

NYS HOME Local Program Budget Policy

This policy defines eligible costs that can be charged by Local Program Administrators (LPAs) for the administration and delivery of a NYS HOME Local Program awarded contract. LPAs must use the information in this policy to develop the program budget for all NYS HOME Local program funded activities.

- A. The Program Budget is approved prior to contract execution and is included as an attachment to the HOME Local Program contract. It is enforceable along with all contract provisions. The budget must be in compliance with the NYS HOME Local Program Budget Policy.
- B. The total budget cannot be exceeded. HOME funds will not be disbursed over the amount approved.
- C. A variation from the budget in any line item by more than 10% requires HTFC prior approval. Offsetting decreases to HOME funds from another line item is required.
- D. Reimbursement for amounts over any line item will be withheld until approved by HTFC.
- E. Requests for budget revisions should be submitted to the LPAs assigned NYS HOME Local Program Manager.
- F. When requesting administrative funds, the total administrative funds requested must be within 15% of the non-administrative funds requested to date.
- G. Requests for reimbursement must include a status of line items against the program budget.
- H. Other funds provided as HOME Match cannot be reduced in the budget without prior HTFC approval.
- I. Non-CHDO LPAs: staff costs of project delivery are capped at 13% of the total award and administrative funds are capped at 5% of the total award.
- J. CHDO's do not get paid administrative funds or staff costs of project delivery however they may access a developer fee. The CHDO developer fee is capped at 18% of the total award.

The information below is organized by eligible HOME activity and budget categories:

Eligible Activities:

- Homeowner Rehabilitation and Manufactured Housing Replacement
- Homebuyer Assistance and Homebuyer Development Projects
- Rental Assistance
- Tenant Based Rental Assistance (TBRA)

Budget Categories:

- Project Costs
- Project Soft Costs
- Staff Costs of Project Delivery
- Administrative Costs

1. **Project Costs**

Costs related to the actual cost of constructing or rehabilitating housing (hard costs of construction).

2. **Project Soft Costs:**

Costs incurred by the LPA that implement and deliver a specific HOME assisted unit. Project soft costs are required to be tied to a specific address and are added into the per unit total of HOME funds invested in the unit. Costs charged as project soft costs) may not be charged to Administration. LPA/CHDO Housing Developer fees are invoiced under this category.

3. **Staff Costs of Project Delivery:**

Costs that an LPA may incur to pay staff to assist in the delivery of HOME assisted units. Staff costs of project delivery are required to be tied to a specific address and are added into the per unit total of HOME funds invested in the unit. Costs charged as staff costs of project delivery may not be charged to Administration. LPA/CHDO Housing Developers do not invoice under this category.

4. **Administrative Costs**

Costs incurred by the LPA in order to administer its overall program (general administration and oversight). Administrative costs are not directly tied to any particular unit. Costs charged as administration may not be charged to project soft costs or staff costs of project delivery. LPA/CHDO Housing Developers do not invoice under this category.

Eligible costs by Activity

A. Homeowner Housing Rehabilitation and Manufactured Housing Replacement

Project Costs:

1. Accessibility for disabled persons
2. Energy related improvements
3. Essential improvements
4. Lead based paint hazard reduction
5. Meeting applicable codes, standards and ordinances
6. Meeting the rehabilitation standards
7. MHR permanent foundation
8. MHR Site prep and utility connections
9. MHR unit disposal
10. MHR unit installation
11. MHR unit purchase
12. Repair or replacement of major housing systems
13. Repairs and general property improvements of a non-luxury nature
14. Site improvements and utility connections

Project Soft Costs:

1. Appraisals
2. Architectural/engineering fees to include specifications and job progress inspections
3. Credit reports
4. Energy Audits
5. Environmental inspections/review
6. Financing fees
7. Lead based paint risk assessment
8. Legal and accounting fees
9. NYS Code inspection
10. Recordation fees, transaction taxes
11. Relocation
12. Title binders and insurance

Staff Cost of Project Delivery:

1. Applicant intake/eligibility review

2. Homeowner/contractor agreement execution
3. Housing rehab job progress inspections
4. MHR Dealer/installer set up coordination
5. MHR job progress inspections
6. Preparation of cost estimate
7. Preparation of scope of work and specifications
8. Preparing for procurement and bidding process

Administration:

1. Advisory Service for Relocation
2. Communication (postage, phone, website)
3. Consultant fees for administration
4. General management/oversight/coordination
5. Office insurance/utilities
6. Office supplies
7. Project Audit/CPA services
8. Purchase/rental of equipment
9. Staff Fringe
10. Staff Salaries/wages
11. Travel

B. Homebuyer Assistance – Homebuyer Development Projects

Project Costs:

1. Acquisition of land and existing structures (includes Homebuyer Assistance down payment and/or closing costs).
2. Construction materials and labor (includes Homebuyer Assistance with Housing Rehabilitation)
3. Demolition
4. Securing buildings
5. Site preparation and improvements

Project Soft Costs:

1. Affirmative Marketing and marketing costs
2. Appraisals
3. Architectural/engineering fees to include specifications and job progress inspections
4. LPA/CHDO Builders or Developers fees
5. Credit reports

6. Environmental inspection/review
7. Environmental investigations
8. Financing fees
9. Homebuyer counseling provided to purchasers of HOME assisted housing
10. Legal and accounting fees
11. Recordation fees, transaction taxes
12. Relocation costs
13. Surety fees
14. Title binders and insurance

Staff Cost of Project Delivery:

1. Applicant intake/eligibility review
2. Homebuyer/contractor agreement execution
3. Housing rehab or new construction job progress inspections
4. Preparation of cost estimate
5. Preparation of scope of work and specifications
6. Preparing for procurement and bidding process
7. Real estate closing/loan processing coordination
8. Subsidy layering/underwriting review

Administration:

1. Advisory Service for Relocation
2. Communication (postage, phone, website)
3. Consultant fees for administration
4. General management/oversight/coordination
5. Homebuyer counseling (for non-HOME assisted units)
6. Office insurance/utilities
7. Office supplies
8. Project Audit/CPA services
9. Purchase/rental of equipment
10. Staff Fringe
11. Staff Salaries/wages
12. Travel

C. Rental Assistance Eligible Costs

Project Costs:

1. Acquisition of land (for a specific project) and existing structures

2. Construction materials and labor
3. Demolition
4. Securing of buildings
5. Site preparations and improvement

Project Soft Costs:

1. Affirmative marketing and marketing costs
2. Appraisals
3. Architectural/engineering fees to include specifications and job progress inspections
4. Builders or developers fees
5. Credit reports
6. Environmental inspection/review
7. Financing fees
8. Legal and accounting fees
9. Operating deficit reserve (up to 18 months)
10. Recordation fees, transaction taxes
11. Relocation
12. Surety fees
13. Title binders and insurance

Staff Cost of Project Delivery:

1. Applicant intake/eligibility review
2. Housing rehab or new construction job progress inspections
3. Income recertification
4. Initial leasing
5. Lease execution
6. Preparation of cost estimate
7. Preparation of scope of work and specifications
8. Preparing for procurement and bidding process
9. Unit approval inspections

Administration:

1. Advisory Service for Relocation
2. Communication (postage, phone, website)
3. Consultant fees for administration
4. General management/oversight/coordination
5. Office insurance/utilities

6. Office supplies
7. Project Audit/CPA services
8. Purchase/rental of equipment
9. Staff Fringe
10. Staff Salaries/wages
11. Travel

D. Tenant Based Rental Assistance (TBRA) Eligible Costs

Project Costs:

1. Lead based paint remediation activities
1. Monthly rent and utility subsidy to individual tenants
2. Security deposit assistance
3. Utility deposit assistance

Project soft costs:

1. Affirmative marketing and marketing costs
2. Credit reports
3. Environmental inspection/review
4. HQS inspections
5. Legal and accounting fees
6. Recordation fees, transaction taxes
7. Relocation

Staff cost of Project Delivery:

1. Income determination
2. Unit inspections

Administration:

1. Advisory Service for Relocation
2. Application review/eligibility determinations
3. Communication (postage, phone, website)
4. Consultant fees for administration
5. General management/oversight/coordination
6. Income recertification
7. Lease execution

8. Office insurance/utilities
9. Office supplies
10. Project Audit/CPA services
11. Purchase/rental of equipment
12. Rent increase review
13. Staff Fringe
14. Staff Salaries/wages
15. Travel

LPA/CHDO Developer Fees:

Developers do not invoice the HTFC for Administrative or Staff Costs of Project Delivery, rather they invoice the HTFC for a “developer fee.” LPA and CHDO Housing Development awardees may receive up to 18% of the total award as a developer fee to produce and sell the units. The developer fee may be invoiced to the HTFC during construction on a per unit basis based on the below 4 draw requirements:

- 1) At the start of construction – 25%
- 2) During construction: 25%
- 3) Upon executed purchase contract with the homebuyer: 25%
- 4) At completion and upon final close out of the unit in IDIS: 25%

Charging staff costs of project delivery to the Administrative budget when a project is not committed or completed:

- A. If a project is not committed or completed, then billing the HOME Local program for staff cost of project delivery is not an eligible expense, as there is no HOME eligible unit. This could include:
 - i. Projects that were screened and not determined to be eligible or feasible under the program and did not receive a commitment.
 - ii. Projects that received a commitment, but were later determined unable to be completed in compliance with HOME requirements and were canceled.

- B.** The staff costs of project delivery incurred in planning such projects (including the documented costs of inspections, work write-ups, cost estimates, eligibility determinations, underwriting and other such project qualification costs incurred by the LPA) may be eligible, with HTFC approval, to be charged as a program administrative costs to the LPAs administrative line item, subject to the following:
- i.** The LPA must submit the request to HTFC asking for approval of the reallocation, with appropriate documentation of project status and costs.
 - ii.** The costs must be eligible to be charged as administrative costs, as defined in this budget policy.
 - iii.** There must be sufficient funds in the LPAs administrative budget line item to cover the costs.
- C.** Direct project costs such as rehabilitation hard costs that may have been incurred for projects that are not completed are ineligible to be charged as administrative costs and cannot be paid with HOME funds. Such costs, to the extent drawn from HOME, must be repaid by the LPA to HTFC.