rent limits; and
 - That the new rents do not result in undue increases from the previous year.
- The new requirement ensures that PJs **expressly** examine and approve the rents for each project annually.

HOME Annual Rent Approval

- DHCD and FinePoint used current monitoring practices to inform development of rent approval procedures.
- DHCD issued notice to owners and managers requiring submission of proposed rent schedules.
- Submission of HOME Rent Approval form to FinePoint (dedicated email):
 - Current HOME unit rent roll
 - Applicable utility allowance data
 - Proposed maximum HOME rent by unit type for existing tenants and new move ins
 - Verification that project-based assisted units meet the HOME requirements of 24 CFR 92.252 (b)(2)

HOME Annual Rent Approval

- All rent increases in excess of 3% require review by DHCD
 - Current and projected detailed income and expense reports
 - Cash flow statements
 - Reserve balances
 - Capital needs requirements
- Need to find a balance between financial needs of the property and the residents

DHCD HOME PROGRAM Rent Approval Request

1. Project Name: _____ 2. Request Date: _____

3. Property Address(es): _____
City: _____

4. Utility Allowance Information, if applicable (Identify in Table 9**)
Source of Utility Allowance Schedule(s): A. _____ B. _____ C. _____
Effective Date of Current Schedule: _____

I certify the following information provided on this form to be complete and accurate to the best of my knowledge. 6. Telephone: _____

5. Person completing for: _____ 7. Email: _____

8. Maximum Rents:

Identify the HOME maximum gross rents by bedroom size. These will be known as the Ceiling Rents for non-project-based assisted units.

	A. # of HOME Units/size	B. CURRENT HOME Rent Ceiling			C. PROPOSED HOME Rent Ceiling			D. Current HOME Rent Limit	Gross Rent % Increase	DHCD Approval Date
		Contract Rent	Utility Allowance	Gross Rent	Contract Rent	Utility Allowance	Gross Rent			
Studio	Low/VLI			\$ -			\$ -		#DIV/0!	
	High/LI			\$ -			\$ -		#DIV/0!	
1 bedroom	Low/VLI			\$ -			\$ -		#DIV/0!	
	High/LI			\$ -			\$ -		#DIV/0!	
2 bedroom	Low/VLI			\$ -			\$ -		#DIV/0!	
	High/LI			\$ -			\$ -		#DIV/0!	
3 bedroom	Low/VLI			\$ -			\$ -		#DIV/0!	
	High/LI			\$ -			\$ -		#DIV/0!	
4 bedroom	Low/VLI			\$ -			\$ -		#DIV/0!	
	High/LI			\$ -			\$ -		#DIV/0!	
Other:	Low/VLI			\$ -			\$ -		#DIV/0!	
	High/LI			\$ -			\$ -		#DIV/0!	
TOTAL		0								

FOR PROJECT-BASED UNITS ONLY

In order to exceed the HOME rent limits, the following conditions must apply:

- Household is Very Low-income (at or below 50% AMI)
- Household pays no more than 30% of their adjusted income towards rent

Verified

DHCD HOME PROGRAM Rent Approval Request

9. Complete for all DHCD HOME-assisted units with current information:

Unit #	Bdrm Size	Tenant Rent	* Subsidy Amount	Utility Allowance (UA)	UA Source **	Total Gross Rent	HOME Program Rent Limit	Identify: LOW or HIGH HOME as per AHR	Move-In Date	Rent Effective Date	New Gross Rent Proposed (Inc. UA)	Proposed Rent % Increase	*Is rental subsidy Project-Based? (Y or N)	Other Funding Sources: (i.e. LIHTC, HSF, CIPF, HIF, AHIF)
1						\$ -						#DIV/0!		
2						\$ -						#DIV/0!		
3						\$ -						#DIV/0!		
4						\$ -						#DIV/0!		
5						\$ -						#DIV/0!		
6						\$ -						#DIV/0!		
7						\$ -						#DIV/0!		
8						\$ -						#DIV/0!		
9						\$ -						#DIV/0!		
10						\$ -						#DIV/0!		
11						\$ -						#DIV/0!		
12						\$ -						#DIV/0!		
13						\$ -						#DIV/0!		
14						\$ -						#DIV/0!		
15						\$ -						#DIV/0!		
16						\$ -						#DIV/0!		
17						\$ -						#DIV/0!		
18						\$ -						#DIV/0!		
19						\$ -						#DIV/0!		
20						\$ -						#DIV/0!		
21						\$ -						#DIV/0!		
22						\$ -						#DIV/0!		
23						\$ -						#DIV/0!		
24						\$ -						#DIV/0!		
25						\$ -						#DIV/0!		
26						\$ -						#DIV/0!		
27						\$ -						#DIV/0!		
28						\$ -						#DIV/0!		
29						\$ -						#DIV/0!		
30						\$ -						#DIV/0!		
31						\$ -						#DIV/0!		
32						\$ -						#DIV/0!		
33						\$ -						#DIV/0!		
34						\$ -						#DIV/0!		
35						\$ -						#DIV/0!		
36						\$ -						#DIV/0!		
37						\$ -						#DIV/0!		
38						\$ -						#DIV/0!		
39						\$ -						#DIV/0!		

Notes from the Field

- FinePoint staff reminds site managers of the requirement at each monitoring visit.
- Establishing base-line for ongoing monitoring.
- How best to handle:
 - Project Based Rental Subsidies and rent increases
 - Tenant Based Rental Subsidies
 - Rent Ceiling right up to HOME rent limits?