

**New York State Housing Trust Fund Corporation (HTFC)
Office of Community Renewal (OCR)**

**New York State HOME Local Program
FY 2014-2015
Awardee Orientation Webinar**

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**Homes and
Community Renewal**

Agenda

- **Welcome & Introductions**
- **Awarded Portfolio**
- **Environmental Review & Contract Execution Timeline**
- **Administrative Plans - Helpful Hints - Corrections**
- **Budget Policy**
- **Administrative, Staff Costs of Project Delivery, CHDO Developer Fee**
- **Other Federal and HTFC Program Requirements**
- **Production Goals**
- **New Initiatives**
- **Q & A**
- **Wrap Up**



Welcome and Introductions

Thank you for taking the time to participate!

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NYS HOME Local Program Managers

*Are able to provide technical assistance to ensure successful administration and completion of awarded programs. Please contact them with your questions.
Don't be afraid to ask, we want you to succeed!*

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Administration - Albany Regional Office

Alex Smith, alex.smith@nyshcr.org

- **Manager of Finance and Compliance**

- IDIS Funds Management, Disbursement Processing
- Internal Audit, Monitoring, Special Projects

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- **Administrative Operations**

- Communications, Contract Execution, Program Records
- IDIS Set Up and Completion Report Processing

NYS Homes and Community

Renewal website:

www.nyshcr.org



Homes and
Community Renewal

Congratulations!

- \$17,481,231 in FY 2014 and 2015 HOME Local Program Funds Awarded
- Applications received from 44 counties and all 10 Regional Economic Development Councils
- 51 Awards made to Local Program Administrators (LPA's)
 - 10 Municipalities
 - 41 Non-profits that include 3 CHDO's

Funded Activities

- 31 Owner Occupied Housing Rehabilitation
- 18 Homebuyer Programs to include 3 CHDO Housing Development Projects
- 1 Homeowner Rental Housing Rehabilitation
- 1 Rental Housing Rehabilitation

Program Type & HOME Assisted Units

- **Owner Occupied Housing Rehabilitation = 453 units**
- **Homebuyer Programs = 195 units**
- **CHDO Housing Development = 31 units**
- **Rental Rehab (Homeowner and Homebuyer) = 31 units**

**A total of 710 NYS HOME Local units
to be assisted in the next 2 years!**



Special Populations to be assisted: 223 units = 32% of all funded activities

149 units = Frail Elderly

36 units = Physical Disability

12 units = Veterans

10 units Veterans-Frail Elderly

6 units = Developmental Disabilities

4 units = Psychiatric Disabilities

2 units =Veterans with Psychiatric Disabilities

1 unit = Veterans with Developmental Disabilities

1 unit = Veterans in Long Term Recovery from Alcohol Abuse

1 unit = Long Term Recovery from Alcohol Abuse

1 unit = Long Term Recovery from Substance Abuse



Who are HOME Local LPA's ?

Local Program Administrators (LPA's) are defined as:

- **Units of local government (typically non-PJ's) to include counties, cities, towns and villages** and are contracted with the HTFC as **State recipients**.
- **Non-profit corporations** incorporated under State Non-Profit Corporation Law and **Housing Authorities** and are contracted with the HTFC as **Sub-recipients**.
- **Community Housing Development Organizations (CHDO)** and are contracted with the HTFC as **CHDO's**.



LPA Contract with the HTFC

- The Housing Trust Fund Corporation's Office of Community Renewal (OCR) administers the HOME Local Program on behalf of Homes and Community Renewal.
- The HTFC Board of Directors approves funding recommendations and the execution of contracts with LPA's.



Environmental Review & Contract Execution

- Municipalities must have Notice of Intent to Request Release of Funds published by May 16th
- Non-profits with assistance from HTFC environmental consultants, must publish Notice by May 16th
- All contracts will contain an addendum requiring Tier 1 Programmatic Environmental approval in order to begin program activities



Contract Execution Timeline

- **Now:**
 - Resolutions accepting HOME Local award and authorizing LPA to execute contract with HTFC

- **By April 20th**
 - Contracts, checklist of required documents mailed to LPA's
 - Certification packets mailed to CHDO's

- **By May 20th**
 - All contracts, required documentation returned to HTFC

- **By June 20th**
 - All contracts executed by HTFC and mailed back to LPA's

- **By June 30th**
 - Authority to use grant funds issued, begin your programs!



Why did we create Administrative Plans?

- LPA's asked for guidance
- 2013 HOME regulations
- Shortened timeframes to commit and spend
- Streamlined program design
- Increased oversight by HUD
- PJ accountability

Helpful Hints - Administrative Plans Corrections to Responses Needed

- **Read the entire administrative plan before answering the questions.**
- **See the table of contents to get overall format of administrative plans.**
- **Meet with staff and program partners to discuss/determine LPA processes for compliance with administrative plans.**
- **Please ask for technical assistance – contact the regional Program Manger in the area to be served, e-mail addresses are in the beginning of this presentation.**
- **Pay attention to language in the administrative plan that is above the questions.**



Budget Policy

- Please refer to the NYS HOME Local Program Budget Policy and Budget Worksheet available on the HOME Local Program website.
- The policy defines eligible costs that can be charged by LPA's, based on HOME eligible activities. LPA's should have selected eligible costs related to their proposed program when creating the program budget.
- If the budget submitted is not in compliance with the policy, it will have to be adjusted to be in compliance with the policy prior to contract execution. Please contact your Program Manager for assistance.
- Budget Categories include:
 - Project Costs
 - Project Delivery Costs (Project Soft Costs)
 - Staff Costs of Project Delivery
 - Administrative Costs



Administrative Funds

LPA Staff Costs of Project Delivery

CHDO Developer Fees

Non-CHDO's:

- 5% of total award for administrative purposes
- 13% of the total award for LPA staff costs of project delivery
- Consultants hired to administer the program on behalf of an LPA may only be paid from administrative funds.

CHDO's:

- 18% of total award as a project developer fee upon the sale of the CHDO owned and developed existing or newly constructed housing to a HOME eligible buyer.

Other Federal and HTFC Requirements



Photos submitted by Jim Thatcher, CT Male, Homeowner Rehab, recent and upcoming work in Hamilton County.

Other Federal Requirements

- Fair Housing and Equal Opportunity
- Affirmative Marketing
- Handicapped Accessibility
- Equal Opportunity, MWBE, Section 3
- Labor requirements
- 24 CFR Part 200



Uniform Administrative Requirements

- Financial management
- Audit standards
- Cost principles and allowable costs
- Employment, contracting, and procurement
- Post completion monitoring
- Reporting & record-keeping

Lead Based Paint (LBP)

- No waiver of LBP rules
- If LPA will spend more than \$24,999 in HOME funds, submit LBP applicability calculation worksheet
- LBP clearance required immediately after construction is completed



Conflict of Interest - Exceptions

➤ Requires HUD approval. Exceptions may be granted by HUD on a case by case basis.

The LPA must:

- Disclose the full nature of the conflict and submit proof that the disclosure has been made public
- Provide a legal opinion stating that there would be no violation of State or Local law if the exception were granted

Property Standards

- All Homeowner Rehab units must meet NYS and/or Local Code upon completion
- At construction completion, the LPA must have an inspection done that ensures housing rehabilitation was completed according to the scope of work and the unit meets NYS and/or Local Code

Property Standards

- Must meet HTFC Housing Rehabilitation Standards
- Lead safe housing: HTFC no longer allows presumption of lead and requires testing of areas to be rehabilitated
- Accessibility for persons with disabilities: Fair Housing Act, Section 504

Housing Rehab Order of Priority

- Health and safety issues
- NYS and/or Local code violations
- Ensure major systems have a useful life of at least 5 years
- Include disaster mitigation standards as necessary
- Weatherization and energy efficiency measures in overall scope to deliver NYS and/or Local Code compliant unit

Weatherization

Weatherization Assistance required for those under 50% AMI

- The NYS HOME Local program is partnering with the NYS HCR Weatherization Assistance Program (WAP) to provide weatherization assistance for all HOME Local assisted units that are income qualified at 50% or less of Area Median Income (AMI). WAP services are available in each of the State's 62 counties. Every county, village, town, and neighborhood in the state is served by a local WAP Provider.
- To the extent resources are available, WAP funds and construction services to perform weatherization activities will be made available to HOME Local assisted units through the HCR WAP provider located in the service area.
- LPA's will partner with the WAP provider to ensure weatherization measures are incorporated into the scope of work for each qualified unit. LPA's and WAP's will need to work together to develop the scope of work prior to the start of construction activities.



Weatherization

- The HCR WAP will provide the HOME program required energy audit when WAP funds are contributed to the unit.
- Priority should be given to senior citizens, families with children, and persons with disabilities. If a household contains a member who receives Supplemental Security Income (SSI), Public Assistance, Food Stamps, or Home Energy Assistance Program (HEAP) benefits, the household is automatically eligible for WAP.
- NYS HOME Local and HCR WAP staff will assist LPA's to coordinate and execute a Memorandum of Understanding (MOU) with WAP providers to ensure weatherization assistance is included for all required units.



HOME Value Limits and After Rehab Value

- Must not exceed 95% of median purchase price, use limits for service area, as published by HUD for existing single family housing
- Must determine the after rehab value prior to work being done

After Rehab Value

- NYS HOME Local Program Requires:
 - Licensed Appraisal
 - Real Estate Market Assessment
 - Independent estimate of value by a “knowledgeable” professional

Program Income - Recaptured Funds

- All program income and/or recaptured funds must be returned to HTFC within 30 days of receipt by the LPA
- The HTFC will reallocate HOME funds according to the State's Action Plan



Subordination and Refinancing

➤ HTFC will **only** consider refinance requests to subordinate the HOME investment for the following reasons:

- Take advantage of a lower interest rate, no cash out
- Major home repair expense
- Major medical crisis expense
- Major education expense



Requests for Disbursements

- HOME is a reimbursement program, HTFC will only pay for costs that have occurred.
- Don't wait, please bill promptly.
- As applicable, request for payment for construction and housing rehabilitation requires the sign off of the beneficiary of HOME assistance, the LPA and the contractor.
- The LPA sign off must be done by a construction professional verifying that the work has been completed according to the scope of work and to the satisfaction of all parties.

Request for Administrative Funds

- HTFC can't pay for work that has not been completed
- Request for payment of administrative funds must be within 10% of project cost expenditure
- No advance or up front payments

Integrated Disbursement Information System (IDIS)

- Do not set up units in IDIS unless LPA is ready to request first disbursement

- Red Flag Report
 - Infrequent draw status
 - Final draw for 30 days or more
 - Auto cancellation pending within 30 days
 - Auto cancellation pending within 90 days
 - Auto cancelled within the past year

Integrated Disbursement Information System (IDIS)

- Period of Affordability (POA) starts when unit is completed in IDIS
- HTFC security instruments also refer to and document that POA begins on date completed in IDIS
- LPA's must ensure unit completion in IDIS within 120 days of request for final disbursement

Production Goals

- 2013 HOME Rule shortens the time for completion and expenditure of HOME funds.
- HTFC has 5 years from when HUD allocates the funds to spend all funds.
- No time to give extensions to complete program.
- Contract term is 2 years from date signed by the OCR President.
- **Rule of thumb:**

**LPA's should commit to all proposed units
within the 1st year and complete
all units by the end of the 2nd year.**



New Initiatives

- **Upcoming workshops based on activity**
- **Technical assistance for LPA's**
- **HTFC to offer HOME Program Administration Series taught by Monte Franke in Fall 2016**
- **Quarterly Reports**
- **Risk Based Monitoring**
- **Performance Benefit Initiatives**
- **Multi-Year Contracts**

Questions?



Photo submitted by Jim Thatcher, CT Male, recent work in Hamilton County.

Wrap Up

- This presentation will be made available on our website.
- Please submit all questions on the content of this presentation to: OCRinfo@nyshcr.org
- Thank you for partnering with HCR and HTFC to provide affordable housing opportunities in your community with NYS HOME Local Program funds!



Again Congratulations! Now let's get to work!

