



HOME PROGRAM

Homebuyer GUIDE 2025

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SECTION 1. INTRODUCTION

Planning, administering, and operating an affordable housing activity is a rewarding but challenging venture. The federal regulations relating to the HOME Investment Partnership Program (HOME) can be very complex. The Iowa Finance Authority (IFA) provides subrecipients with this HOME Program Homebuyer Guide (Guide) as a tool to help them manage their HOME award and to assist them in staying in compliance with applicable requirements. This Guide is not a stand-alone document and needs to be utilized with other HOME sources of information for state and federal regulations. HUD regulation sections cited in this document refer to HUD Regulations 24 CFR Part 92 (Code of Federal Regulations).

IFA's website lists a vast amount of information, regulations, forms, and announcements regarding the HOME Program and is one of the best tools available for subrecipients. The state and federal HOME rules along with many of the documents referenced in this Guide can be found on the website at: <https://www.iowafinance.com/>

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SECTION 2. GENERAL INFORMATION

ELIGIBLE PROJECT TYPES

Acquisition Assistance

Provides downpayment and/or closing cost assistance (up to \$35,000).

Acquisition and Rehabilitation

Provides acquisition and rehabilitation assistance for a home after it has been purchased (up to \$37,500).

ELIGIBLE PROPERTY TYPES

Eligible property types must serve as the homebuyer's principal residence including:

- Single-Family property (one unit)
- Two-to-four-unit property
 - If HOME funds are used to assist a purchaser to acquire one unit in a two- to-four-unit property and that unit will be the principal residence of the purchaser, the long-term affordability requirements apply to the assisted ownership unit only.
 - If HOME funds are used to help a purchaser acquire one or more rental units along with the homeownership unit, the HOME rental affordability requirements apply to the rental units. Recapture requirements will be imposed on all the units (owner and rental).
- Condominium unit
- Cooperative unit or a unit in a mutual housing project if recognized as a homebuyer by state law.
- Manufactured home
 - The manufactured home must be permanently connected to a utility hook-up.
 - The manufactured home must be located on land that is owned by the homebuyer or on land for which the homebuyer has a lease for a period at least equal to the applicable affordability period.

FORMS OF OWNERSHIP

Homeownership means ownership in fee simple title or a 99-year leasehold in a dwelling or condominium unit or ownership or membership in a cooperative unit. Homebuyer interest may be subject to the following:

- Mortgages, deeds, or other debt instruments, approved by IFA.
- Free of other encumbrances or restrictions that would impair the marketability of the homebuyer interest, other than the HOME restrictions on recapture.

ELIGIBLE HOMEBUYER HOUSING COSTS

HOME-ELIGIBLE HOMEBUYER HOUSING COSTS		
Hard Costs	Soft Costs	Relocation Costs
<ul style="list-style-type: none">• Acquisition of existing structures• Rehabilitation costs• Securing of buildings	<ul style="list-style-type: none">• Financing fees• Credit reports• Title binders and insurance• Surety fees• Recording fees, transaction taxes• Legal and accounting fees, including cost certification• Appraisals• Architectural/engineering fees, including specifications and job progress inspections• Environmental investigations• Affirmative marketing and marketing costs• Homebuyer counseling provided to purchasers of HOME-assisted housing• Staff and overhead costs incurred by the subrecipient that are directly related to a specific project	<ul style="list-style-type: none">• Replacement housing, moving costs and out-of-pocket expenses• Advisory services• Staff and overhead related to relocation assistance and services

ELIGIBLE FIRST MORTGAGE

Any mortgage lending entity's principal mortgage loan products may be used if the loan meets both of the following minimum requirements:

Is a fully amortizing, fixed-rate loan with an interest rate not to exceed Fannie Mae 90-day yield +0.75%; and no less than a 15-year, fully amortized, fixed rate mortgage.

The following loan types and provisions are prohibited:

Adjustable rate or balloon payment; interest only, negative amortizing, or option payment loan; stated income, no doc or low loc loans; and prepayment penalty.

INCOME TARGETING

The homebuyer must have a gross annual income that does not exceed 80% of the HOME income limits. An application for a homebuyer assistance activity must stipulate the homebuyer assistance is for **first-time homebuyers only** and that the assisted unit will remain as the assisted homebuyer's principal residence throughout the required affordability period.

MAXIMUM/MINIMUM HOME ASSISTANCE PER UNIT

The maximum HOME assistance per unit subsidy for all single-family activities involving rehabilitation is \$37,500, this per unit limit includes all applicable costs inclusive, but not limited to, the hard costs of rehabilitation or the acquisition subsidy or both; homebuyer assistance activities; technical services costs, including lead hazard reduction carrying costs; lead hazard reduction costs; and temporary relocation. All rehabilitation hard costs funded with HOME funds

are limited to \$24,999. All applicable technical services costs, including any lead hazard reduction carrying costs, are limited to \$4,500 per unit.

For all single-family housing projects assisting homebuyers, the only form of HOME funds assistance to the end beneficiary is a forgivable loan.

The minimum HOME down payment assistance is \$1,000 per unit.

REVIEW PRIOR TO CLOSING

At least two business days prior to closing, the subrecipient must provide IFA copies of the following documents for review:

- Finalized Homebuyer Assistance Underwriting Form
- Homebuyer Assistance Agreement*
- Proposed HOME Mortgage*
- Proposed HOME Promissory Note
- Preliminary Title Opinion
- Appraisal with After-Rehab Value included (if applicable)
- Proposed Settlement Statement

**Must be signed by Iowa Finance Authority*

RECORDING HOME MORTGAGE

Utilizing information from the proposed settlement statement, work estimate, and appraisal, the HOME mortgage amount must be calculated on the Preliminary HOME Mortgage Worksheet and the HOME mortgage must be recorded on the same date as the primary mortgage.

EXPENDITURE TIMEFRAMES

The subrecipient has 24 months from the contract effective date to expend all awarded HOME funds.

PROPERTY STANDARDS

All assisted properties must meet either the local jurisdiction's housing code or Iowa's Minimum Housing Rehabilitation Standards (IMHRS). The property must be free from any defects that pose a danger to the health or safety of occupants at the time of initial occupancy.

PROPERTY VALUES

All homebuyer assisted properties require an appraisal (typically from the participating principal mortgage lender involved). The purchase price or the after-rehab value of a property cannot exceed the Maximum Purchase Price or After-Rehab Value Limits.

The after-rehabilitation value determination, per appraisal, needs to be completed prior to the commitment of funds. Project files must be documented with the after-rehabilitation value.

LONG-TERM AFFORDABILITY

HOME-assisted units must remain affordable for a specified period that starts from the completion date entered in HUD's Federal IDIS system.

Less than \$25,000/unit = 5 years

\$25,000-\$50,000/unit = 10 years

The subrecipient will be required to verify the principal place of residency of the assisted homebuyers annually to IFA throughout the entire affordability period. IFA also requires the subrecipient to provide evidence of the homebuyer's property insurance. This long-term

monitoring requirement is not reimbursable with HOME administration funds; the associated costs are at the subrecipient's expense.

MATCH

HUD does require the State to ensure that matching contributions provided to the HOME program total not less than 25% of the total amount of HOME funds drawn by the State during the fiscal year. To meet federal reporting requirements and to monitor compliance with match regulations, IFA collects match information contributions directly from HOME subrecipients.

IFA encourages match, and as the HOME Program becomes more competitive, match may become more important to an application score. Match pledged on the subrecipient's application should be reflected in the HOME Match Report submitted at **closeout**. Failure to provide pledged match may result in ineligibility for future funding.

Your match records must include adequate sources of documentation:

Type of Match	Required Documentation
Cash	<ul style="list-style-type: none"> - Commitment letter - Copy of check to subrecipient, records of deposits & expenditure
Below Market Interest Rate (BMIR) Loan	<ul style="list-style-type: none"> - Commitment letter (interest rate & term of the loan) - Copy of promissory note - Amortization schedule
Waived Fees or Charges	<ul style="list-style-type: none"> - Commitment letter from entity waiving fees or charges, including the established value of the contribution
Tax Abatement (including Sales Tax Refunds on Housing Enterprise Zone Projects)	<ul style="list-style-type: none"> - Letter officially granting the tax abatement - Documentation of the abatement terms (number of years, percent of value abated current rate rate) & the assessed value subject to abatement (to be determined upon completion of the project)
Tax Increment Financing (TIF)	<ul style="list-style-type: none"> - Commitment letter - Copy of debt certification from city/county - Letter or copy of the check verifying final expenditure of Funds
Land/Other Real Property	<ul style="list-style-type: none"> - Appraisal showing property value at time of acquisition - Documentation of the date property ownership is transferred - Seller's written transaction acknowledgement as a donation to the affordable housing activity
Donated Labor or Equipment Use	<ul style="list-style-type: none"> - Letter or timecards documenting the number of hours of labor or equipment used donated to the activity - Letter documenting the usual hourly rate or flat fee charged for such labor or services & verifying the date of the donation
Bonds	<ul style="list-style-type: none"> - Bonds documentation from city/county
Supportive Services	<ul style="list-style-type: none"> - Letter describing services & verifying date - Invoices, timecards or some similar documentation of the direct cost (salaries, including benefits & materials) providing services

GENERAL ADMINISTRATION VS TECHNICAL SERVICES

General administration is a separate activity contained in the subrecipient's approved budget and shown on Exhibit A of the HOME contract. General administration costs are paid out of the general administration funds line-item of the HOME application budget. The following items are

considered general administration costs (not all-inclusive), and the activity must be an allowable cost per federal requirements:

- Overall project coordination (e.g. establishing financial accounting documents and systems, management, internal controls, and oversight responsibilities, etc.)
- General administration services (e.g. third-party contracts, accounting, legal, etc.)
- Reporting to IFA (e.g. draw requests, etc.)
- Advertising and marketing (e.g. general information, public outreach) about the activity or project
- Direct costs and salaries of the subrecipient's staff directly involved in the administration of the activity project
- Indirect costs such as office space rent, utilities, insurance, supplies, etc.
- Costs incurred in the procurement of third-party administrative services, technical services, or in the procurement/purchase of any indirect costs noted above.
- Internal monitoring and oversight of funded project activities
- Coordination and resolution of monitoring and/or audit issues
- Audit costs
- Environmental review (overall project)
- Activities to affirmatively further fair housing (in a general way)
- Preparation and adoption of the Administration Plan
- Processing of individual applications for assistance (if the household receives TBRA assistance, then this can be paid by the income eligibility cost, technical services, rather than general administration)
- Third-party verification of applicant's income (if the household receives TBRA assistance, then this can be paid by the income eligibility cost, technical services, rather than general administration)
- Income eligibility determination and verification of applicants (if the household receives TBRA assistance, then this can be paid by the income eligibility cost, technical services, rather than general administration)

TECHNICAL SERVICES (Project Specific)

Technical services are a part of the activity budget. Technical services for non-profit entities must be procured through the federal procurement requirements if the in-house paid staff does not perform the services. Technical services costs are billed to the activity line-item, not the general administration line-item. The types of technical services costs will vary from activity to activity (there is a cap on technical services of \$4,500 per HOME unit). The following items are considered technical services costs (not all-inclusive), and the activity must be an allowable cost per federal requirements:

- All technical services necessary for individual and scattered site activities, whether accomplished internally with staff or contracted
- Project specific architecture and engineering services
- Processing of individual applications for assistance *
- Third-party verification of applicant's income *
- Income eligibility determination and verification of applicants *
- Activities to affirmatively further fair housing (project-specific)
- Underwriting costs and related fees associated with financial assistance to projects
- Project specific forms and documentation
- Project specific environmental
- Costs of procuring construction services
- Relocation services
- Homebuyer counseling

**Could be performed as a technical services expense or a general administration expense.*

INSPECTION AND INCOME DETERMINATION COSTS

The cost of inspecting housings units and determining income eligibility may be reimbursed with regular funds if the household receives TBRA assistance. If the unit or household does not end up utilizing TBRA assistance, then the costs for determining income eligibility SHALL be charged to the general administration line item in the TBRA budget.

AUDIT STATEMENT

AUDIT (FOR LOCAL GOVERNMENTS AND NON-PROFIT ORGANIZATIONS)

The subrecipient's contract will contain language regarding federal audit regulations found in 2 CFR Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards, Financial Guidance. As required by 2 CFR Part 200, HOME subrecipients must provide applicable audit documentation to IFA within nine (9) months of EACH of their fiscal years while the project is open.

IFA will send Annual Audit Letters as well as a Final Audit Letter to remind subrecipients to submit their audit documentation within the required timeframe.

For local governments and non-profit organizations, the following applies:

- A "Single Audit Not Required Form" must be submitted for each fiscal year that the subrecipient expends up to \$750,000 in federal funds, part of which must be HOME funds.
- An audit must be submitted for each fiscal year that the subrecipient expends \$750,000 or more in federal funds, part of which must be HOME funds.
- The subrecipient must submit one copy of the applicable document for EACH contract and note the HOME contract number on the document.
- IFA reserves the right to request additional information as needed.

BREACH OF CONTRACT/MISUSE

Any breach of contract provisions or misuse of HOME Funds can result in the repayment of your HOME award. All HOME funds are subject to repayment in the event the project does not meet the project requirements as stated here and within the contract. Repayment of the subrecipient's HOME funds will prevent future awards from IFA.

SECTION 3. FEDERAL CROSS-CUTTING MEASURES

SUMMARY OF OTHER FEDERAL CROSS-CUTTING MEASURES

SUMMARY OF OTHER FEDERAL CROSS-CUTTING MEASURES			
Other Federal Requirements	Applies to TBRA Projects?	Special Issues/Considerations	Regulatory Citations and References
<i>Non-Discrimination and Equal Access Rules</i>			
Fair Housing and Equal Opportunity	Yes	Subrecipient must affirmatively further fair housing	<ul style="list-style-type: none"> • 92.202 • Title VI of Civil Rights Act of 1964 (42 U.S.C. 2000d et. seq.) • Fair Housing Act (42 U.S.C. 3601-3620) • Executive Order 11063 (amended by Executive Order 12259) • Age Discrimination Act of 1975, as amended (42 U.S.C. 6101) • 24 CFR 5.105(a)
Affirmative Marketing	Yes	Affirmative Fair Housing Marketing Plan must be submitted to IFA	<ul style="list-style-type: none"> • 92.351
Handicapped Accessibility	Yes	Rehab properties may require modification	<ul style="list-style-type: none"> • Section 504 of the Rehabilitation Act of 1973 (implemented at 24 CFR Part 8)
<i>Employment and Contracting Rules</i>			
Conflict of Interest	Yes	Contract includes language	<ul style="list-style-type: none"> • 92.356 • 2 CFR Part 200
Equal Opportunity Employment	Yes	Contracts and subcontracts over \$10,000 should include language prohibiting discrimination.	<ul style="list-style-type: none"> • Executive Order 11246 (implemented at 41 CFR Part 60)
Minority/Women Employment	Yes	Must solicit Minority and Women Business Enterprises	<ul style="list-style-type: none"> • Executive Orders 11625, 12432, and 12138 • 24 CFR 85.36(e)
Debarred Contractors	Yes	Submit to IFA prior to signing a contract with the contractor/subcontractor	<ul style="list-style-type: none"> • 24 CFR Part 5
<i>Environmental Requirements</i>			
Environmental Reviews	Yes	Level of review depends on the activity.	<ul style="list-style-type: none"> • 92.352 • 24 CFR Part 58 • National Environmental Policy Act (NEPA) of 1969
Lead-Based Paint	Yes (pre-1978 units)	<p>The regulation only applies to structures built before 1978.</p> <p>Provisions included in all contracts and subcontracts</p> <p>Notices to purchasers.</p> <p>Visual assessment must be performed</p> <p>Paint stabilization must be completed (if applicable)</p> <p>Safe work practices and clearance</p>	<ul style="list-style-type: none"> • 92.355 • Lead Based Paint Poisoning Prevention Act of 1971 (42 U.S.C. 4821 et. seq.) • 24 CFR Part 35 • 982.401(j) (except paragraph 982.401(j)(1)(i))

Relocation	Yes	Requires notification to tenants Required language in offers and contracts for acquisition of property	<ul style="list-style-type: none"> • 92.363 • Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655) • 49 CFR Part 24 • 24 CFR Part 42 (subpart B) • Section 104(d) "Barney Frank Amendments"
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ACQUISITION AND RELOCATION

Federal law and IFA require that all reasonable steps be taken to minimize the displacement of persons because of a project assisted with HOME funds. IFA has implemented a policy that only allows for the acquisition of owner-occupied and vacant homes in homebuyer projects. The acquisition of vacant homes is allowable if the owner can prove to IFA's satisfaction that a tenant was not displaced for the purpose of selling the home. The intention of this policy is to prevent situations where tenants will be displaced resulting in unanticipated expenses for the homebuyer project.

CIVIL RIGHTS AND FAIR HOUSING

The purpose of Affirmative Fair Housing Marketing requirements is to promote a condition in which individuals of similar income levels in the same housing market area have available to a similar range of choices in housing, regardless of the individual's race, color, religion, sex, physical/mental disability, familial status or national origin.

The subrecipient's contract will list several federal and state regulations related to civil rights, equal opportunity, and fair housing. The Fair Housing Act prohibits discrimination in the sale, rental, financing, or other services related to housing based on the protected classes. If you participate in the HOME Program, you cannot be denied benefits or be subjected to discrimination based on the protected classes. Fair housing also applies to any project funded in whole or in part with federal funds. When the subrecipient signs the contract, it certifies that it will comply with the laws listed. If the subrecipient does not understand the requirements view the full text of the regulation.

While some of the civil rights and fair housing regulations simply prohibit discrimination, others require the subrecipient to take some affirmative steps or action. These are addressed below.

AFFIRMATIVELY FURTHERING FAIR HOUSING

Title VIII of the Civil Rights Act of 1968 and Title I of the Housing and Community Development Act of 1974 require that subrecipients take some action to affirmatively further fair housing in their communities. This means the subrecipient must conduct outreach and informational efforts to those who are least likely to know about and apply for the housing assistance.

Refer to IFA's website for information and examples:

- Affirmative Fair Housing Marketing Plan Form (Homebuyer)
- HOME Affirmative Fair Housing Marketing Guide
- Equal Housing Opportunity Logo
- Federal Fair Housing Poster
- Iowa Fair Housing Poster
- Iowa Hate Crime Poster

When the homebuyer project is monitored, IFA will review the actions that the subrecipient took to affirmatively further fair housing. The subrecipient should document those activities and the results.

Affirmative Fair Housing Marketing (AFHMP) Plan

HOME subrecipients are required to develop an Affirmative Fair Housing Marketing Plan for the project. Affirmative marketing analysis must be part of the marketing efforts to attract homebuyers to the project. The plan needs to be submitted to Bernadette Beck at Bernadette.beck@iowafinance.com

Affirmative Action in Soliciting MINORITY/WOMEN Business Enterprises

Executive Orders 11625, 12432 and 12138 generally require subrecipients to make every effort to solicit the participation of minority and women business enterprises (MBE/WBE) in their activities. Subrecipients must specify the outreach actions they will take to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, in all contracts.

The subrecipient should include qualified MBE's and WBE's on its solicitation lists and solicit their participation whenever they are potential sources of goods or services that the subrecipient needs. A searchable database of registered MBE's and WBE's is available on the Iowa Department of Inspections and Appeals website under the Certified Targeted Small Business section. When the homebuyer project is monitored, IFA will review the actions that the subrecipient took to solicit MBE/WBE participation and the results.

Section 504 of the Rehabilitation Act of 1973/ Americans with Disabilities Act

Information on Section 504 and ADA requirements for accessibility of HOME activities to persons with disabilities can be found at: [Section 504](#), [ADA](#)

Violence Against Woman Act of 1994 (VAWA 2022)

Final guidance was released by HUD in the Federal Register (Vol. 81, No. 221) on November 16, 2016. Despite the name, VAWA protects both male and female victims. VAWA established two specific provisions for victims of domestic violence. The first provision requires that "an applicant for or tenant of assisted housing under a covered housing program may not be denied admission to, be denied assistance under, terminated from participation in, or evicted from housing on the basis that the applicant or tenant is or has been a victim of domestic violence, dating violence, sexual assault, or stalking if the applicant or tenant otherwise qualifies for admission, assistance, participation, or occupancy".

The second provision requires that leases be bifurcated, allowing eviction or termination of assistance for the perpetrator of the violent crime while retaining the victim. Remaining members of the household are given a chance to qualify for the housing they reside in. If they do not qualify without the perpetrator, then they must be given a reasonable time to find other housing or to establish eligibility under another covered housing program.

ENVIRONMENTAL REVIEW

The National Environmental Policy Act of 1969 (NEPA) establishes national policies, goals and procedures for protecting, restoring and enhancing environmental quality. HOME subrecipients must comply with this law and with related federal regulations, which are referenced in 24 CFR Part 58. The HOME subrecipient is responsible for evaluating how existing environmental conditions may impact the project, and how the project's activity will affect the environment, by complying with the requirements set forth in 24 CFR Part 58. The requirements are complex and require time for the process to be completed. Depending on the "level of review", it can take more than 60 days to complete the NEPA process.

Building a strong foundation of knowledge will ensure your project will not have a negative impact on the environment nor will the environment have a negative impact on your project. To gain this knowledge:

- Understand NEPA and related environmental authorities
- Compliance - follow procedures for carrying out the environmental review responsibilities
- Quality - achieve genuine environmental protection
- Efficiency - focus results on relevant issues and avoid missteps.

IFA will determine which environmental level of review category applies to the HOME project. A homebuyer project level of review will either be Categorical Exclusion Subject to Other Federal Laws and Authorities (CEST) or Categorical Exclusion Not Subject to Other Federal Laws and Authorities (CENST). To determine which level of review your project will require, you need to define: **who** is undertaking the project, **what** specific activities are proposed; **where** is the proposed action located; **when** will proposed action occur; and **why** is project being considered.

IFA is using the HUD online environmental system (HEROS) to complete the NEPA process for each project funded by HOME. All necessary documentation must be forwarded to IFA to complete the information in the HEROS system.

Incurring Costs (24 CFR Part 58.22)

Completion of the environmental review process is **MANDATORY** before taking **ANY** action on a specific site or making a commitment or expenditure of HUD funds or any other non-HUD project funds for property acquisition or transfer, rehabilitation, conversion, lease, repair, inhabiting a property, or construction activities. 24 CFR Part 58.22 describes limitations on activities pending clearance as (a) neither a subrecipient nor any participant in the development process, including public or private non-profit or for-profit entities, or any of their contractors, may commit HUD or non-HUD assistance under a program listed in 58.1(b) on an activity or project until HUD has approved the subrecipient's Request Release of Funds (RROF) and IFA has issued the certification to use HOME funds to the subrecipient. This certification will come in a letter through email addressed to the subrecipient's contact person. If a violation occurs resulting in adverse environmental impact or limiting the choice of reasonable alternatives during this vital step in the NEPA process, funds will not be able to be utilized for the site that violated NEPA.

NOTE: A choice limiting action is ANY action done prior to the certification being issued by IFA. This is not an all-inclusive list of choice limiting actions: acquisition, purchase, moving tenants or homebuyers into property, rehabilitation, groundwork, lease, repair, demolition, landscaping, zoning, etc. The subrecipient is to use "due diligence" that a violation does not occur during this step of the NEPA process, or the funds will be lost to the project site.

The **ONLY** things that can be initiated prior to IFA releasing funds are contracting for **preliminary** architectural/engineering fees, and costs associated with the environmental review process. Keep in mind, even these exempt costs can **only** occur after the effective date of the contract. **No costs incurred or obligated prior to the contract effective date are allowable HOME costs and could result in the loss of the subrecipient's HOME award.** When a subrecipient spends money on these exempt costs, they are taking a financial risk because if the environmental review concludes that a site is not eligible, the subrecipient will **not** be reimbursed for those costs spent.

For all other activities, subrecipients cannot obligate or incur costs or draw down funds

until the environmental review requirements are satisfied, and IFA has released funds to the project.

Project Aggregation (24 CFR Part 58.32)

Subrecipients must group together and evaluate as a single project all individual activities which are related either on a geographical or functional basis or are logical parts of a composite of contemplated actions. When grouping activities, the subrecipient should be aware that several sites, each requiring some degree of environmental review, might be considered one project (40 units being rehabilitated within a target area). The subrecipient is well served by grouping activity by projects, common locations and functions, and activity phasing. Some factors can be considered on an activity-wide basis, while others require site-by-site analysis.

Environmental Review Record (24 CFR Part 58.38)

Each HOME activity or project must have a written record of the environmental review process that documents the steps taken for the project that completed the NEPA process according to rules and authorities. This is the Environmental Review Record (ERR), which must be available for public review. The ERR must contain a description of the activity and its project's determination of level of review; a map of the activity/project area; documentation of compliance with environmental laws; other relevant documents, notices, or information; and public comments on the subrecipient's environmental review. Public comments and the subrecipient's responses to those comments are extremely important and must be documented in the ERR. The ERR will vary in length and content by activity or project.

Determine the Level of Review

IFA will determine which level of review (CEST or CENST) will be required for the homebuyer project according to 24 CFR Part 58 definitions. Once a level of review is determined, all the homes must go through the same review. All homes within that project must meet the requirements under that review level and go through the process for that review.

Categorically Excluded Subject to Other Federal Laws and Authorities (CEST)

Homebuyer acquisition with rehabilitation projects is CEST. The subrecipient's project will fall under the categorically excluded subject to other laws and authorities if the project meets one of the following criteria:

- Special projects directed to the removal of material and architectural barriers.
- Rehabilitation of buildings and improvements when the following conditions are met:
 - In the case of a building for residential use (with one to four units), the density is not increased beyond four units, the land use is not changed, the footprint of the building is not increased, and the project is not in a floodplain or wetland.
- An individual action on up to four dwelling units where there is a maximum of four units on any one site. The units can be four one-unit buildings or one four-unit building or any combination in between.
- An individual action on a project of five or more housing units developed on scattered sites when the sites are more than 2,000 feet apart and there are not more than four housing units on any one site. The housing needs to be constructed or under construction at the time of application for HOME funds.
- Acquisition (including leasing) or disposition of, or equity loans on an existing structure, or acquisition (including leasing) of vacant land provided that the structure or land acquired, financed, or disposed of will be retained for the same

- use.
- Combinations of the above activities.

Each project will also complete an environmental assessment according to the 24 CFR Part 58.6, other requirements.

Procedure for CEST

Document in the ERR in writing, the process for making the CEST determination.

- Complete the “Level of Review” determination
- Sign, date and place in ERR
- Include clear project description

Prepare the Categorically Exclusion Projects Statutory Checklist and include supporting source documentation with the partner worksheets from HUD. Document compliance with the requirements of CFR Part 58.6. Forward the ERR to IFA. IFA will input the information and supporting documentation into the HEROS system.

The subrecipient must publish the Notice of Intent to Request Release of Funds (NOI/RROF) in a local newspaper of general circulation. If a project must post, please contact IFA for directions. The public must be given at least seven days to comment before moving to the next step. The subrecipient must use the HUD template for the publication.

IFA will complete the HUD form 7015.15. After the state's seven-day comment period has elapsed, submit to IFA, the proof of publication. These documents will be uploaded into the HEROS system for HUD's 15-day comment period.

Once HUD's 15 days have elapsed, HUD will provide IFA with a 7015.16 which is the certificate to use HOME funds for the project. IFA will then send out the Request for Release of Funds letter to the contact person, for the project, and the project can move forward. This will conclude the environmental process for Tier I.

Tiering (24 CFR PART 58.15)

Homebuyer subrecipients with level of review CEST shall tier their environmental reviews and assessments to eliminate repetitive discussions of the same issues at subsequent levels of review. Tiering is appropriate when there is a requirement to evaluate a policy or proposal in the early stages of development or when site-specific analysis or mitigation is not currently feasible, and a more focused analysis is better done at a later date. The site-specific review needs only to reference or summarize the issues addressed in the broader review. The broader review should identify and evaluate those issues relevant to the decision and exclude those issues not relevant to the policy, program, or project under consideration. The broader review should also establish the policy, standard or process to be followed in the site-specific review. Tier I will evaluate the broader assessment of federal laws and authorities and shall include a summary of the assessment and identify the significant issues to be considered in site specific reviews (Tier II). Subsequent site-specific reviews (Tier II) will not require notices or a Request for Release of Funds unless the certifying officer determines that there are unanticipated impacts or impacts not adequately addressed in the prior review.

Tier II for a homebuyer unit must address those federal laws and authorities that were not examined in Tier I. Tier II for each specific home will be forwarded to IFA to input into the HEROS system. This will conclude the environmental process for Tier II.

Categorically Excluded Not Subject to Other Federal Laws and Authorities (CENST)

Homebuyer acquisition providing only downpayment assistance are CENST. The subrecipient's project will fall under the categorically excluded not subject to other laws and authorities if the project meets one of the following criteria:

- Activities to assist homebuyers to purchase an existing dwelling unit or dwelling units **under** construction, including closing costs and down payment assistance. *These units must be constructed or under construction at the time of application.*

Each project will need to perform an environmental assessment according to the 24 CFR Part 58.36. The ERR must contain well organized written record of the process and determinations made under this section.

If the activities in the subrecipient's project do not meet CEST or CENST standards, then the subrecipient will need to contact the IFA for guidance.

Procedure for CENST

Document in the ERR in writing, the process for making the CENST determination.

- Complete the "Level of Review" determination
- Sign, date, and place in ERR
- Include a clear project description

Document compliance with the requirements of CFR Part 58.6 and put into ERR. Forward the ERR packet to IFA along with the supporting documentation and IFA will upload it into the HEROS system. IFA will then send the Request for Release of Funds letter to the contact person for the project, so that the project can move forward with their project.

NOTE: If an amendment or change to the activity is proposed, the subrecipient must re-evaluate its environmental. An amendment may include new circumstances and/or environmental conditions arising during implementation or if an alternative not considered in the original assessment is selected. The reevaluation determines if the classification is still valid. If it is, but data or conditions have changed, the subrecipient must amend the original assessment and update the ERR.

Related Federal Laws and Authorities (24 CFR Part 58.5)

In addition to following NEPA procedures and assessing the impact of the activity on the human environment (an integral part of the NEPA process), subrecipients must certify that they are in compliance with the following related laws and authorities:

- Air Quality (40 CFR Parts 6, 51, 93)
- Coastal Zone Management Act (Coastal Zone Management Act, Sections 307(c) & 307(d))
- Contamination and Toxic Substances (24 CFR Parts 50.3(i) & 58.5(i)(2))
- Radon, asbestos and lead need to be evaluated under this regulation.
- Endangered Species Act (50 CFR Part 402)
- Explosive and Flammable Hazards (24 CFR Part 51 Subpart C)
- Farmland Protection (7 CFR Part 658)
- Floodplain Management (24 CFR Part 55)
- Historic Preservation (36 CFR Part 800)
- Noise Abatement and Control (24 CFR Part 52 Subpart B)
- Sole Source Aquifers (40 CFR Part 149)

- Wetlands Protection (EO 11990)
- Wild and Scenic Rivers Act
- Environmental Justice (EO 12898)

OTHER REQUIREMENTS (24 CFR PART 58.6)

- Airport Hazards (24 CFR Part 51 Subpart D)
- Coastal Barrier Resources Act (16 USC 3501)
- Flood Insurance (42 USC 4001-4128 & 42 USC 5154a)

NOTE: Iowa Finance Authority does not allow single family housing to be located within a floodplain or wetland.

FEDERAL CONTRACT PROVISION LANGUAGE

The subrecipient must certify that all federal requirements listed in its contract with IFA are satisfied. The certifications must be part of every contract and subcontract funded in whole or in part with HOME funding. The subrecipient must ensure that all contracts include the provisions outlined in the Contract Provisions Checklist.

LEAD SAFE HOUSING

HUD Lead Regulation 24 CFR Part 35, Subpart M, applies to the TBRA Program. The regulation only applies to structures built before 1978 that house children under the age of six. The subrecipient should consult the regulation itself to make sure that it implements this regulation fully and properly. Further information concerning the state-specific requirements for lead poisoning prevention can be found at the Iowa Department of Public Health – Bureau of Lead Poisoning Prevention website.

The following summarizes the key requirements for TBRA projects:

1. EVALUATION

Subrecipients must ensure that a visual assessment of a unit is conducted prior to occupancy and at least annually thereafter. The visual assessment identifies deteriorated paint, dust, debris, and other residue. The visual assessment must be completed by a contractor certified by the Iowa Department of Public Health to conduct visual assessments.

2. PAINT STABILIZATION

The property owner must correct any conditions identified in the HQS inspection or visual assessment including stabilization of deteriorated paint. Paint stabilization normally involves repairing the substrate, scraping, and repainting the surface. All deteriorated paint must be stabilized by properly trained or supervised workers using Lead Safe Work Practices.

When work is complete, the subrecipient must ensure that the unit passes clearance and must maintain a copy of the clearance report. Failure to obtain clearance on any unit where lead hazard reduction activities have occurred will result in disqualification of the unit. Records should be kept on any unit where clearance is required but has not been obtained to ensure that the unit is not rented to a TBRA-assisted household.

3. COMMUNICATION WITH TENANTS

The subrecipient must ensure that residents receive the following communications:

- The tenant must receive the EPA pamphlet, Protect Your Family from Lead in Your Home, or the Iowa Department of Public Health's pamphlet, Lead Poisoning – How to Protect Iowa's Families, prior to occupying the unit. Documentation of the tenant's receipt of one of these pamphlets must be maintained in the tenant's file.

- Prior to occupancy, tenants must receive a Lead Disclosure Notice from the owner notifying them of any known lead-based paint or hazards in the unit.
4. **ENVIRONMENTAL INTERVENTION BLOOD LEAD LEVELS**
The subrecipient and property owners must take specific steps after receiving notice that a child with EIBLL is living in a unit occupied by a TBRA-assisted household.
 5. **REIMBURSABLE EXPENSES**
Inspections associated with lead-based paint requirements are reimbursable either with regular funds or administration funds depending on the year of the subrecipient's contract and budget limitations. There are no TBRA funds available for lead hazard reduction. The burden to pay for lead reduction work is on the building owner.

PROCUREMENT AND CONFLICT OF INTEREST

Procurement

All subrecipients must follow the General Procurement Standards in 2 CFR §200.318.

Conflict of Interest

Along with other requirements not mentioned in this Guide, this regulation states that non-Federal entity recipients must maintain written standards of conduct covering conflicts of interest, including organizational conflicts of interest. *Organizational conflicts of interest* means that, because of relationships with a parent company, affiliate, or subsidiary organization, the non-Federal entity is unable or appears to be unable to be impartial in conducting a procurement action involving a related organization.

Minority- or Women-Owned Business

All projects utilizing HOME funding must take affirmative steps to use small businesses and minority- or women-owned businesses as sources of supplies, equipment, construction, and services. A searchable database of registered MBEs and WBEs is available at the Department of Inspection and Appeals – Certified Targeted Small Business.

VIOLENCE AGAINST WOMEN REAUTHORIZATION ACT OF 2012 (VAWA)

The Violence Against Women Act of 1994 (VAWA) is a United States federal law that provides funding and rules designed to investigate and prosecute violent crimes and to protect victims of such crimes. VAWA was reauthorized in 2000, 2005, and 2013. The 2005 version first introduced provisions that applied to housing. Specifically affected were the Section 8 programs and public housing. The 2013 reauthorization greatly expanded the housing programs covered by the Act to include HOME-funded Tenant-Based Rental Assistance. Final guidance was released by HUD in the Federal Register (Vol. 81, No. 221) on November 16, 2016. Despite its name, VAWA protects both male and female victims. See Addendum B for more information.

SPECIAL REQUIREMENTS FOR LOCAL GOVERNMENTS

Local government recipients of HOME awards need to:

- Adopt a **Policy on the Prohibition of the Use of Excessive Force and a Residential Anti-Displacement and Relocation Assistance Plan**. You must submit adopted and signed copies of both documents to IFA before you can draw funds.
- Adopt an **Equal Opportunity Policy** and post it in a public place.
- Follow appropriate accounting and financial management procedures as required by 2 CFR Part 200.
- For audit requirements, see Section 2 of this Guide.

SECTION 4. AFTER RECEIPT OF AWARD

AWARD LETTER

The subrecipient will receive a conditional award letter. Upon receipt of the letter, the subrecipient must sign and return the Award Acceptance page acknowledging and accepting the award.

ATTEND MEETINGS/TRAINING SESSIONS

The subrecipient shall attend meetings/trainings as specified by IFA.

READ HOME HOMEBUYER GUIDE

CONTRACT DOCUMENTS

When the subrecipient receives its contract documents, please review them carefully, obtain the required signatures(s), and return the contract to IFA. IFA will execute the contract and return a copy to the subrecipient. IFA will also work with the subrecipient to obtain the required resolution and related documents for project signature authorizations.

Subrecipients should inform IFA Program Manager of any unforeseen project changes(s) occurring after contract execution. If IFA determines that a contract amendment is needed, the subrecipient will be asked to provide written documentation supporting the reason(s) for the amendment. IFA will provide the subrecipient with a copy of any revised documents as needed.

BEGIN ENVIRONMENTAL REVIEW PROCESS

The environmental review process is required by federal law and has some built-in time constraints. The subrecipient should begin the environmental review immediately following receipt of the award letter. The subrecipient takes on the responsibility to evaluate how its project will affect the environment by complying with the requirements set out in 24 CFR Part 58.

NOTE: The subrecipient must have IFA's Request for Release of Funds letter BEFORE it starts the homebuyer project.

NOTICE TO PROCEED

Only expenses incurred by the subrecipient after receipt of the IFA Notice to Proceed letter are eligible for reimbursement.

ADMINISTRATION PLAN

The subrecipient will prepare and submit its Administration Plan and ensure the project's compliance with federal laws, regulations, and state administrative rules provisions and provisions. The subrecipient must describe its operational policies, procedures and standards, and operation consistency. IFA will monitor the subrecipient's project based on its Administration Plan. Sample Administrative Plan are on the HOME web.

AFFIRMATIVE FAIR HOUSING MARKETING PLAN

The subrecipient must prepare and submit its Affirmative Fair Marketing Plan.

GENERAL ADMINISTRATION AND TECHNICAL SERVICES

Homebuyer projects may require administration and technical services. If in-house staff perform the services, nothing further is required. If an outside entity is used, non-profit subrecipients must procure such services through a competitive process, preferably from three or more firms or individuals. Ideally, the firms or individuals are familiar or experienced with HOME or similar programs, competent in the required technical areas, and able to provide timely services.

SECTION 5. PREPARATION AND SUBMITTAL OF DRAWS

GENERAL INFORMATION

- The subrecipient must receive an IFA Notice to Proceed letter.
- The subrecipient has 24 months from the contract effective date to expend all awarded HOME funds.
- Draw requests will not be processed before clearance of all applicable contract conditions.
- Homebuyer projects can only request one draw per homebuyer unit. A request should be made only after work has been completed, inspected and deemed satisfactory.
- Draw requests must be in whole dollar amounts and for a minimum of \$500 dollars.
- Draw requests must contain all supporting documentation for funds to be drawn.
- The subrecipient will be notified if the draw request is denied. IFA will inform the subrecipient of what needs to be corrected and re-submitted.
- If the draw request is approved, IFA will transfer the funds to the subrecipient through an Automated Clearing House (ACH) transfer.
- Funds must be disbursed at the local level within 10 working days of receipt from IFA.

ITEMS NEEDED PRIOR TO FIRST DRAW

These items must be completed prior to the first draw (whether it is a regular fund draw or an administration fund draw).

- Administration Plan
- Authorized Signature Form
- ACH Transfer Authorization
- Affirmative Fair Housing Marketing Plan

SUBMITTAL OF DRAWS FOR REGULAR FUNDS

- **COMPILE DOCUMENTATION**
Each assisted homebuyer activity will be allowed one regular fund draw. This first and final draw must be accompanied by the Homebuyer Completion Form and all the associated due diligence documentation to be processed for payment. All costs related to the homebuyer activity must be covered by the subrecipient prior to requesting reimbursement.
- **COMPLETE DRAW REQUEST FORM (REGULAR FUNDS) FOR ADDRESS/ACTIVITY**
Complete the Draw Request Form (Regular Funds) and invoice documentation. Draws must be in whole dollar amounts.
- **SUBMIT DOCUMENTS TO IFA**
Submit the documents to IFA by email.

SUBMITTAL OF DRAWS FOR ADMINISTRATION FUNDS

- **COMPLETE DRAW REQUEST FORM (ADMINISTRATION FUNDS)**
Complete the Draw Request Form (Administration Funds) and attach supporting documentation. Draws must be in whole dollar amounts.
- **SUBMIT DOCUMENTS TO IFA**
Submit the documents to IFA by email.

SECTION 6. MONITORING REVIEW

Before the contract end date, IFA will contact the subrecipient to set up a monitoring review which will include both a physical and file inspection. The purpose of this review is to assess the subrecipient's performance and compliance with HOME Program requirements.

The subrecipient will need to do the following to prepare for the visit:

- Give proper notification to the homebuyer for site visits
- Maintain well-documented homebuyer and project records
- Document project progress
- Document actions taken to satisfy the various federal/state requirements

SECTION 7. CLOSEOUT PROCESS

After a completion report has been submitted for each activity, IFA will determine if there are any remaining items that need to be provided prior to transferring the project to long-term compliance.

MATCH

All HOME projects containing eligible match funds must submit match information to IFA until all required match (as identified on Exhibit A of the HOME contract) has been contributed to the activity. HOME subrecipients must maintain complete and current records regarding all eligible match contributions. Failure to provide match proposed in project application may result in reductions in scoring for future applications.

The match forms below can be found on IFA's website, under the HOME Program:

Match Table - Eligible Forms, Calculations, Date of Contribution

HOME Match Report with Instructions

FINAL ALLOCATION COMPLIANCE LETTER

When all required documentation for the project has been satisfied, the recipient will receive an Initial Allocation Compliance Letter, Audit Letter, and a Final Allocation Compliance Letter. The Final Allocation Compliance Letter will include a summary of the subrecipient's project and activities.

NOTE: Although IFA may conclude that the subrecipient is in substantial compliance, the subrecipient's HOME Program records may be reviewed as part of IFA's annual audit by HUD, an independent auditor or the State Auditor's Office. Any of these audits could result in findings or conclusions that differ from those of IFA.

Once the Final Allocation Compliance Letter has been received, the subrecipient will continue to work with IFA's Long-Term Compliance Department for the remainder of the project's affordability period.

HUD DEFINITIONS

Activity Completion

The PJ must complete an IDIS activity when it meets the definition of project completion in the HOME regulations at 24 CFR 92.2. The activity is completed when the final drawdown has been disbursed for the project and the project completion information has been entered in IDIS for the project (except for rental projects and TBRA)

Activity Set-Up

PJs set up each HOME project, as defined by the HOME regulations at 24 CFR 92.2, as a separate IDIS activity. Each IDIS activity is associated with an Annual Action Plan project. Information entered at activity setup includes the project name, location, proposed accomplishments, and project-specific data. An activity may not be set up and funded in IDIS until the PJ executes a legally binding HOME commitment (i.e. written agreement) that meets the pre-commitment requirements at 24 CFR 92.2.

Acquisition of Rental Housing

Acquisition is the purchase of existing rental housing. This must be combined with rehab if the property does not meet the HOME property standards at the time of purchase.

AFFH

Affirmatively Furthering Fair Housing

AFHMP

Affirmative Fair Housing Marketing Plan

Annual Action Plan

The Annual Action Plan describes the projects and activities that the CPD formula block grant recipients plan to carry out with that grant year's funding and that will contribute to their Con Plan goals.

Annual Action Plan Project

An Annual Action Plan project includes a high-level description of the eligible program or activity that will take place during the PJ's program year.

Area Median Income (AMI)

The area median income (AMI) is the household income for the median, or middle, household in a region. HOME assistance must be provided to households at or below 80% of the area median income.

BMIR

Below-Market Interest Rate

Certificate of Occupancy (C of O)

The Certificate of Occupancy (often referred to as the C of O) is a certification by the state or local code official that the unit meets the applicable building standards required to allow occupancy.

Circulars

Instructions or information issued by the Office of Management and Budget (OMB) to Federal agencies. These are expected to have a continuing effect of two years or more.

Code of Federal Regulations (CFR)

The codification of the general and permanent rules published in the Federal Register by the departments and agencies of the Federal government.

Community Housing Development Organization (CHDO)

A private, nonprofit organization that meets a series of qualifications prescribed in the HOME reunifications at 24 CFR Part 92.2. A Participating Jurisdiction (PJ) must award at least 15 percent of its annual HOME allocation to housing that is owned, developed, or sponsored by CHDO

Community Housing Development Organization (CHDO) Proceeds

Funds received by a CHDO, that results from the CHDO's investment of HOME set-aside funds.

Consolidated Annual Performance Evaluation Report (CAPER)

The CAPER is an annual performance report on the Consolidated Plan and Action Plan goals and achievements. The CAPER includes a description of the resources made available, the investment of available resources, the geographic distribution and location of investments, the families and persons assisted (including the racial and ethnic status of persons assisted), actions taken to affirmatively further fair housing, and other accomplishments related to the goals set forth in the Con Plan and Action Plan.

Consolidated Plan (Con Plan)

The Con Plan consists of a needs assessment, a market analysis, and a strategic plan, in which PJs lay out priority needs and goals over the planning period. CPD formula block grant recipients are required to submit a Con Plan every three to five years.

Consortia

A group of geographically contiguous units of general local government may choose to form a consortium, particularly when one or more members are not eligible to receive a formula allocation, or their formula allocation would not meet the minimum participation threshold. A consortium is treated as a single unit of local government for the purposes of HOME.

Conversion

Conversion involves changing the use of the property, such as rehabilitation of an institutional or commercial property for residential use.

CPD

Community Planning and Development

Drawdowns

Drawdowns are how the PJ disburses HOME funds in IDIS. After incurring a HOME eligible expense, PJs create a drawdown voucher in IDIS to disburse funds from a particular HOME grant. Drawdowns may only be made for an activity in IDIS after the activity has been funded.

EEO

Equal Employment Opportunity

EBLL

Elevated Blood Lead Level

EPA

Environmental Protection Agency

Fair Market Rents (FMR)

Fair Market Rents (FMRs) are the 40th percentile of gross rents for typical, non-substandard occupied units in the local rental market. These rents are issued by HUD, for Office of Management and Budget (OMB) defined metropolitan areas, some HUD defined subdivisions of OMB metropolitan areas, and each nonmetropolitan county. They are used to determine eligibility and establish a payment standard for certain HUD programs, including the Housing Choice Voucher program.

FHEO

Fair Housing and Equal Opportunity

Fixed Unit

A unit whose designation as HOME-assisted never changes during the period of affordability.

Floating Unit

A unit that is designated as HOME-assisted at the project outset, but whose designation might change during the period of affordability.

General Information Notice (GIN)

As soon as feasible, the general information notice is required to be provided to a person that may be displaced by a project. A general information notice informs the person they may be displaced and not to move. It describes the assistance they may get in general terms, and states that they will receive a 90-day notice before they need to move. Requirements for specific information that must be included in the general information notice are found at 49 CFR 24.203.

Group Home

Housing occupied by two or more single persons or families that consists of common space and/or facilities for group use by the occupants of the unit and separate private space for each family (except in the case of shared one-bedroom units).

HFA

Housing Finance Agency

HOME Project

A HOME project consists of one or more buildings on a single site or multiple sites that are under common ownership, management, and financing and will be assisted with HOME funds as a single undertaking.

Income Targeting

Income targeting refers to limits on occupancy to households that meet specified income limits. For example, if a PJ wants its rental housing programs to serve very low-income tenants, it might impose income targeting so that HOME-assisted units must be occupied by households with incomes that are at or below 50% of area median income (AMI).

Integrated Disbursement and Information System (IDIS)

The Integrated Disbursement and Information System (IDIS) is a nationwide fund disbursement system and database that provides HUD with current information regarding CPD's five formula grant and one competitive grant program activities. These grants include HOME; Housing Trust Fund (HTF); Community Development Block Grant (CDBG); Emergency Solutions Grants Program (ESG); and the Housing Opportunities for People with AIDS, (HOPWA), and HOPWA Competitive.

IDIS Activity

An IDIS activity is a HOME project. In IDIS, each HOME project is called an "activity." IDIS captures data at four key stages of a HOME activity: 1) Activity set-up; 2) Activity funding; 3) Disbursements of HOME funds requested via IDIS, as needed; and 4) Activity completion information.

IDIS Project

IDIS projects generally correspond to the PJ's Consolidated Plan/Annual Action Plan projects. Information about each project, such as name, description, and estimated budget, is either entered into the system through the Action Plan or input directly into the system by PJs. Each IDIS project is set up under a specific plan year. Projects also serve as the chief mechanism for organizing and tracking related IDIS activities and correlate those activities with the goals and outcome indicators that the PJ enters in the specific year's Action Plan

Interest Subsidies

Interest subsidies, also referred to as interest reduction grants or interest rate buydowns, are similar to principal reduction grants or loans except that the HOME funds are used to "buy down" the interest rate to an affordable level. In this case, the HOME subsidy is paid directly to the lender and not provided to the homeowner.

LBP

Lead-Based Paint

LIHTC

Low-Income Housing Tax Credits

Liquidity

In accounting, the term liquidity is defined as the ability of an entity to meet its financial obligations as they come due. The liquidity ratio, then, is a computation that is used to measure a company's ability to pay its short-term debts.

Loan Guarantees

Loan guarantees are an eligible, but extremely uncommon, use of HOME funds. A loan guarantee is used as a credit enhancement when a borrower who is otherwise eligible for a private loan is denied because of a real or perceived risk factor.

LSHR

Lead Safe Housing Rule

Match

The Participating Jurisdiction's (PJ) permanent contribution to the HOME Program – the local, non-Federal contribution to the partnership. The PJ's match contribution must equal not less than 25% of the HOME funds drawn down for projects in that fiscal year.

MSA

Metropolitan Statistical Area

Monitoring Plan

An annual plan that documents how the PJ will monitor their HOME-funded partners and outlines how the PJ will allocate its resources to ensure that each funded entity receives an appropriate level of monitoring, given its risks.

M/WBE

Minority and Women Business Enterprise. A Minority Business Enterprise (MBE) is a business that is at least 51% owned and controlled by one or more persons who are Alaskan Native or American Indian, Asian or Pacific Islander, Black (non-Hispanic), or Hispanic, and are citizens of the United States. A Women Business Enterprise (WBE) is a business that is at least 51% owned and controlled by one or more women who are citizens of the United States.

NEPA

National Environmental Policy Act

New Construction

The creation of new dwelling units. Any project which includes the creation of new or additional dwelling units in an existing structure is considered new construction.

Office of Community Planning and Development (CPD)

The Office of Community Planning and Development (CPD) of HUD seeks to develop viable communities by promoting integrated approaches that provide decent housing, a suitable living environment, and expand economic opportunities for low- and moderate-income persons.

Office of Management and Budget (OMB)

The business division of the Executive Office of the President of the United States that administers the United States Federal budget and oversees the performance of Federal agencies.

Operating Pro Forma

A projected income and expense statement submitted by the developer as part of the project proposal. The PJ must review the operating pro forma to determine whether the project income will be able to support its financial needs for at least the period of affordability.

Participating Jurisdiction (PJ)

The term given to any state, local government, or consortium that is designated by HUD to administer a HOME Program. HUD designation as a Participating Jurisdiction (PJ) occurs if a state or local government meets the funding thresholds, notifies HUD that they intend to participate in the program, and has a HUD-approved Consolidated Plan.

Payment Standard

The payment standard represents the rent plus utility cost of moderately priced standard units, by bedroom size, in the jurisdiction. HOME requires that the PJ establish a payment standard for its tenant-based rental assistance (TBRA) program.

Period of Affordability

The length of time during which affordability restrictions apply, and the unit must be the principal residence of a low-income household.

Program Income (PI)

Under HOME, program income is the gross income received by the participating jurisdiction, State recipient, or a subrecipient directly generated from the use of HOME funds or matching contributions.

Projects

Projects are the chief mechanism for organizing and tracking related activities in IDIS. Projects correlate those activities with the Goals and Outcome Indicators that the Grantee enters in the specific year's Action Plan.

Project Reserves Accounts

Project reserve accounts are created to fund a potential shortfall of operating or maintenance expenses throughout the affordability period. These reserve accounts are not an eligible project cost but are typically funded with annual payment from net operating income

PHA

Public Housing Authority

Responsible Entity (RE)

A responsible entity is a unit of general local, state, or Tribal government that has legal authority to assume responsibility for the environmental review under 24 CFR Part 58 because they exercise control over planning, permitting, and supplying infrastructure to support HUD-assisted projects for their jurisdictions. For the HOME Program, the responsible entity is the PJ - the state, unit of local government or consortium that receives a formula allocation of HOME funds directly from HUD.

Recaptured Funds (HP)

Any amount of funds that are recaptured by the PJ as a result of a homebuyer property (with a recapture provision) that is sold or transferred during the affordability period.

Recapture Provision

A recapture provision is a mechanism for the PJ to recapture all or a portion of direct HOME assistance to the buyer if the HOME recipient decides to sell the house within the period of affordability.

Reconstruction (also rehabilitation)

The rebuilding, on the same lot, of housing standing on a site at the time of project commitment. The HOME Rule permits reconstruction of housing that is no longer standing on the site if it was destroyed in a disaster, provided HOME funds are committed within 12 months of the date of destruction; however, this is the only exception. The number of housing units on the lot may not be changed as part of the reconstruction project, but the number of rooms per unit may

change. Reconstruction also includes replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing. Reconstruction is rehabilitation when replacing a substandard housing unit with the same type of housing unit.

Regulation

Regulations are issued by Federal government departments and agencies to promulgate Federal statute and articulate requirements.

Rehabilitation

Correction of deficiencies in or improvement of existing housing to bring the unit to the required standards in the PJ's written rehabilitation standards.

Rental Assistance Payment

A rental assistance payment is the PJ's contribution of HOME subsidy toward a tenant's rent in a HOME tenant-based rental assistance (TBRA) program.

Repayment to the Local Account (IU)

Repayment to the PJ's HOME Investment Trust Fund local account for ineligible projects and costs, including any HOME funds invested in housing that is terminated before completion or does not meet the affordability requirements for the period specified in §92.252 or §92.254, as applicable.

Resale Provision

A resale provision requires that the unit must be sold at an affordable price to a subsequent buyer that is low-income.

RFP

Request for Proposal

RRP

Renovation, Repair, and Painting Rule

Section 104(d)

Section 104(d) of the Housing and Community Development Act of 1974, as amended

Single Room Occupancy (SRO)

Housing consisting of single room dwelling units that is the primary residence of its occupant or occupants. The unit must contain food preparation and/or sanitary facilities if the project involves new construction, conversion of non-residential space, or reconstruction. If the units do not contain sanitary facilities, the building must contain sanitary facilities shared by the tenants. A project's designation as an SRO cannot be inconsistent with the building's zoning and building code classification.

Sources and Uses Statement

This is a statement that must be submitted by the developer, which lists all anticipated sources of funding (public and private) and anticipated development costs for a project.

Statute

A Federal statute is a law enacted by Congress.

Subfund

A Subfund is a portion of the PJ's grant reserved for a specific purpose (e.g., subrecipient-administered programs, CHDO projects, etc.) and identified by a specific fund type.

Subgrant

A subgrant is a portion of the PJ's grant reserved for a specific entity or organization.

Substantial Rehabilitation

For the purposes of implementing Section 504 (accessibility), substantial rehabilitation is defined as a rehabilitation of a project with 15 or more units when the rehabilitation costs exceed 75% of the after-rehabilitation value of the building. For purposes of implementing HUD's broadband requirement, substantial rehabilitation is defined as either (1) work that involves significant work on the electrical system of the multifamily rental housing, such as complete replacement of the electrical system or work for which the pre-construction cost estimate is equal to or greater than 75% of the cost of replacing the entire electrical system; or (2) Rehabilitation where the estimated cost of rehabilitation is equal to or exceeds 75% of the after-rehabilitation value of the property.

NOTE: for both definitions, in projects with multiple buildings and more than 4 units, the replacement cost (of the electrical system or the property, building(s) undergoing rehabilitation.

Tenant-Based Rental Assistance (TBRA)

The provision of direct rental assistance (as well as security deposit and utility deposit assistance) to individual households to help them afford the housing costs of market-rate units.

Tenant Contribution

Tenant contribution is the amount a family pays toward its total housing costs. The PJ must establish a minimum tenant contribution in the HOME tenant-based rental assistance (TBRA) program.

Tenant Type

Tenure type refers to whether an activity is a rental activity, a homebuyer activity, homeowner rehabilitation activity, or a tenant-based rental assistance activity.

Transitional Housing

Housing with the express purpose of moving residents to independent living within a certain time period; transitional housing typically includes supportive services. Transitional housing is commonly used for housing for deinstitutionalized individuals with disabilities, homeless individuals with disabilities, and homeless families with children.

UFAS

Uniform Federal Accessibility Standard

URA

Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended

VAWA

Violence Against Women Act