

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: Project delivery is 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 project delivery however they may access a developer fee. The CHDO developer fee is capped at 18% of the total award.

Budget Categories:

- Project Costs
- Project Soft Costs
- Project Delivery – 13% of total award maximum
- Administrative Costs – 5% of total award maximum
- Developer Fees – 18% of total award maximum, *CHDO Housing Developers only*

Specific allowable charges and budget line items are included on the individual budget worksheets by activity.

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.

3. Project Delivery:

Costs that an LPA may incur to pay staff and/or services to assist in the delivery of HOME assisted units. Project delivery is required to be tied to a specific address and added into the per unit total of HOME funds invested in the unit. Costs charged as project delivery may not be charged to Administration.

4. Administrative Costs

Costs incurred by the LPA to administer its overall program (general administration and oversight). Administrative costs are not directly tied to any particular unit and can be spread across the program in general. Costs charged as administration may not be charged to project soft costs or project delivery.

5. CHDO Developer Fees

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

- 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%

Charges to the budget for incomplete projects:

If a project is not committed or completed, then billing for project delivery is not an eligible expense, as there is no HOME eligible unit. This could include:

- Projects that were screened and deemed ineligible or infeasible under the program rules and did not receive a commitment.
- Projects that received a commitment, but were later determined unable to be completed in compliance with HOME requirements and were canceled.

These types of uncommitted or incomplete projects where costs are incurred, such as inspections, work write-ups, cost estimates, eligibility determinations, underwriting and other such project qualification costs, may be eligible, *with HTFC approval*, to be charged to the LPA's administrative line item, subject to the following:

- The LPA must submit the request to HTFC asking for approval of the reallocation, with appropriate documentation of project status and costs.
- The costs must be eligible to be charged as administrative costs, as defined in this budget policy and worksheet.
- There must be sufficient funds in the LPA's administrative budget line item to cover the costs.

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.