NYS HOME Program General Administrative Plan

A Guidebook for Grantees

New York State
Office of Community Renewal
HOME Investment Partnership Program (HOME)

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Introduction

The goal of the HOME Investment Partnership Program (HOME) is to provide decent, safe, and affordable housing for low-income households.

The NYS HOME Program is a federally funded program administered by the Housing Trust Fund Corporation's (HTFC) Office of Community Renewal (OCR). The program is designed to fund residential housing activities to expand the supply of decent, safe, and affordable housing throughout the State of New York.

NYS Office of Community Renewal awards grants to local governments and non-profits (Local Program Administrators/LPAs) to carry out this mission.

Successful administration of a HOME award is reliant on the compliance with HUD and/or New York State guidelines.

HOME Eligible Activities

1. Homeownership Assistance
2. Housing Rehabilitation
3. Manufactured Housing Replacement
4. Tenant Based Rental Assistance (TBRA)

HOME Maximum Award Amounts and Maximum Per Unit Amounts

1. Housing Rehabilitation
    a. Maximum Award up to $750,000
    b. Maximum Per-unit up to $65,000

Rehabilitation of homes with rental units must cost allocate out those units to determine the total amount of HOME funds allowable for the project unless the LPA received special approval at application to serve rental units. HOME funds can be used for the owner's unit and common areas or shared components, but not for the rental unit. The repair of manufactured housing is allowed in certain situations. See HOME Housing Rehabilitation Administrative Plan for requirements.

2. Manufactured Housing Replacement
    a. Maximum Award up to $1,700,000
    b. Maximum Per-unit up to $170,000

3. Homeownership Assistance
    a. Without Rehabilitation- Maximum Award up to $800,000
        i. Maximum Per-unit up to $80,000
    b. With Rehabilitation- Maximum Award up to $800,000
        i. Maximum Per-unit up to $100,000

Purchases of 2–4-unit properties must cost allocate out rental units to determine the total amount of HOME funds allowable for the project unless the LPA received special approval at application to serve

rental units. HOME funds can be used for the owner's unit and common areas or shared components, but not for the rental unit.

4. Tenant Based Rental Assistance (TBRA)
   a. Maximum Award up to $1,250,000
   b. Maximum Per-unit up to $60,000

Consult this General Administrative Plan along with activity specific Plans for specific program requirements and your Project Manager for further guidance. Waivers to maximums may be requested through your Project Managers.

Purpose of the Administrative Plans / How to use the Plans

This Administrative Plan (Plan) describes the Federal and State policies, procedures, and requirements applicable to all HOME activities will help you, as a HOME awardee, to improve your management and oversight activities and comply with federal regulations and avoid adverse audits.

This Plan must be followed by Program Administrators (LPAs) during the management of a NYS HOME Program along with Federal HOME Investment Partnership Program regulations at 24 CFR Part 92 referenced throughout and will be enforceable along with all aspects of the contract.

This General section of the Plan includes information applicable to *most* activities listed above covering the major requirements in administering a HOME program, such as income qualification, property eligibility, monitoring, and financial management. Due to the nature of the program, TBRA differs significantly. Together, these elements make up the basic components of your program.

Chapter One: Execution
Chapter Two: Financial Management
Chapter Three: Administrative Requirements
Chapter Four: Procurement
Chapter Five: Activity Regulations
Chapter Six: Recordkeeping, Audits & Monitoring
Chapter Seven: Contract Closeout

Further requirements specific to each HOME activity are posted in separate sections and should be used in conjunction with this General Plan.

The "Assistance Listing Number" (ALN) for this Program is 14.239.

All forms and related documents referred to in this Plan are available on the HCR HOME Program website at**:**
→https://hcr.ny.gov/nys-home-program.

Acronyms used throughout the Plan:

HUD:	Housing and Urban Development
HCR:	NYS Homes and Community Renewal
HTFC:	Housing Trust Fund Corporation
LPA:	Local Program Administrator (Non-profit or Municipality)

POA:	Period of Affordability
MWBE:	Minority/Women-Owned Business Enterprise
IDIS:	Integrated Disbursement and Information System
WAP:	NYS HCR Weatherization Assistance Provider
EU:	HCR's Environmental Unit
OCR:	Office of Community Renewal

NYS HOME Project Manager: A Project Manager is assigned to the LPA at contract execution and is the HTFC OCR staff representative that will assist the LPA to administer the contract with HTFC.

Questions can be directed to your NYS HOME Project Manager or to the HOME Program Mailbox – HOMEprogram@hrc.ny.gov

Other Resources

In addition to reading through this Guide, make sure you are familiar with HOME program requirements and these important resources:

- HOME Income Limits
- Determining Income for the HOME Program
- CPD Income Eligibility Calculator
- HOME Rent Limits
- HOME Homeownership Value Limits
- HOME: HOME Investment Partnerships Program - HUD Exchange
- Building HOME Training
- HUD LBP Visual Assessment Training

Chapter One: Contract Execution and Schedule

LPA Insurance Requirements

During the term of the contract, the LPA shall take all adequate measures to safeguard against the risk of liability for injuries or death of employees of the LPA, contractors and subcontractors, and any other persons.

The LPA must maintain:

- General liability coverage in a minimum amount of one million dollars ($1,000,000) naming both the Housing Trust Fund Corporation and the State of New York as additional insured
- Fidelity/crime/dishonesty coverage in an amount not less than the largest anticipated disbursement request for program funds naming the Housing Trust Fund Corporation as loss payee,
- Automobile insurance
- Workers' compensation (no exemptions)
- Workers' Disability benefits (non-profits only)

Disbursements requested in excess of the fidelity bond/crime coverage will be rejected.

HTFC also reserves the right to further reduce such disbursement or to refuse payment of a disbursement if it is determined that previous disbursements have not yet been distributed to contractors or vendors, and such current disbursement will cause the fidelity bond/crime coverage to be exceeded.

Within two (2) business days of having received any notice of non-renewal, cancellation, termination, or rescindment for any type of insurance required, the LPA shall provide HTFC with a copy of such notice together with an explanation of any efforts taken to reinstate such coverage.

The LPA may not cancel, terminate or fail to renew any insurance policy required herein, unless and until the LPA has received HTFC written consent.

Environmental Review

HUD regulation 24 CFR 58.22 prohibits the commitment or expenditure of HOME funds or other funds until the environmental review process is completed, and the environmental clearance and subsequent Authority to Use Grant Funds has been received. No funds may be committed to a HOME activity or project before completion of the environmental review and approval through HCR's Environmental Unit ("EU").

The HOME Program environmental review is split into two parts; Tier 1, which reviews the overall program and allows for commitment of program funds to the contract and Tier 2 reviews for each activity/address allowing for set up in IDIS.

If prohibited activities ("choice limiting") are undertaken by an LPA prior to receiving the approval or release of funds, the applicant is at risk for the denial of assistance and repayment of HOME funds.

Each individual property (units) then requires a Tier 2, site-specific environmental clearance before the LPA can commit funds (sign the written agreement) and set up the unit in IDIS. All Tier 2 reviews must be completed using the Tier 2 checklist template approved by EU in the Tier 1 review process.

The hazardous materials or contamination review must be completed by a certified environmental professional. The American Society for Testing and Materials Standard (ASTM) defines "environmental professional" as:
• A person who holds a Baccalaureate or higher degree in a relevant science or engineering field plus the equivalent of five years relevant work experience OR
• A person who holds a current engineer's or professional geologist license or registration from a state, tribe or

U.S. territory OR
• An official of the site locality's Building Department with expertise in assessing environmental conditions OR
• A person who has the equivalent of ten years relevant work and field experience in performing environmental site assessments.

Failure to comply with Tier 2 review requirements risks non-eligibility and repayment of HOME funds.

Nonprofits must submit the Tier 2 checklist to EU for review and approval. A copy of the Tier 2 clearance letter from EU must be included when submitting a setup form.

Municipalities as the Responsible Entity must coordinate with EU to complete the Tier 1 and must use the Tier 2 checklist provided by EU. Municipalities are responsible for ensuring Tier 2 clearance for their own program. A copy of the Tier 2 Checklist must be included when submitting a setup form.

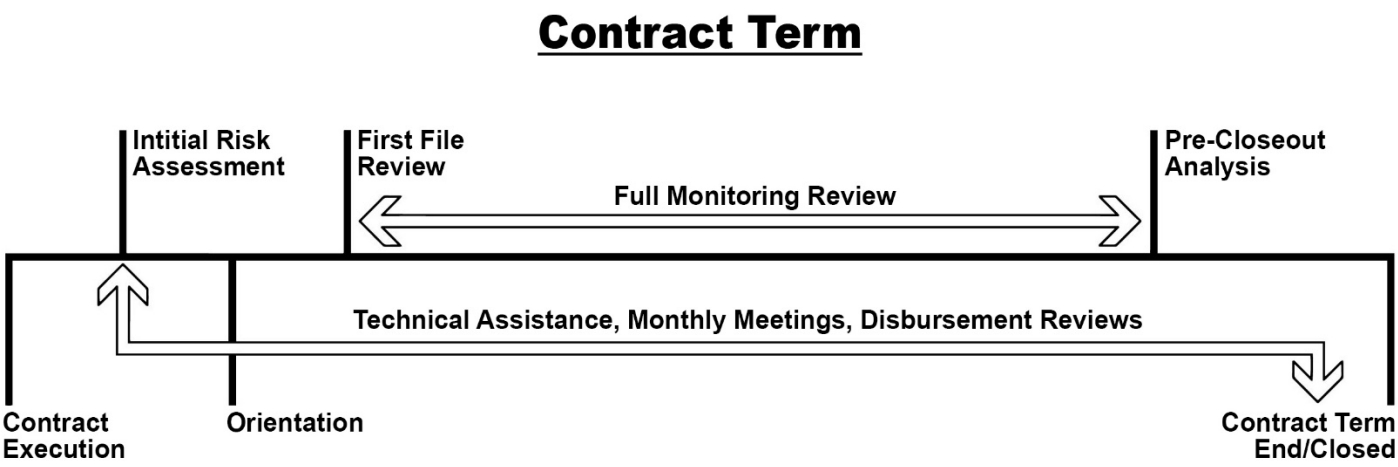
All Tier 2 documentation, including the Tier 2 Checklist and supporting materials must be kept on file for review and monitoring by the Office of Community Renewal (OCR).

Prior to acquiring a unit (see special notes in the Homeownership Assistance activity Administrative Plan) and before taking any physical action on a site or incurring costs related to a specific activity, the LPA must receive environmental clearance.

The LPA must maintain a copy of the Environmental Review Record (ERR) and make it available for public review. It should contain the program description and all environmental analysis, findings, and complaints.

Refer to the activity-specific sections for more details on the Environmental Review process and regulations.

Contract Term and Program Schedule



The term of the contract is 30 months and begins on the date the contract is signed by HTFC. Failure to expend funds by the contract end date may result in the deobligation of funds and contract closure. All activity costs must be incurred, and final payments processed by the contract end date. Any activity beyond these deadlines requires a contract extension.

Requests for contract extensions will be reviewed on a case-by-case basis and must be approved by HTFC and will be limited due to HUD expenditure deadlines.

All units must be completed by the contract end date and LPAs will not be allowed to set up activities that cannot be completed by the contract end date.

The expected Program Schedule is an approved part of the awarded application and is enforceable along with all other contract provisions.

The schedule contains progress milestones that the LPA must meet. Progress will be reviewed as part of the program monitoring. Failure to achieve milestones could result in the suspension of funds, increased monitoring and possible required changes to program administration. Changes to the milestones, including number of units produced, require HTFC approval.

Generally, programs should progress as follows:

Program Timeline		Start Month	End Month	Duration *(Months)*
Programmatic	Execute HTFC HOME contract	0	1	1
	Tier 1 Environmental Review & Clearance	0	2	2
Activity	First applicant intake and income qulaification	2	4	2
	First File Part 1 Sumbmission to Prgram Manager	5	6	1
	First Unit Setup in IDIS	6	7	1
	First Disbursement	10	11	1
	First File Part 2 Submission	14	15	1
	First Unit Completed in IDIS	15	16	1
Monitoring	1st Year Monitoring	9	12	3
Commitment of Funds	0%-50% of HOME Funds Committed (Setup) in IDIS	6	15	9
	50%-100% of HOME Funds Committed (Setup) in IDIS	15	27	12
Disbursement of Funds	0%-50% of HOME funds Disbursed	10	20	10
	50%-100% of HOME Funds Completed in IDIS	20	30	10
Monitoring	2nd Year Monitoring/Contract Analysis	27	28	1
End of Contract	Wrapping up Contract/Contract Closeout	29	30	1

Contract Amendments

Amendments to the HOME contract require review and approval by HTFC. LPAs must submit a written request on the organization's letterhead to make a formal amendment. LPAs are advised to provide concise background information and clear justification for the requested amendment. HTFC will review and respond with either a denial or approval with updated contract documents if approved. HTFC's review will consider the LPA's original proposal, programmatic rules, requirements, and overall administrative performance. LPAs should contact their Project Manager for specific procedures and preliminary discussion prior to submitting a request.

Chapter Two: Financial Management

Budget Policy

The overall program budget is approved prior to contract execution and is included as an attachment to the contract. It is enforceable along with all contract provisions.

A more detailed budget is developed prior to contract activity.

Housing Trust Fund Corporation is not able to advise on the taxable status of grant funds for participating property owners and LPAs. Seek consultation with a tax professional for advice on the taxable status of the grant funds.

The following defines eligible costs that can be charged for the administration and delivery of a NYS HOME Local Program awarded contract and should be used to develop the program budget for all NYS HOME Local program funded activities.

General Information

- The Program Budget must comply with both this Policy and HOME regulations.
- Requests for payments must be tracked against the approved program budget.
- Projects with rental units must have completed a cost allocation worksheet to determine the total HOME funds allowed for the project.
- The total budget cannot be exceeded. HOME funds will not be disbursed over the amount approved.
- Disbursements requested in excess of the fidelity bond/crime coverage as included in the executed contract, will be rejected.
- Large variations from any category requires prior approval and must have offsetting decreases to another line item or category so as not to exceed the total award amount. All major budget revisions must be approved by the LPA's Project Manager.
- Funds provided as HOME Match cannot be reduced without prior approval.
- Administrative and Project Delivery paid with HOME funds may not be charged to the homeowner/buyer and should not be included in the amount of the note and mortgage.
- All costs are paid on a reimbursement or cost incurred basis, supported by documentation. Advances of HOME funds are not provided nor allowed under HOME regulations
- Project Delivery is capped at 13% of the total HOME award.
- Administrative Costs are capped at 5% of the total HOME award.
- Requests for payment of Administrative Costs, must generally be in line with project production and should not greatly exceed the non-administrative funds requested to date unless circumstance can be supported and verified.
- Generally, taxes are not incurred as LPAs extend the use of their tax-exempt status. If, however, the LPA's auditor or attorneys determine this is not permissible, the HOME Program will reimburse the cost for taxes as a reasonable and necessary expense to complete the project.

Budget Categories

Costs may be reimbursed under the following categories. Examples of common allowable charges and budget line items are included on the individual budget worksheets but may not be applicable to each program.

1. **Direct Project Costs**
   Actual cost of the HOME activity such as the hard costs of construction or rehabilitation, down payment and/or closing costs, purchase of a manufactured home or tenant rental payments as defined in

92.206(a) – (c).

2. **Project Soft Costs**
   Costs incurred by the LPA to implement and deliver a specific HOME assisted unit, as defined in 92.206(d). Project soft costs are required to be tied to a specific address and are included as part of the per unit total of HOME funds invested in the unit, not to exceed the HOME maximum limit. Costs charged as project soft costs may not also be charged as Administrative Costs.

3. **Project Delivery**
   Costs that an LPA may incur to pay staff, hired consultants, and/or services to assist in the delivery of HOME assisted units, as defined in 92.206(d)(6) and (8) and 92.206(f). Project Delivery costs are capped at 13% of the HOME award. 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, not to exceed the HOME maximum limit. Costs charged as Project Delivery may not also be charged as Administrative Costs.

   Eligible **Project Delivery** costs may include:

   Staff Costs incurred for processing specific assisted units/households – Staff costs (including salary and fringe benefits) and contractual services costs of the LPA directly related to carrying out individual projects, including:
   - Income qualification and underwriting of assisted households
   - Inspections
   - Work specifications, bidding, and construction management
   - Loan processing, closing and administration; and
   - Housing counseling (if the individual becomes owner or tenant of a HOME-assisted project and is not charged for the service)

   Relocation Costs. The cost of relocation payments and other relocation assistance services to persons displaced by a HOME-assisted project are eligible as soft costs.

4. **Administrative Costs**
   Costs incurred by the LPA to administer its overall HOME program (general administration and oversight). Administrative Costs are not directly tied to a particular unit or project but can be allocated to the program in general. Administrative Costs are capped at 5% of the HOME award. Costs charged as Administrative Costs may not also be charged to Project Soft Costs or Project Delivery.

   Eligible **Administrative Costs** may include:

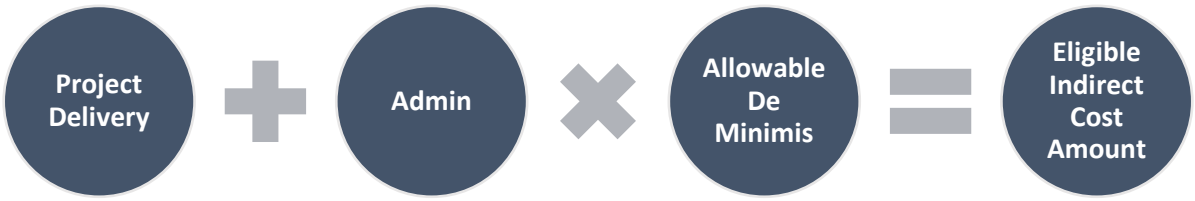
   General management, oversight, and coordination – Staff costs (salary plus fringe benefits), contractual services, travel, office costs (rent, utilities, and supplies) directly related to administration of the program, as defined in 92.207(a). This could include POA monitoring of previous grants.

   Staff cost related to processing of units/households not assisted – Salary and fringe benefits for time spent processing applications, cases and projects that were not assisted and not eligible for Project Delivery may be eligible if consistent with 92.206(d)(6) and approved by HTFC – see instructions for incomplete projects below.

   Public information, program marketing, fair housing, and environmental costs – Staff costs and expenses related to marketing, affirmative marketing and providing general information to the public regarding the program, for promoting or responding to fair housing requirements, and for environmental clearance of the program or projects.

   Indirect Costs – Indirect costs are the organization's general costs of facilities and administration as defined in 2 CFR 200.414 that are not directly chargeable to the program.

- If the LPA has a cost allocation plan approved by a cognizant federal agency under 2 CFR 200.414, the LPA may charge the negotiated indirect rate on the direct costs noted above.
- Otherwise, the LPA may charge the de minimis indirect rate on all direct costs as provided in 2 CFR 200.414(f).
    - De minimis rate for all awards made prior to October 1, 2024 is 10% max
    - De minimis rate for all awards made after October 1, 2024 is 15% max



Documentation

Staff costs must be documented by timesheets, Personnel Activity Reports (PAR), or other means for documenting time spent on the specific project(s), consistent with the requirements of 2 CFR 200.430(i) - Standards for Documentation of Personnel Expenses which requires LPAs to support the distribution of salaries and wages to federal awards for each employee whose compensation is charged, in whole or in part, directly to awards.

LPAs must use the Administrative PAR and a Project Delivery PAR as applicable. Templates are posted on the HOME website →https://hcr.ny.gov/nys-home-program.

All other costs must be documented with invoices or receipts as evidence of cost incurred, in addition to contracts and approved plans as required.

See details below.

Costs for Incomplete Projects

Incomplete projects 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 unable to be completed in compliance with HOME requirements and were canceled.

If a project is not committed or completed, Project Delivery is not an eligible cost, as there is no HOME-eligible unit.

Costs incurred for processing projects that are uncommitted or incomplete, such as inspections, work write-ups, cost estimates, eligibility determinations, underwriting and other such project qualification costs, may be eligible to be charged to the administrative line item, *with HTFC approval*, subject to the following:

- The costs must be eligible to be charged as Administrative Costs, as defined in this budget policy and worksheet and 92.207.
- There must be sufficient funds in the LPA's administrative budget line item to cover the costs; and
- The LPA must submit the request for approval to HTFC, with appropriate documentation of project status and 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.

Applicant Fees - Charges to Homeowners

The LPA may not charge applicants servicing, origination, or other fees for the purpose of covering costs of administering the HOME program.

The LPA may charge nominal application fees to discourage frivolous applications. The fees must be appropriate to the type of application and may not create an undue impediment to a low-income family's participation in the program.

Ineligible Costs

In general, the following costs are ineligible:

- Delinquent taxes, fees or charges on properties to be assisted with HOME funds
- Luxury improvements that are not consistent with the standard of "non-luxury housing" with suitable amenities.
- Off-site infrastructure, except for necessary connections to offsite utilities for the assisted unit
- Payment of any escrows, deposits or operating costs (up to one year of mortgage insurance premiums permitted)
- Payment of premium for homeowner's or flood insurance
- Refinancing or payment of other debt
- Non-capital equipment such as appliances

The above list is not inclusive. For more details, please refer the Activity Specific Administrative Plans.

Disbursements

HOME is a reimbursement program; therefore, the LPA can only request disbursement of funds for payment of eligible costs once the cost has been incurred and/or work completed. The NYS HOME Program will not pay for work that has not been completed and no advance or up-front payments will be permitted. Work previously done outside of the HOME activity cannot be reimbursed. LPAs may use their own funds or obtain a Line Of Credit (LOC) from a local Community Development Financial Institution (CDFI) at low interest rates to front funds for projects.

Contractor deposits are not covered, however the cost of materials delivered and on site as verified by the LPA can be reimbursed. Additionally, costs incurred for the initial payment required for the purchase of manufactured homes can be covered with submission of the signed purchase contract and invoice indicating the down payment amount. If the project is not completed according to HOME regulations, the LPA must repay any funds disbursed.

All disbursements must be submitted to the HOME Disbursement Mailbox at Disbursements@hcr.ny.gov. Copy the HOME project manager that has been assigned to the contract and label the subject line of the email request identifying it as HOME disbursement request.

LPAs fund the projects themselves or with a Line of Credit or must hold contractor payment until HOME funds are received. HOME payments are made to the LPA directly who is responsible for paying contractors and/or project costs.

Timelines for processing and receipt of funding cannot be guaranteed.

HTFC will not disburse funds if the LPA is in default of any of the provisions of the contract.

The LPA shall commit all project funds and expend all funds within the term of the contract.

When submitting a disbursement for a contractor/vendor/manufacturer/supplier, a customary 10% "holdback" of the total invoice is withheld until the project is completed and proof of code compliance is submitted with the final payment. This is to ensure that full payment is not made until the unit receives code compliance.

Request for administrative funds must be in line with project production and expenditure.

Refer to the activity-specific sections for activity specific disbursement information.

Documents Required for Disbursements and Instructions

This is a general guide. HTFC reserves the right to request additional documentation as needed if questions regarding disbursements arise.

All disbursements must be accompanied by legible documentation that clearly supports the request evidencing that payment has been made or is due for HOME eligible expenditures. Originals of all supporting documentation should be saved in project files. **Payment requests submitted with incomplete or missing supporting documentation will be rejected.**

LPAs must pull the disbursement forms and templates from the website when preparing a disbursement to ensure use of the most recent version → HOME Website https://hcr.ny.gov/nys-home-program

All Disbursements

- Disbursement Request Workbook completed according to the type of activity or charge.
    - Disbursement Request Cover Sheet Tab indicates the total amount of funds requested for all project activities included in the disbursement request. This tab must be completed for every disbursement and signed by an authorized representative as indicated on the Authorized Signature Form on file that was included in the executed contract.
    - Project Cost Detail Sheet Tab for Manufactured Home Replacement or Homeowner Rehabilitation activities or for rehabilitation provided in Homeownership Assistance. The Project Cost Detail Sheet is used to itemize invoices and billing. All staff costs of project delivery for an activity/address can be totaled and entered on one line of Project Detail Sheet and labeled, all invoices for "contractor A" totaled and entered on another line and so forth. A separate tab is used for each project address. Create duplicate tabs as is necessary. Cost Detail Sheets must include all funds used in the project and are used to track sources and uses.
    - To request funds for several activities under the same SHARS ID number, create a separate detail sheet tab for each activity from the HOME Disbursement Request Workbook.
    - Purchase Assistance & Closing Costs Tab for Homeownership Assistance activities for soft costs or rehabilitation. A separate tab is used for each project address. Create duplicate tabs, if necessary.
    - TBRA Detail Sheet Use one sheet for each tenant.
    - Admin Funds Detail Sheet Tab for program administrative expenses and can be included along with requests for project hard and soft costs. Create duplicate tabs as is necessary.
    - Requests should be limited to a maximum of five activities, including any Administrative Funds requested. Requests with more than 5 activities will be sent back to LPA for revision.

- Invoices from service providers/contractors/vendors demonstrating cost incurred must include:
    - Date invoiced
    - Contractor/Vendor/Supplier Name and Address

- Site address where the work was completed
- Details on the work performed. This must match the description on the detail sheet.
- Date the work was completed
- The dollar value for the work completed

- Documentation of NYS and/or local code compliance and the HOME LPA Property Attestation form at time of purchase for Homeownership Assistance *without* rehabilitation or for 100% (final) payment of contractors for any other rehabilitation activity (Manufactured home replacement, homeowner rehabilitation). Acceptable documentation can include:
  - Code compliance statement from local code official on municipal letterhead
  - CO (Certificate of Occupancy)
  - CoC (Certificate of Completion)
  - Code compliance statement from another qualified official

- PARs (Personnel Activity Report) for Staff Costs of Project Delivery and Administrative Costs charged for LPA staff. PARs are an after-the-fact determination of actual activity and therefore will never exactly equal the amount being billed. LPAs may bill for less than the actual cost shown by the PAR, but never more. Budget estimates do not qualify. LPAs should keep actual time sheets as back for PARs submitted in the event of an audit.
  - PARs must include:
    - hours worked
    - dates tasks performed
    - indication of what HOME Program task was performed. Tasks must be related to the project or program
    - hourly rate for employee to document the total amount charged
    - signature of the employee

  - Consultants procured to administer programs are also required to submit back up documentation of hours charged, and services provided, even if fee for services is decided up front with a contract. This helps to avoid over billing and double billing.

- All final payments require:
  - Completion Forms submitted to the HOME IDIS mailbox the same day as final disbursement is submitted to the OCR-disbursement mailbox, they should not be included with the disbursement.
  - LPA Property Standards Attestation
  - Code compliance documentation

HOME IDIS Mailbox (Set ups, Revisions, Completions) homeidis@hcr.ny.gov

- *Note cancelled checks, Lead Based Paint reports, Environmental Review letters, work write ups, security instruments, inspections other than code, internal purchase orders, PARs summaries, should be kept with the file but are NOT required for disbursements.*

Activity Specific Requirements

Homeowner Occupied Rehabilitation & Manufactured Home Replacement

- All payments to contractors for work completed require 3 signoffs attesting work is satisfactorily completed to date, confirming work inspected by all parties, and approving payment to the contractor.
  - Contractor
  - Homeowner

- LPA (rehabilitation manager)

Homeownership Assistance

- Closing Disclosure Form must include HOME homeownership assistance highlighted. No cash back is allowed at closing.

Manufactured Housing Replacement

- The "trade-in" or "scrap" value, if any, of the unit being replaced must be included when determining the amount of HOME assistance being provided. For example, if the manufactured housing unit owner or LPA receives payment for "trade-in" of the unit, that amount should be used toward replacement costs and subtracted from the HOME assistance provided. Absence of trade-in value should also be documented.

Administrative Costs

- PARs (see PARs section above for more detail)
- Invoices from service provider for costs being billed demonstrating cost incurred

Best Practices for Successful Disbursements

Know the HOME Local Budget Policy, the required disbursement documents detailed above and the contract budget. Disbursements should be tracked against the approved contract budget.

If billing HOME for less than what invoice states, be sure this is noted on the invoice or on the detail sheet.

Disbursements should be submitted as costs are incurred or at least within 30 days of occurrence. Requests for administrative costs should be included with each disbursement or at least monthly. Disbursements more than 25 pages may be sent back to the LPA to be separated out into smaller disbursements.

Verify the person signing the disbursement is authorized. (Check your Authorized Signatory form submitted with your executed contract.) If there are staffing changes regarding the authorized signatories, the form must be revised and submitting to the HOME Project Manager.

Confirm that the request you are submitting does not exceed the amount of your Fidelity Bond. (Check the insurance submitted with your executed contract.)

Check and double check information on Disbursement Request Workbook.

- The Cover Sheet totals all Detail Sheets for the total disbursement.
- Confirm all numbers add up to requested amounts and are on appropriate pages.
- Verify all information entered is accurate, especially activity numbers and addresses are correct.
- Enter dates of LBP clearance, unit final inspection, and environmental clearance.
- Ensure project delivery and soft costs are entered in the appropriate rows/cells.
- Check all relevant boxes.
- Each property (Activity #) a listed on separate detail sheet (or multiple sheets).

Homeownership Assistance and TBRA have separate sheets in addition to Detail Sheets.

Verify the activity is set up for the appropriate amount. A disbursement that exceeds the set-up amount will be delayed until a revision is submitted and processed.

Revisions to increase the set-up amount must be submitted to the HOME IDIS mailbox before a disbursement can be processed. Once notified that the revised set-up has been processed, disbursement can be submitted.

Revisions to decrease set-up amounts are not always required. The decrease will be processed when the completion report is submitted.

> Exception: If there are not enough funds to increase another activity, funds from the decreased activity must be released therefore the revision to decrease the set-up amount may be needed. Submit the revision to decrease set-up first. Once notified it was processed, then submit the revision to increase the other set-up.

If a disbursement is returned for corrections, the revised disbursement should be sent back directly to the Project Manager, not the OCR Disbursement mailbox (unless specially instructed otherwise).

Always pull HOME forms from the website → https://hcr.ny.gov/nys-home-program to ensure use of the most recent version. Forms are regularly revised.

IDIS - Integrated Disbursement Information System requirements

IDIS is the HUD database where all HOME activity information is entered and available for HUD to review. HTFC staff maintains IDIS for the NYS HOME program. LPAs do not need access and will not be entering information in IDIS.

Once notified by the Project Manager to do so, LPAs will submit the appropriate documents to the HOME IDIS mailbox. These include setups, revisions, and completion reports for individual units, which will then be entered in IDIS.

LPAs must ensure unit completion in IDIS and are required to submit the project completion report and documentation that the unit meets NYS and or Local Code along with the request for final payment.

The IDIS Red Flag Report details infrequent draw status, final draw for 30 days or more, auto cancellation pending within 30 days, auto cancellation pending within 90 days and auto cancelled within the past year. LPAs must respond immediately to their HOME Local Project Manager requests to resolve issues and remove red flagged units from the report.

Due to IDIS automatically cancelling projects in the system for no activity, LPAs should not set up units in IDIS unless the project is ready to start construction and/or the LPA is ready request the first disbursement.

Payments of funds under the contract are also subject to the LPAs compliance with the requirements of the IDIS system or any other similar or successor system used by HUD and all further documentation which may be demanded by HTFC related to any request for funds.

HOME IDIS Mailbox (Set ups, Revisions, Completions) homeidis@hcr.ny.gov

Match

HOME regulations require a 25% program match. This is currently not an LPA requirement but may be imposed in future applications.

Repaid or Recaptured Funds

All program income, proceeds, unexpended funds, recaptured funds, repayments, or other assets, interest income or other income deriving from HOME funds provided pursuant to the program that are received by the

LPA shall be returned to the HTFC.

Most commonly program income is in the form of repaid HOME funds if the assisted unit is no longer the homeowner's primary residence, during the POA.

No repayment is required if the beneficiary remains as principal resident throughout the POA. If the home is sold, the pro-rated portion of the lien must be repaid to the HTFC. For units that are vacant or rented full repayment of HOME assistance is required.

The LPA must remit all program income to the HTFC within 30 days of receipt by the LPA. Procedures and forms for returning funds are posted on the HOME Program website.

The following policy has been approved by HUD as part of the NYS Action Plan.

NYS HOME Local Program Homebuyer Recapture/Resale Provisions

When HOME funds are used to rehabilitate or assist a household in the purchase of a unit, restrictions will be placed on the unit to ensure compliance with the HOME resale and recapture requirements described in 24CFR 92.254(a)(5). All Recapture and Resale mechanisms used to secure the affordability of the HOME assisted unit must be recorded in accordance with State recordation laws. In all cases, the assisted homeowner/homebuyer will be required to own and occupy the HOME-assisted unit as their principal residence for the duration of the period of affordability. If the HOME-assisted homeowner/homebuyer fails to occupy the unit as his or her principal residence (i.e., the unit is rented or vacant), or the home was sold or otherwise transferred during the period of affordability and the applicable resale or recapture provision was not enforced, then the project will be considered noncompliant and full repayment of the HOME assistance is required.

Accordingly, the State monitors compliance of the principal residency requirement by requiring Local Program Administrators (State Recipients, sub-recipients and CHDOs collectively known as LPA's) to annually verify principal residence occupancy by mail, records search or direct contact with the homeowner. The State monitors compliance during annual monitoring of the LPA. If the HOME assisted buyer fails to remedy noncompliance issues, full repayment of the HOME assistance provided to the buyer is required.

Recapture

Under most circumstances (except as noted below under Resale), homeownership projects undertaken by a State recipient or sub-recipient will be subject to recapture. The homebuyer assistance will be secured by means of a note and mortgage given to HTFC by the low-income household being assisted. A standard form of the note and mortgage is provided to LPA's by HTFC.

The amount of the note and mortgage is the "direct HOME subsidy".

Direct HOME subsidy is defined as: the amount of HOME assistance, including any program income that enabled the homebuyer to buy the unit. The direct subsidy includes down payment, closing costs, interest subsidies, or other HOME assistance provided directly to the homebuyer.

In addition, direct subsidy includes any assistance that reduced the purchase price from fair market value to an affordable price. If HOME funds are used for the cost of developing a property and the unit is sold below fair market value, the difference between the fair market value and the purchase price is considered to be directly attributable to the HOME subsidy.

If there is no direct homebuyer assistance and a development subsidy is provided, then the resale method outlined below must be used.

Affordability Period – The period of affordability specified in the note and mortgage will be the minimum period for the project as specified in 24 CFR 92.252 and 92.254.

If the homebuyer assistance in the unit is:	The period of affordability is:
Under $25,000	5 years
$25,000 to $50,000	10 years
Over $50,000	15 years

The affordability period will be based on the amount of direct home subsidy.

Amount subject to recapture – If a home buyer is in noncompliance with the principal residency requirement (e.g., the unit is rented or vacant) during the period of affordability, will require repayment of the HOME subsidy at the time the event occurred. The amount of recapture permitted in the event of a voluntary or involuntary sale is based on a combination of Owner Investment Returned First (as described in 92.254(a)(5)(ii)(B)(4)) and pro rata reduction (as described in 92.254(a)(5)(ii)(B)(2)).

Recapture is limited to the net proceeds of the sale, which is defined as the sales price minus superior debt and seller paid closing costs and include only the following items to the extent actually incurred: broker's commission, reasonable attorney's fees, and any transfer tax or recording fee payable by the seller pursuant to state statute or local ordinance in connection with the conveyance.

Upon transfer, whether voluntary or involuntary, the net proceeds of the sale will be determined and distributed as follows, to the extent proceeds are available:

1. Owner shall first be reimbursed from the net proceeds of the sale, if any, for the following:
    - The down payment made at the time of the initial purchase of the Property, if any.
    - The principal amortized on superior debt during the affordability period, if any.

2. The HUD Program Administrator shall then be repaid the Recapture Obligation to the extent there are sufficient sale proceeds remaining. The Recapture Obligation is the amount of homebuyer assistance, as defined above. It will be reduced on a pro rata basis (by 1/ [number of years of affordability period]) during the affordability period at the end of each complete year of the affordability period. For example, if a 10-year affordability period applies, and the homebuyer sells at the end of Year 4, then the amount of the note is reduced by 40%.

3. The remainder of the net proceeds, if any, shall be retained by Owner.

HOME funds that are used as a development subsidy, and are not part of the homebuyer assistance, will not be subject to recapture from the homebuyer.

Recapture will only be made from net proceeds of sale. If there are no net proceeds of sale, then no recapture shall be made.

HTFC requires that all recaptured funds and program income earned by an LPA to be returned to the HTFC within 30 days of receipt for reallocation in accordance with the method of distribution of funds described elsewhere in this Plan.

HTFC will allow, in compliance with 24 CFR 92.254(a)(5)(ii)(A), the assumption of a recapture obligation by a subsequent eligible, low-income homebuyer, when no additional HOME assistance is provided to the subsequent homebuyer. The subsequent homebuyer will assume and complete the original terms and conditions of the recapture obligation of the original homebuyer.

Resale

Under most circumstances, the recapture provisions outlined above will be used in HOME homebuyer activities. However, resale restrictions may or must be used under the following circumstances:

- When HOME Program funds are used only as a development subsidy for the construction or renovation of homeownership housing, and no direct HOME subsidy is provided, resale restrictions must be used instead of recapture restrictions as described above.
- Resale restrictions may also be used at the request of the LPA when HOME funds are invested in a larger homeownership development, a condominium or cooperative project; projects where a substantial per-unit investment of subsidy is provided; local markets with predominantly high home sales prices, rapidly appreciating housing costs, or where affordability will not be preserved by

unrestricted sales of assisted units. HTFC approval of the conditions warranting the use of a resale restrictions is required.

- Resale restrictions are also used when land trusts own the property.

Resale restrictions will ensure that housing assisted with HOME funds is made available for resale only to HOME program eligible low-income households that will use the property as their principal residence. Resale will be enforced by means of a HTFC provided Restrictive Covenant and Resale Restriction and/or deed restriction that runs with the title to the land, unless the project is located in an area of "presumed affordability" that meets the conditions described in 92.254(a)(5)(i)(D). Such areas of presumed affordability must be reviewed and approved by the HTFC and HUD.

HTFC will permit the use of notes and mortgages in addition to, but not in lieu of the restrictive covenant and resale restriction and/or deed restriction, to secure the rights of HTFC and to recover HOME funds in the event of non-compliance or adverse transfers.

The statute and rule (92.254(a)(5)(i)(C)) provide that the restriction may be extinguished by a third-party lender in the event of foreclosure, transfer in lieu of foreclosure or assignment of an FHA mortgage in order to clear title. HTFC may use purchase options, rights of first refusal or other means to intervene and preserve the affordability of the unit.

Period of Affordability -- The following table outlines the required minimum affordability periods for homebuyer projects that are subject to resale restrictions:

If the homebuyer assistance in the unit is:	**The period of affordability is:**
Under $25,000	5 years
$25,000 to $50,000	10 years
Over $50,000	15 years

The period of affordability is determined by the total investment of HOME funds in the unit, regardless of whether or not the funds are reflected in buyer financing.

Low-income households eligible to purchase properties restricted by resale provisions must be households whose annual incomes do not exceed 80% of the median income for the area as determined by HUD with adjustments for family size and the housing must be occupied by the low-income household as its principal residence throughout the affordability period.

If the assisted property is sold while under the resale restrictions, the home must be sold to a HOME eligible buyer approved by HTFC or its Local Program Administrator.

- The price at sale must provide the original HOME-assisted homebuyer a fair return on the investment and be affordable to a reasonable range of low-income buyers. Therefore, sales price during the affordability can occur at market value, with the following limitations:

- Fair return to seller – The price shall not exceed a price that results in net proceeds (after senior debt and sales costs) to the seller that exceeds the sum of:

    1. The reimbursement of the original owner's down payment and/or closing costs made at the time of initial purchase, if any;

    2. The principal amortized on the senior debt during the period of ownership;

3. The investment in eligible capital improvements defined as: any individual improvement made specifically to the structure or major system of the HOME assisted housing unit in which the cost was more than $3,000.00 and where applicable, the work was properly permitted, inspected locally and the actual cost has been documented with third party receipts.

- The value of the owner's investment (the sum of 1-3 above) will be adjusted by using the Housing Price Index. The change in the HPI from the original purchase to the time of sale will be applied to the value of the owner's investment, so that the value of the improvements is increased or decreased by the amount of increase or decrease in the housing market overall.

- Affordable to range of low-income buyers – The sales price may not exceed a price that is not affordable to households at 70% to 80% of area median income (AMI). The HTFC defines "affordable price" as a price that is at or below an amount that will allow a low-income family to pay no more than 35 percent of their monthly income to pay for mortgage principal and interest, property taxes and insurance.

The seller must have the sales price approved by HTFC or its Local Program Administrator, in addition to approval of the HOME eligible buyer. If the fair market value of a HOME assisted property subject to resale provisions is more than what is affordable to the subsequent low-income purchaser, then additional HOME assistance may be given by HTFC or its local program administrators.

Uniform Administrative Requirements for Financial Management

The LPA shall comply with the Uniform Administrative Requirements as applicable in 2 CFR Part 200 and the Uniform Administrative Requirements, Cost Principals and Audit Requirements and as described in 24CFR Part 92.205.

General financial management standards should provide for:

- Internal Controls – The combination of policies, procedures, job responsibilities, personnel and records that together create accountability in an organization's financial system and safeguard its cash, property and other assets. Provide effective control over and accountability for all funds, property and other assets.

- Budget Controls – procedures to compare and control expenditures against approved budgets. Identify the source and application of funds for federally sponsored activities including records and reports that verify the eligibility, reasonableness, allowability and allocability of costs.

- Accounting Records – records that sufficiently identify the source and application of HOME funds provided. Permit the accurate, complete and timely disclosure of financial results in accordance with HUD reporting requirements or, for sub recipients, grantee reporting requirements

- Cash Management – procedures in place to minimize the amount of time that elapses between receipt of HOME funds and the actual disbursement of those funds. Minimize the time elapsing between the transfer of funds from the U.S. Treasury and disbursement by the grantee or subrecipient.

Compliance with these regulations will be reviewed during the monitoring of the HOME award.

Audit

LPAs that expend $1,000,000 or more in Federal funds, in aggregate not limited to HOME, for any fiscal year starting after October 1, 2024, are subject to audit requirements at 2 CFR 200.501-512. The threshold amount for fiscal years starting prior to 10/1/2024 is $750,000.

The LPA must notify HTFC within 60 days of the end of its fiscal year whether or not it is subject to this requirement using the Federal Assistance Expenditure (FAE) Form available on the HOME Program website.

If the FAE shows completion of a Single Audit is required, the audit, the data collection form and the reporting package must be submitted to the Federal Clearinghouse and OCR within 30 calendar days after the Recipient receives the auditor's report(s) or nine months after the end of the audit period, whichever is earlier.

This applies to

1. Open contract(s) during any part of the fiscal year reporting period where there were funds remaining and not de-obligated.
2. Open or Closed contracts from which we made disbursements during the fiscal year reporting period.
3. Withdrawn or Revoked contracts that were active for 30 days or more from the date of execution and were active during any part of the fiscal year reporting period.

Failure to comply with either requirement may lead suspension of funds until compliance is achieved.

Chapter Three: Administrative Requirements

Fair Housing - Equal Opportunity- Affirmative Marketing

No person shall, on the grounds of race, color, national origin, religion or sex be excluded, denied benefits, or subjected to discrimination under any program funded in whole or in part with Federal HOME funds. The NYS HOME Local Program ensures nondiscriminatory treatment, outreach and access to program resources for all HOME Local assisted beneficiaries.

The HOME Local Program must comply with all federal and state laws, executive orders and regulations pertaining to Fair Housing and Equal Opportunity. They are:

Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. 2000d et seq.) which states that no person may be excluded from participation in, denied the benefits of, or subjected to discrimination under any program or activity receiving Federal financial assistance on the basis of race, color, or national origin.

The Fair Housing Act (42 U.S.C. 3601-3620) prohibits discrimination in the sale or rental of housing, the financing of housing or the provision of brokerage services against any person on the basis of race, color, religion, sex, national origin, disability or familial status.

Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259) prohibits discrimination against individual on the basis of race, color, religion, sex or national origin in the sale, rental, leasing, or other disposition of residential property or in the use or occupancy of housing assisted with Federal funds.

Age Discrimination Act of 1975, as amended (42 U.S.C. 6101-6107) prohibits age discrimination in programs or activities receiving Federal Financial Assistance.

New York State Public Housing Law § 600, Article 14, housing agencies shall administer all programs and activities related to housing and community development in a manner that affirmatively furthers fair housing and shall cooperate with the commissioner of NYS Homes and Community Renewal to further such purpose.

Recipients of federal funds have a duty to affirmatively further fair housing (AFFH). Pursuant to state law, the duty to AFFH includes taking meaningful actions to:

A. Identify and overcome patterns of residential segregation and housing discrimination;
B. Eradicate racially or ethnically concentrated areas of poverty;
C. Reduce disparities in access to opportunity;
D. Eliminate disproportionate housing needs;
E. Encourage and maintain compliance with the New York Human Rights law and any other applicable anti-discrimination or fair housing law.
F. Provide the public reasonable and regular opportunities to comment on fair housing issues and participate in the development and advancement of affirmative fair housing policy; and

LPAs must develop an affirmative marketing plan that relies on local knowledge and decision making in order to determine the best strategies for compliance.

Each LPA HOME-funded program must have and follow an affirmative marketing plan consistent with the HOME regulations at 24 CFR 92.351 and the NYS Public Housing Law.

The LPAs affirmative marketing plan must include the following elements:

- Identification of those persons across the protected classes that are expected to be “least likely to apply” because those populations are currently underrepresented in the project’s service area or underrepresented on the wait list.
    - Protected Classes Include:
        - Race
        - Color
        - National Origin
        - Religion
        - Sex
        - Familial Status
        - Disability

- Description of how the LPA will inform potential participants about fair housing and affirmative marketing policy.

- Description of specific procedures or outreach activities that include special measures designed to attract the LLA populations, in addition to other efforts designed to attract persons from the total population. This typically requires identification of groups that have direct contact with the LLA populations that you are trying to reach. Appropriate community contacts include, but are not limited to, social service agencies, religious bodies, advocacy groups, community centers, housing counseling agencies, and/or employment centers

- Delineation of the records that will be kept documenting the affirmative efforts.

- Description of how the LPA will assess the results of the affirmative actions and make corrective actions if necessary.

- A process to address fair housing complaints. This should include elevating issues to the HCR Fair and Equitable Housing Office (FEHO) when needed.

- A process to appeal rejected applications. The appeal process can be handled internally.

- The plan must be dated and contain language that it will be reviewed and revised at a minimum every five years.

If the program is targeted to a special need or population, the Plan should describe how the program will be marketed across all protected classes within the special need preference.

If the program targets persons with disabilities, how the program will be marketed to all disabilities (however, advertisements can identify the specific services available based on the targeted disability).

Other recommendations for AFFH actions are

1. Referring the public to local fair housing organizations (including the New York State Division of Human Rights, a local human rights commission or municipal Fair Housing Officer) to file housing discrimination complaints.
2. Distribute up-to-date fair housing materials that relay information regarding fair housing protections to community residents, owners, real estate professionals and lenders and/or display materials public libraries, community centers, municipal buildings, local town hall buildings, etc.
   These are examples of these materials, prepared by the NYS Division of Human Rights (DHR):
    - *Basic Guide to the Human Rights Law*
    - *Basic Guide to Fair Housing*
    - *Guide to Racial Discrimination*
    - *Source of Income Discrimination*
    - *Protections Under the Law: Arrest and Convictions*

3. Display the Fair Housing logo on materials and public office places.

Questions related to fair housing may be addressed to HCR's Fair and Equitable Housing Office (FEHO) at feho@hcr.ny.gov

Equal Employment Opportunity

LPAs are subject to the Equal Employment Opportunity requirements related to nondiscrimination and equal access. The LPA shall comply with the following, as applicable. LPAs must not discriminate in hiring and employment practices. To comply, LPAs must:

- Post an Equal Employment Opportunity Poster in a conspicuous place. →Equal Employment Opportunity Posters | U.S. Department of Labor (dol.gov)
- Include the EEO tagline in all employment advertising: "All qualified applicants will receive consideration for employment without regard to race, color, religion, sex, sexual orientation, gender identity or national origin."
- Keep records of all employment actions and decisions, including job descriptions, postings, applications/resumes, interviews, tests, offers, written employment policies and procedures, and personnel files, and make available for inspection by state and federal agencies if requested.

If the LPA has 50 or more employees and a contract in excess of $50,000, submit an annual EEO-1 Report (report form available at: →Sign-in (eeocdata.org) or Home (eeocdata.org)

Drug Free Workplace

LPAs with contracts in excess of $100,000 are subject to the Drug-Free Workplace Act of 1988, which requires:

- Distribution of a policy statement to all employees that the unlawful manufacture, distribution, dispensation, possession or use of a controlled substance is prohibited in the covered workplace and specifying the actions that will be taken against employees who violate the policy.
- Notification of employees that as a condition of employment on a federal contract or grant, the employee must a) abide by the terms of the policy statement; and b) notify the employer, within five calendar days, if he or she is convicted of a criminal drug violation in the workplace
- Establishment of a drug-free awareness program
- If a covered employee is convicted of a criminal drug offense in the workplace, notify HTFC within 10 days, and require the employee to participate in drug abuse assistance or rehab program.

Section 3

Individual housing construction and rehabilitation projects as well as public works projects that receive more than $300,000 in HOME Investment Partnership Program (HOME), Community Development Block Grant (CDBG), federal Housing Trust Fund or other funding from the U.S. Department of Housing and Urban Development (HUD) (combined) must comply with Section 3 of the Housing and Urban Development Act of 1968 ("Section 3").

Section 3 requires that economic opportunities generated by HUD funds be prioritized for low-income

individuals and the businesses that hire or are owned by them, particularly in the neighborhood surrounding the project. All entities involved in the Section 3 Project (the Recipient of the HUD funds, the General Contractor, other contractors, and subcontractors) must, to the greatest extent feasible, engage in efforts to achieve Section 3 goals and objectives.
Only individual projects for $300,000 or will be subject to Section 3 requirements. Since HOME LPA programs per unit limits are below this threshold amount, Section 3 requirements will not be triggered. If in the event a request to go over the per unit subsidy limits have been granted that results in a single project that exceeds $300,000 in HOME funds, Section 3 requirements must be met.

If applicable, recipients of HOME Funds must comply with the provisions set forth at 24 CFR Part 75. The work to be performed is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u ("Section 3"). If applicable, a Section 3 Compliance Plan must be submitted and is available at https://hcr.ny.gov/S3ParticipationPlan. Semi-annual reporting will be required. All forms available here: https://hcr.ny.gov/section-3-compliance.

More information and guidance on Section 3 compliance can be found in NYS HCR's Section 3 Policy Manual here: Section 3 Compliance | Homes and Community Renewal (ny.gov)

Minority and/or Women Business Enterprises (MWBE) and Service Disabled Veteran-Owned Business (SDVOB) Policy

The HOME Program regulation at 24 CFR 92.351 (b) Minority outreach and 2 CFR 200.231 Contracting With Small Businesses, Minority Businesses, Women's Business Enterprises, Veteran-Owned Businesses, And Labor Surplus Area Firms requires all HOME funded programs and projects to adopt affirmative marketing procedures and include, to the maximum extent feasible, minorities, women, and entities owned by minorities and women and veteran-owned businesses to be provided employment and contracting opportunities funded by the HOME program.

Requirements if HOME funded and no State funds are invested in the program or project:

LPAs and contractors working on a project must adhere to the following to ensure MWBE and SDVOB participation and show good faith efforts:

1. MWBE's do not have to be State certified through Empire State Development.
2. LPAs and contractors must widen the pool of outreach and bid advertisements to attract and include more MWBE/SDVOB bidders to the greatest extent possible.
3. LPAs and contractors must document all outreach activity.
4. Solicitations must be marketed to local government, county and/or non-profit qualified contractor lists.
5. Verify that the contractor has not been debarred from working with HUD.

Reporting Requirements:

LPA's must submit an annual report to the Office of Community Renewal as requested detailing the outreach and activities provided to include, to the maximum extent feasible, minorities and women and entities owned by minorities and women and veteran-owned businesses to be provided employment and contracting opportunities funded by the HOME program. For those MWBEs and SDVOBs that participate, the LPA must compile data for HUD's MWBE report:

- The HOME Local Program contract SHARS ID
- Contract Amount
- Type of Trade
- Contractor ID #, name and address
- The report may include both State certified and non-State certified MWBEs

- Data submitted from LPAs to OCR annually. OCR compiles data and submits annual consolidated MWBE report to HUD.

Requirements if HOME funded and State funds are invested in the program or project:

If HOME Program Funds are combined with New York State funds in a program or project, then LPAs must adhere to State requirements. Article 15-A of the State Executive Law and Article 3 of the New York State Veterans' Service Law were promulgated to ensure that only State certified (as certified by Empire State Development Corporation) MWBEs and SDVOBs (as certified by the Office of General Services) shall be given the opportunity for meaningful participation in the performance of State-assisted contracts and to facilitate the award of a fair share of State assisted contracts and subcontracts to such enterprises.

For State funded program or projects, New York State Homes and Community Renewal (HCR) requires contractors to make good faith efforts to ensure that State Certified MWBEs and SDVOBs have opportunities for meaningful participation on projects to be undertaken and financed with funds provided by HCR.

Goals for participation are assessed and imposed on each State-assisted contract. Participation levels are based upon the availability of certified MWBE/SDVOBs to perform the work in the region in which the contract is to be performed and the total dollar value of the work to be performed in relation to the dollar value of the components of the contract scope. Contractors on HCR projects are required to submit quarterly reports detailing the utilization in performing the contract.

<u>Reporting Requirements:</u>

State funding requires the submission of a Utilization Plan that describes:

- Projected use of NYS certified MWBEs and SDVOBs
- Utilization of MWBEs and SDVOBs at the required dollar amounts
- Must be submitted and approved before the grant funds are disbursed

The utilization plan must be submitted to the Office of Diversity and Inclusion Economic Opportunity and Partnership Development for review.

DIOEOPD verifies good faith efforts to hire MWBEs and determines the availability of waivers of MWBE requirements as applicable.

LPAs must quarterly report to OEOPD on the following:

1. Cumulative Payment Statement
2. EEO Workforce Utilization

If an LPA does not meet State MWBE or SDVOB requirements, sanctions for non-compliance may include withholding contract execution and/or payments.

Program Accessibility

HOME regulations require adherence to the following three regulations governing the accessibility of Federally assisted buildings, facilities, and programs: Americans with Disabilities Act (42 U.S.C. 12131; 47 U.S.C. 155,201,218, and 225.), The Fair Housing Act and Section 504 of the Rehabilitation Act of 1973.

All HOME projects are subject to accessibility requirements of 92.251(b) (1) (iv).

Reasonable accommodations are required to make the program accessible to persons with disabilities, including affirmative outreach, accessible office locations and assistance with applications.

LPAs should take steps to make programs accessible to persons with disabilities such as:

- Ensure that the office is accessible to persons with disabilities or other means of intake provided
- Distribute notices of the availability of housing assistance to eligible individuals with disabilities.
- Make notices and application forms available in a variety of formats, to ensure that persons with disabilities receive information about the program and are able to access the program.
- Provide information about the availability of accessible units to applicants who require accessible units, where known.
- Provide information on counseling available to help those in need of accessible units to find them

Effective communication with applicants and beneficiaries may require auxiliary aids where necessary, such as sign language interpreters, TTY devices, note readers, large-sized written materials, Braille materials, audio recordings, and other similar services and devices; and having a TTY or equally effective communication system available if the LPA communicates with the public by telephone

Dispute Resolution

Disputes may occasionally arise between LPAs and HOME beneficiaries. LPAs must have and follow a Dispute Resolution Policy applicable to all HOME grant recipients. All steps taken to assess and resolve disputes must be documented along with the outcome, demonstrating the policy was applied equally and fairly to all inquiries.

Primary responsibility for resolving HOME beneficiary and contractor disputes rests with the LPA. The Dispute Resolution Policy must establish a standard practice to administratively resolve disputes related to the HOME Written Agreement with he beneficiary or written agreement with the contractor. Examples of common issues which may be amenable to conflict resolution include project timeline, quality of work, scope of work, inability, or failure of parties to uphold obligations, final property owner /participant completion sign off, or contractor payment.

In the event there is a dispute between a property owner /participant and contractor, whenever feasible the LPA should require notice in writing. The LPA must exercise best efforts to resolve the dispute as soon as possible. This may include conducting an inspection to evaluate claims and meeting with the parties in order to reach a satisfactory result through negotiation. All efforts must be documented in project files, and whenever possible include photos.

If the Dispute Resolution Plan is applied and documented, but efforts fail, then the LPA shall notify OCR and provide a recommended course of action.

Disputes submitted directly to OCR will be referred to LPAs and/or other parties referenced in the complaint or relevant to the project for review and response. OCR will evaluate responses to ensure that satisfactory measures were taken to resolve the dispute and will notify the LPA if further action is required.

Conflict of Interest

Grantees of state and federal funds have a responsibility to ensure that public resources are used in the best interest of the public and within the confines of the funding source. Conflicts of Interest are strictly prohibited by HOME regulations 92.356 as addressed in the Conflict of Interest clause included in NYS Housing Trust Fund Corporation’s Office of Community Renewal (“OCR”) executed contracts.

A conflict of interest is a situation in which an individual’s financial, familial, or personal interests come into actual or perceived conflict with their duties and responsibilities with respect to OCR-administered program activities or who are in a position to participate in a decision making process or gain inside information with regard to such activities, may obtain a financial interest or benefit from the activity or have an interest in any

contract, subcontract or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

The LPA, including its officers, board members, consultants, and employees, are subject to the presumption of conflict of interest as stated in 92.356(a) – (c). All covered persons of the LPA may not receive either program assistance or any contract without the prior written exception granted by NYS and/or HUD as applicable.

Defining a Covered Person: Who is subject to a conflict of interest policy is commonly referred to as a "Covered Person" and can be an employee, consultant, officer, board member or elected official of the OCR grantee and/or their sub grantee. (A sub grantee or subrecipient is an entity chosen by the OCR grantee to assist in the implementation of the OCR funded activity and may include an owner, developer and/or sponsor.) If the Covered Person and/or a family member or business associate has a financial or other interest in the OCR-administered funded activity a conflict of interest may exist.

Immediate family ties include, whether related by blood, marriage, or adoption: spouse, parent (including stepparent), child (including stepchild), brother, sister (including stepbrother or stepsister) grandparent, grandchild, and in-laws or a covered person.

Further, no officer, employee, agent, or consultant of a covered person or entity may occupy a HOME assisted affordable housing unit in the Project.

All OCR-administered program grantees must maintain written standards of conduct governing the performance of their employees and contractors related to the selection, award, administration and implementation of grant-funded activities and procurement processes.

There are two sets of conflict of interest provisions that may apply to OCR programs:

1. **Procurement** of supplies, equipment, construction, and services.
2. **Non-procurement** activities such as acquisition, disposition and rehabilitation of real property and the provision of assistance with OCR-administered funds by the grantee or the grantee's subrecipient, to individuals, businesses, and other private entities.

Disclosing a Conflict of Interest

Grantees should submit a Conflict of Interest Disclosure Form as soon as they believe a conflict may exist. The disclosure should include the Covered Person and the family member and/or business associate. For the purposes of the OCR Conflict of Interest policy:

- A family member includes (whether by blood, marriage, or adoption) the spouse, parent (including a stepparent), child (including stepchild), sibling (including a stepsibling), grandparent, grandchild, and in-laws of a Covered Person.

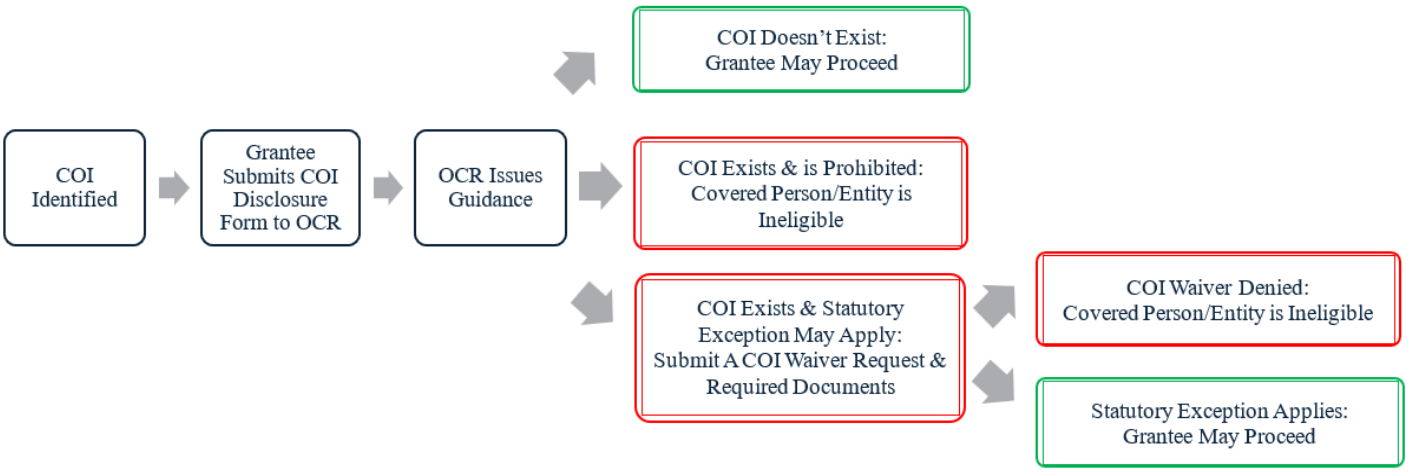
- A business associate includes an officer, director, employee, consultant, partner, or individual that directly or indirectly owns or controls any stock in a firm, partnership, association, limited liability corporation, or not-for-profit corporation.

Upon review of the disclosure, OCR will issue guidance specific to the OCR funding source, and if applicable, instructions and requirements on submitting a conflict of interest waiver request. OCR will review conflicts of interest on a case-by-case basis in accordance with program-specific policies and regulations. Timeline for approval ranges from 2 weeks to 2 months.

If the conflict of interest has occurred prior to receiving OCR issued guidance and necessary steps were not completed, project costs may be disallowed, and funds may be recaptured.

Submit any Conflict of Interest Disclosure Forms to the OCR Project Manager.

Process Overview



Media and Promotion

Prior to sharing photographs of property and/or people, LPAs must have HOME Beneficiaries complete a Photo Release Form. A template is available on the HOME Website https://hcr.ny.gov/nys-home-program. This permits HTFC and/or the LPA to publish photographs of the assisted property for promotional or public relation purposes. The LPA will keep this written consent in their files and will provide to HTFC upon request.

Guidelines and expectations for all HCR programs and projects can be found here →Promotion & Media Guidance for Homeownership and Community Development Projects | Homes and Community Renewal. LPAs must adhere to the requirements for media, promotion, and project signage to the greatest extent possible.

Chapter Four: Procurement and Contracting

General Procurement

All procurements, regardless of dollar amount, must be conducted to provide open and free competition. Procurement of any kind must include outreach and award to MWBE and/or Section 3 businesses to the greatest extent feasible and these efforts must be documented in the program or project file.

The LPA must ensure cost reasonableness by comparing bids received to in house cost estimates. If none of the bids received are considered reasonable, the project or program job must be re-bid. LPAs must also

ensure contractors are not on the debarred contractors list, lead certified where applicable, and carry proper insurance (see below).

Documentation and formal tracking of RFPs, solicitation of contractors, bids received, cost estimates, award decisions, and other related procurement documentation must be kept on file for review. Procurement processes should be fully documented in written policies and procedures. LPAs with more restrictive policies should follow those. LPAs must record how each procurement selection is made documenting compliance with their Procurement Policy and Procedure and federal regulations.

Certain principles must be upheld in seeking bids or quotes. There must be a clear, written, scope of work for which bids or quotes are sought, and all bidders must have equal access to relevant information, including information on the property itself. The process should be free of collusion or intimidation, and the LPA should exercise appropriate oversight over the entire process to ensure that it is fair and efficient and avoids actual and perceived conflicts of interest.

Perceived or actual conflicts of interest may arise when certain individuals have access to inside information or undue influence regarding the award of a contract or property assistance. A contractor cannot receive funds for any type of work done on or services performed for a property that s/he owns. A conflict of interest exists due to the unique information and influence that the building owner has in areas such as: developing work scopes; choosing which contractors to solicit; evaluating bids; use of material and determining satisfactory performance of the contract. Refer to the Conflict of Interest section for more information.

Sweat equity and/or a homeowner performing their own work related to the project scope is generally not allowed. A certified, licensed, and insured professional must be procured as noted below. Similarly a homeowner cannot write their own scope of work. While the homeowner should be an active partner in the process all technical and programmatic decisions must be made by the LPA and/or certified professionals.

Procurement of Rehabilitation Contractors

For all activities involving rehabilitation that require a home repair contractor, the homeowner is considered the entity making the selection for the purposes of procurement of contractor rehabilitation services and is therefore not subject to federal procurement regulations at 2 CFR Part 200.317-327.

The LPA shall facilitate the following on behalf of the homeowner and in compliance with their procurement policy and procedure:

- Compiling bidder lists (documenting best efforts to include MWBE and/or Section 3 contractors)
- Developing a detailed scope of work, technical specifications, and in-house cost estimate
- Soliciting, receiving, and comparing bids
- Documenting how the contractor was selected.
- Resolving disputes between the contractor and homeowner
- Any other administrative tasks that may arise during the term of assistance to that household

Open and fair competition shall be demonstrated by soliciting at least 3 bids for all contracts, however public advertising is not required. Re-bidding is not required if less than 3 bids are received in response to the initial solicitation. The contractor and homeowner must enter into an agreement for the rehabilitation work to be performed. A template Homeowner-Contractor Agreement can be found on the https://hcr.ny.gov/nys-home-program website under General Forms. Homeowners wishing to contract with other than the lowest responsible bidder must pay the cost difference between the accepted bid and lowest bid received.

For each solicitation effort, the LPA must retain bid solicitation lists and any relevant correspondence to document the efforts.

Manufactured Home Replacement programs may bid all unit replacements in the program as a whole under one RFP based on expected costs and award to one retailer/contractor to expeditiously move the program forward. Note that individual scopes of work, cost estimates, cost reasonableness reviews, and all requirements noted under the General Procurement section are required for each project and documented in each project file.

Procurement of Professional Services – Program Wide

The procurement standards and procedures are to certify that supplies, equipment, and other services acquired in whole or in part with Federal funds are:

- Obtained as efficiently and economically as possible.
- Acquired in a manner that provides open and free competition (2 CFR 200.319(a)).

The LPA as HOME Subrecipient is the procurer, therefore federal regulations and procurement rules at 200.317-.327 apply for the procurement of program wide services.

HOME funds used to pay for program services performed by individuals or entities who are not direct LPA staff (e.g., rehab technicians, environmental specialists, lead based paint specialists, real estate appraisers, consultants) require procurement.

A single procurement to cover various programs is acceptable as long as the RFP indicates all applicable services, the programs to be covered, the timeframe and terms of service. Procurement should take place at least every 3 years.

Procuring both administrative and professional services under a single HOME funded contract is permissible, contingent on compliance with all HOME procurement requirements including federal standards (2 CFR Part 200). This means that a single consultant service may provide both program administration as well as other professional services such as environmental review, lead based paint testing, certified market assessment, construction management etc.. as long as qualified and procured in accordance with all regulations and requirements. Full and open competition must be offered, conflicts of interests avoided, and unnecessary or duplicative services prevented.

LPAs may undertake procurement for professional services prior to or during application to the HOME program. If the LPA has a consultant under a pre-existing, multi-year contract, it is permissible to use that consultant if the activity to be carried out was outlined in the original scope of work used to procure the consultant and the process used to procure the consultant met federal requirements. Please note that multi-year contracts should be limited to three years and to one specialty area.

Policy and Procedures
LPAs should read and understand the federal regulations referenced above when creating procurement policies and procedures as required for the HOME Program. These will be reviewed for compliance during program monitoring, to include review of procurement policies, Request for Proposals, bids that were received how a contractor/vendor was chosen and signed contracts with vendors.

LPAs should be able to document those proposals were solicited from an adequate number of qualified

sources and that full and open competition took place prior to selection of a consultant. Encouraging adequate competition is of obvious interest and benefit to LPAs in terms of retaining the most qualified vendor at a reasonable cost. The more responses, the better the LPAs chance of hiring the best qualified vendors.

The LPA's procurement procedures must be consistent with State, local, and tribal laws, and regulations required under a federal award. The procurement policy should include, but not be limited to:

- Method(s) of procurement
- How Request for Proposals (RFP) are posted/advertised
- The minimum number of responses/bids required
- The process of comparing the responses/bids
- How the final bidder selection is made
- How the LPA will ensure that its awards are not made to any party excluded, disqualified, or otherwise ineligible (e.g., suspension, debarment, or limited denial of participation) for Federal Procurement or Non-Procurement Programs Excluded Parties Listing System available online at: https://sam.gov/SAM/

Methods of Procurement

Of the methods of procurement identified in 200.320, LPAs should select the most appropriate method based upon need and the nature of the services required. LPAs are strongly encouraged to use one of the Formal Procurement methods in 200.320(b). The most common method is Proposals 200.320(b)(2) however the Sealed Bid is also an option.

Method	Preferred for:	Type of Purchases	Other Requirements/Notes
Competitive Sealed Bids (2 CFR 200.320(b) (1))	Firm, fixed-price contract (lump sum or unit price) where the selection is based on price (2 CFR 200.320(b)(1))	Preferred to but not limited to construction services. Architectural/ Engineering Services (A/E)	Two or more responsible bidders are willing and able to compete (2 CFR 200.320(b)(1)(i) (B)). LPAs must solicit bids from an adequate number of sources and provide sufficient response time. Local and tribal governments must publicly advertise invitations for bids. (2 CFR 200.320(b)(1)(ii)(A)). The RFP must include complete, accurate, and realistic specifications and clear definitions of items or services needed that are sufficiently detailed for bidders to properly respond, plus any pertinent attachments (2 CFR 200.320(b)(1)(ii)(B)). Bids must be opened publicly at the time and place stated in the RFP (2 CFR 200.320(b)(1) (ii)(C)). If awarded, the contract must be given to the lowest responsive and responsible bidder (LPAs can decide to reject all bids, documenting the reason, along with the reason for rejecting any bids [2 CFR 200.320(b)(1)(ii)(D) and (E)], and retain this documentation in the file.)
Competitive Proposals (2 CFR 200.320(b) (2))	A fixed price or cost reimbursement contract where the award is based upon an evaluation	Most professional services, technology systems, software, etc.	Used only when conditions are not appropriate for sealed bids. More than one source must be solicited from an adequate number of qualified sources. Request for Proposal (RFP) must clearly and accurately state the technical requirements for the

	process and not solely on price.		goods and services required and be publicized, identifying all evaluation factors with their relative importance (2 CFR 200.320(b)(2)(ii)). LPAs may negotiate with the bidders who are deemed responsive, responsible, and within a competitive price range, based on the evaluation of the bidders' pricing and technical proposals. After negotiations, LPAs may allow these bidders to submit a "best and final" offer. LPAs must award the contract to the responsible offeror whose proposal is most advantageous to the organization, with price and other factors considered (2 CFR 200.320(b)(2) (iii)).
		Architectural/ Engineering Services (A/E)	LPAs may use competitive proposal procedures for qualifications-based procurement of A/E professional services; in such cases, LPAs evaluate the firm's qualifications and select the most qualified offeror, subject to negotiation of fair and reasonable compensation. LPAs may use this method, where LPAs do not use price as a selection factor, only in the procurement of A/E professional services. LPAs may not use this method to purchase other types of services through A/E firms that are a potential source to perform the proposed project (see 2 CFR 200.320(b)(2) (iv)).

Note the Micro-purchase method is not considered appropriate for this type of professional service procurement but is more suited toward procurement of supplies and/or basic service contracts with vendors that do not require specialty skills, such as a copier repair service, and is best suited for routine, low-risk, and infrequent program services 2 CFR 200.320(a)(1)

Solicitations must include the publication of a Request for Proposal (RFP). When an LPA receives only one response to a competitive solicitation, the RFP should be posted again, however if there are other considerations surrounding the solicitation, contact your Project Manager for guidance. Reasonable efforts to assure maximum open and free competition should be made. Four weeks for responses is considered a reasonable timeframe.

Once procured and selected, professional services paid with HOME funds must be under a written contract, not a verbal agreement nor a signed RFP. The contents of the agreement may vary depending upon the role the contractor plays, or the type of services provided. At a minimum the following should be included:

- Contractor name(s)
- Contract term/duration/dates
- Total contract amount
- Roles and/or description of services to be provided to include use of the HOME funds and the tasks to be performed
- Schedule for completing the tasks, if applicable
- Payment terms and details

- Contract requirements such as the requirements at 2 CFR part 200 and HOME regulations that may apply.
- Dated signatures of all parties indicating acceptance and agreement
- Review section 24 CFR 92.504(c)(4) for more information

File Documentation
Documentation and formal tracking of RFPs, solicitation of contractors, bids received, cost estimates, award decisions, and other related procurement documentation must be kept on file for review.

Summary
To summarize, the key requirements for Program Wide services are:

- The LPA's policies and procedures must meet the general procurement standards of 200.318;
- The procurement must be competitive consistent with 200.319;
- The procurement must follow one of the methods in 200.320(b) and be appropriate for the service requested
- The LPA should affirmatively promote MWBE participation under 200.321;
- The LPA must do cost/price analysis/document cost reasonableness under 200.324
- A contract compliant with the Written Agreement terms of 24 CFR 92.504 as applicable as well as any program requirements must be executed.

Contractors

Contractors being paid with HOME funds carry general liability insurance for a minimum amount of one million dollars ($1 million). It is recommended that the LPA, State of New York and the Housing Trust Fund Corporation be named as additional insured. Participating contractors must have workers' compensation coverage. Exemptions may be investigated and submitted for consideration however will often result in charges to the LPA through their own workers' compensation policy if these exemptions are not recognized by their policy provider.

Minority and Women Owned Business Enterprise (MWBE)

The HOME Program regulation at 24 CFR 92.351 (b) Minority outreach requires all HOME funded programs and projects to the maximum extent feasible make good faith efforts to provide opportunities to minorities and women and entities owned by minorities and women.

Refer to Chapter 3 for details.

Section 3

Section 3 will not likely be triggered for HOME LPA activities covered in this manual, however if triggered, refer to Chapter 3 for details.

Chapter Five: General Activity Regulations

Securing HOME Funds and Period of Affordability

All HOME assistance except for TBRA must secured with an HTFC approved security instrument. The fillable document based on activity can be found on the HOME website →https://hcr.ny.gov/nys-home-program. No other forms will be accepted.

The lien is at 0% interest and the principal balance is reduced annually, on the anniversary date of the fully executed security instrument. No repayment is required if the beneficiary remains as principal resident throughout the POA. If the home is sold or the owner no longer resides as principal resident, the pro-rated portion of the lien must be repaid to the HTFC. For Homeownership Assistance if the home is vacant or rented the full HOME assistance must be repaid.

If the home is sold during the POA to another HOME eligible homeowner, the note and mortgage terms may be assumable.

The security instrument requires execution and public recording/filing at the county clerk's office.

Depending on the HOME activity, such as manufactured home replacements in parks or coops, additional security instruments might be required. Refer to the Directory of Security Instruments by Activity located on the HOME website ➔https://hcr.ny.gov/nys-home-program. **All appropriate documents must be executed and filed as applicable in order to be eligible for HOME assistance.**

An affidavit of exemption is also located on the HOME website that may exempt certain fees for recording the security instrument. If not accepted by the county in which the document is filed, the cost of filing is an allowable HOME expense.

The Period of Affordability (POA) or length of the lien is based the activity and/or on the amount of HOME funds invested in the unit. See the activity specific administrative plan for length requirements.

The POA starts when the security instrument, as applicable, is fully executed.

The LPA must verify annually during the POA that the owner remains in the unit as principal resident and keep records of the confirmation.

While the POA is determined by the total HOME funds invested, the amount subject to recapture entered in the security instrument should not include administrative, project delivery, or soft costs. The amount to be recaptured should include project costs only in the lien amount.

For Homeownership Assistance the security instrument must be signed and notarized when the property title is transferred to the homebuyer and when the unit is verified to meet the property standards in accordance with § 92.251, if rehabilitation is included.

For Owner Occupied Rehabilitation and Manufactured Home Replacement the security instrument should be signed and notarized prior to the start of work to protect against potential non-compliance and the event of non-eligibility, such as the death of a homeowner or a homeowner's refusal to sign after the fact. Once the project is fully complete the document is signed and officially recorded. If there is a change in the amount of assistance, a new security instrument must be signed for the proper amount. The first document is destroyed, and the updated document officially recorded.

Additionally, LPAs are required to certify that HOME beneficiaries have signed the security instrument when

setting up the unit in IDIS.

Once the security instrument is filed, it should be recorded, and hard copy returned to HTFC. Contracts will not be closed unless all recorded notes and mortgages are received.

Written Agreements

Before the LPA provides HOME funds to homeowners, homebuyers, tenants (or owners) receiving tenant-based rental assistance, the LPA must execute a Written Agreement that meets the requirements of 24 CFR 92.504(c)(4).

HUD defines the commitment of funds as the execution of the written agreement. The Written Agreement must be signed and dated by both the LPA and household prior to setting up the unit in IDIS. Failure to execute the Written Agreement will result in the recapture of HOME funds.

LPAs must use the HTFC Written Agreement Template which is located on the HOME Program website → https://hcr.ny.gov/nys-home-program. There is a written agreement template for each HOME activity.

LPAs can use any of their own program (internal) contract documents, in addition to the HTFC Written Agreement as long as they are not conflictual.

Tier 2 environmental review must be completed and approved prior to signing the Written Agreement.

Refer also to the Securing HOME Funds section of this plan.

Applicant Intake and Eligibility

Preferences and Priorities

Assistance can be limited to units within the identified service area of the program in the application and contract.

Assistance cannot be limited to current or prior residents of the target area.

Priorities or preferences for certain types of housing or household type is only permissible to the extent that:

- It does not violate nondiscrimination and fair housing requirements in 24 CFR 92.350.
- It has been identified in the application, approved by HTFC at contract execution and is fully disclosed in all program documents, advertisements and presentations.
- The HTFC may allow LPAs to design eligible program activities that may limit beneficiaries to veterans, the elderly, the physically disabled, and/or give preferences to persons in certain occupations, such as police officers, firefighters, or teachers.
- If the program elects to serve a special needs population, the LPA must have a current service provider agreement that will send direct referrals of clients to the HOME assisted program.
- Limiting programs or giving preferences to students or a group of all employees is not permitted.

Applicant Intake and Waiting List

Applications must be taken in a manner that that ensures fair access, including reasonable time periods and methods of submission. Assistance must be offered to any household requesting assistance in completing the application.

The method for establishing the wait lists must be disclosed in application materials and briefings.

While priority or preference households may be placed on a separate waiting list, and processed according to the priority, applications must be accepted from any household within the eligible service area.

Waiting lists must be updated within the last 6 months, maintained and available for HTFC inspection.

Income eligibility need not be verified to place an applicant on a waiting list but can be based on the applicant's representation of income, with disclosure that income will be verified prior to the offering of assistance.

LPAs may use an already established wait list from a prior program, however, all applicants should have been pre-qualified to be on the list within the past 6 months.

Income Eligibility

All households assisted, excluding TBRA, must be under 80% of area median income as defined by HUD HOME income limits posted at →https://www.hudexchange.info/programs/home/home-income-limits/.

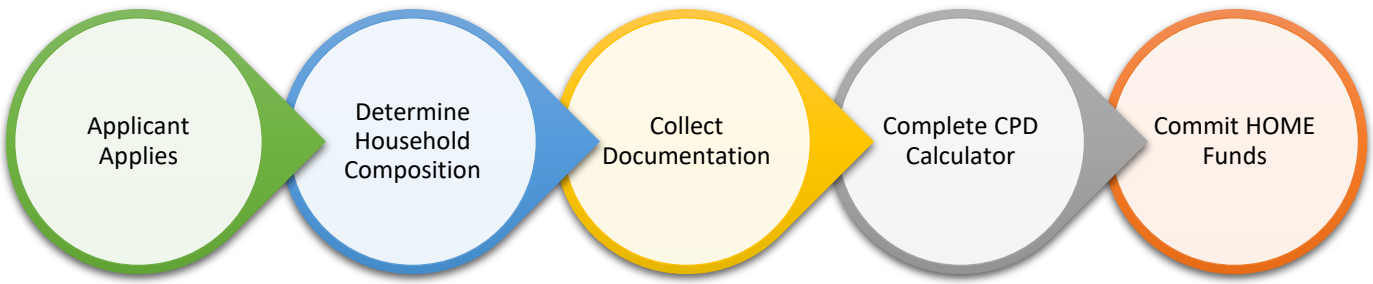
All TBRA households assisted must be under 60% of median income as defined by HUD HOME income limits.

Income must be determined using either the Part 5/Section 8 OR IRS Form 1040 method, defined at 92.203(b). The same method must be used for the entire program/for each activity. HTFC strongly encourages LPAs to use the Part 5/Section 8 method.

LPAs must use the HUD CPD Income Eligibility Calculator at:
→https://www.hudexchange.info/incomecalculator/

CPD Income Eligibility Calculator User Manual:→CPD Income Eligibility Calculator User Manual (hudexchange.info)

Determining Income for HOME Program Training:→Determining Income for the HOME Program - HUD Exchange



All income verifications must have at least two months of source documentation in accordance with 24 CFR 92.203(a) (2) and project anticipated household income for the next 12 months. TBRA income verifications may use safe harbor guidelines (see TBRA administrative plan for more information). LPAs are strongly encouraged to obtain more than 2 months of income source documentation if the household member(s) weekly or biweekly pay fluctuates. Collecting more source documents will allow the LPAs to more accurately project the applicant's anticipated income.

Income certifications generated by the CPD calculator must be signed and dated by the LPA and head(s) of household.

The income certification is valid for 6 months.

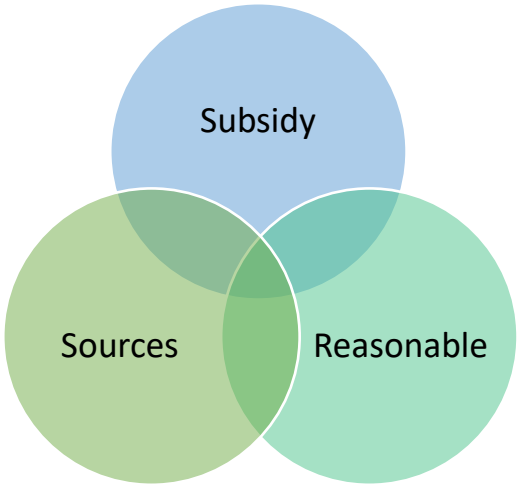
Visit → https://www.hudexchange.info/programs/home/topics/income-determination/#policy-guidance for further guidance.

Subsidy Layering and Underwriting the HOME Assistance

Before committing funds to a project, the LPA must ensure and document that no more HOME funds are invested than needed to provide quality, affordable, and financially viable housing throughout POA.

The amount of HOME funding (in consideration of all available sources, including other public sources) must be:

- reasonable and necessary to provide quality housing that is sustainable throughout the POA
- not excessive
- within stated program guidelines
- all sources are firmly committed and enough to complete the said project



Underwriting must also show the homeowner is reasonably expected to maintain all existing obligations with respect to ownership including mortgage(s), property taxes, insurance, and maintenance throughout the POA.

Evidence and documentation of this analysis must be maintained in the project file.

For more information about activity specific underwriting, see the activity specific administrative plan.

Applicant Immigration Status

HOME is covered by the Personal Responsibility and Work Opportunity Act of 1996 (PRWORA).

A nonprofit is not required to determine, verify, or otherwise require proof of immigration status of any applicant for HOME funds.

Other entities such as municipalities or units of local government are required to determine, verify or otherwise require proof of immigration status to provide HOME funds. Those who are eligible are not just US citizens, but also include green card holders (legal permanent residents), asylees, refugees. The New York State Office of Temporary Disability Assistance (OTDA) has prepared a list of documentation that can be used to establish non-citizenship eligibility under PRWORA (see Family Assistance column). This "Non-Citizen Eligibility Desk Aid" can be used for guidance and is available here: →https://otda.ny.gov/programs/publications/4579.pdf.

Municipalities or units of local government should pro-rate assistance given to a household for which some members have opted out of providing proof of eligible citizenship. Members of mixed status families who are not eligible to receive federal housing benefits must be allowed not to contend their immigration status. The municipality is not permitted to ask for any documentation on the citizenship or immigration status of these individuals. However, the municipality should obtain income documentation from these ineligible family members in order to calculate the household's prorated benefit.

Local governments cannot apply immigration status requirements that are more restrictive than those established by federal law. Municipalities must follow the requirements laid out in the previous section.

Feasibility Determination – Denial of Assistance

Properties should be assisted only if sufficient funds exist to complete the project and obtain code compliance within the contract term.

The household must have the capacity to sustain the housing throughout the POA.

If a household is not qualified for HOME assistance, inadequate funding exists or the LPA determines it is not a cost-effective use of funds, the project should be determined infeasible.

Any household denied assistance must be contacted in writing with the reasons for denial disclosed and the process for appealing the denial identified.

Property Eligibility

Previously Assisted Units

Properties under a current Period of Affordability (POA) that were previously served with HOME funds, whether through NYS or another PJ provider, are not eligible for further assistance until the POA has ended.

LPAs must do a public records search to confirm there are no HOME liens on the proposed property. Any prior HOME liens must be satisfied and POA verified complete prior to providing more HOME funds.

Lien searches are a matter of public record and can be done through the County Clerk's records either online or in person. Title reports are another option but not required. Fees associated with online access or obtaining copies of reports are eligible to be paid with HOME Administrative funds.

Manufactured home liens should be checked both here Check a Title or Lien Status | NY DMV using the serial number, model year, and make and here Uniform Commercial Code | Department of State (at the bottom of the page.)

This does not apply to the TBRA activity.

Property Insurance Requirements

Recipients of HOME funding must provide proof of homeowners insurance generally at application that covers full value (100%) home replacement value and flood insurance coverage (if applicable) to the LPA to keep with the file. The Homeowner's Insurance policy must include the HTFC as a loss payee during the POA. Proof must be submitted during the Period of Affordability (POA) primary residence verification as well.

Should a homeowner not be eligible for homeowners' insurance due to the condition of the property, but receive repairs funded by HOME that would make the unit eligible after rehabilitation, this documentation can be collected after project completion.

Reasonable Accommodations and Modifications

The LPA must be in compliance with the Fair Housing Act, Section 504, as applicable.

All HOME projects are subject to accessibility requirements of 24 CFR § 92.251(b) (1) (iv). Reasonable accommodations for modifications to housing are required for households with accessibility needs. Program funds may be used to make such modifications, as long as the entire unit will meet NYS and/or Local Code upon completion.

While project scope should generally meet the order of priority in the Rehabilitation Standards and Property Inspections section below, accommodations and modifications to address accessibility needs can and should be paid with HOME funds. Exceptions to per-unit assistance limits due to such modifications will be considered.

Relocation

The HOME Program is subject to an overall policy of minimizing displacement and is subject to the Uniform Relocation Act (URA) and Section 104(d) of the Housing and Community Development Act of 1974, as amended as detailed in 24 CFR 92.353.

The New York State Residential Antidisplacement & Relocation Assistance Plan establishes the policy to minimize displacement.

HUD Handbook 1378 contains the guidance and sample forms and notices that must be used in the event of acquisition and relocation. It is available at: →Community Planning and Development Handbooks | HUD.gov / U.S. Department of Housing and Urban Development (HUD)

The URA protects the seller and any legal occupants of the property as of the purchase agreement and requires notices and assistance that varies by the circumstances and HOME activity.

HTFC does not expect the single-family programs covered in this manual to trigger permanent or involuntary relocation and discourages the acquisition of occupied properties especially if the LPA does not have detailed knowledge of URA requirements and Handbook 1378.

If triggered, the policies and procedures set forth in the Homes and Community Renewal Finance and Development Capital Programs Manual in effect at the time of relocation will be used. The LPA must consult with their Project Manager prior to making an offer on a property occupied by individuals or entities other than the seller and may be required to obtain a URA consultant to assist.

Further information can be found here →Real Estate Acquisition and Relocation - HUD Exchange

Temporary Relocation

Under federal HOME at 24 CFR 92.353, single family projects or programs funded by NYS HOME may provide optional relocation assistance to the owner-occupants of a single-family dwelling who are voluntarily displaced and /or temporarily relocated by an activity that is not otherwise covered by either the Uniform Relocation Act or section 104(d) relocation assistance.

In situations where households are involuntarily displaced by NYS HOME activities, households will be compensated in accordance with the Uniform Relocation Act or section 104(d). LPAs, partner developers, and households shall comply with the applicable requirements of the New York State Homes and Community Renewal Residential Anti-displacement and Relocation Assistance Plan (RARAP).

Participation in HOME is voluntary, therefore relocation is also considered voluntary.

LPAs must structure and phase rehabilitation activities to minimize displacement and temporary relocation to the maximum extent practicable. However, certain HOME funded rehabilitation or reconstruction activities may require occupants to temporarily vacate the dwelling for documented health and safety reasons where program activities negatively impact the physical health and safety of the occupants or make the unit unlivable while work is progressing.

LPAs should first determine whether temporary accommodation with friends or family members is available and acceptable to the household. Where no such option is available or appropriate, temporary lodging assistance may be provided in accordance with this policy.

Temporary relocation assistance provided pursuant to this policy is discretionary, subject to the availability of program funds, and determined on a case-by-case basis by the LPA.

Nothing in this policy shall be construed as creating an entitlement to relocation payments or assistance beyond those otherwise required by applicable federal or state law or as determined by the terms of this policy.

The following are requirements and considerations for providing option relocation assistance.

Terms of Assistance

The following must be considered and documented when deciding if optional relocation is necessary and establishing how much funding may be used.

1. **Relocation Determination and Acknowledgement**

Prior to temporary relocation, the LPA must demonstrate and document that relocation is voluntary and the homeowner acknowledged and agreed to the temporary relocation arrangement whether it be with family or friends or lodging paid for with grant funds. It is highly recommended that the LPA execute a signed contract with the relocated occupants detailing all provisions of the plan. HTFC will not mediate disputes that arise from relocation terms or concerns.

Where a homeowner voluntarily applies for rehabilitation assistance and agrees to the approved scope of work, any temporary relocation necessary to complete the project may be considered, provided that:

- The homeowner is informed in writing that participation in the program is voluntary;
- The temporary relocation is necessary solely to complete rehabilitation or reconstruction activities funded through NYS HOME;
- The occupant will be permitted to return to the dwelling upon completion of the work; and
- The activity does not otherwise constitute involuntary displacement under applicable federal law

2. Determination of Health and Safety Conditions

Temporary relocation assistance may only be provided when the LPA determines that occupancy during rehabilitation or reconstruction would pose a documented, long-term health or safety risk to the occupants. Short-term work that can be completed within a day is not considered cause for temporary relocation.

Examples may include, but are not limited to:

- Lead hazard reduction or abatement activities
- Asbestos-related work
- Structural instability
- Electrical, plumbing, or mechanical hazards
- Lack of functional bathroom or kitchen facilities
- Continued interruption of water, sewer, heating, or electrical service or
- Other rehabilitation activities that render the dwelling unsuitable for safe occupancy during construction

The LPA shall maintain documentation supporting the determination that temporary relocation was necessary.

3. Temporary Lodging Allowances

Temporary lodging costs will vary based on the activity, project scope of work, and household needs, but in all circumstances must be reasonable and necessary and fall within the program award budget and original contract amount.

Relocation payments can be charged as an eligible expense from program project funds, subject to the total grant award and HUD regulations. All anticipated temporary relocation costs must be incorporated into the approved project budget or approved budget amendment, as applicable.

Eligible temporary relocation costs are limited to reasonable and necessary lodging expenses directly related to the temporary relocation period. Temporary lodging need not be equivalent to the permanent residence being repaired/replaced, however must be functionally comparable. To that end, the temporary lodging must be:

- Decent, safe and sanitary with appropriate heating;
- Have a separate, ventilated functioning bathroom and kitchen facilities
- Contain unobstructed egress;
- Adequate in size to accommodate the occupants
- Reasonably accessible to the person’s place of employment and where feasible should be in the same neighborhood as the homeowner’s unit and
- Address any ADA needs of the occupants

Lodging to accommodate pets will be considered if it falls within the budgeted amount available, however it is not required or guaranteed.

The following conditions apply:

- Only reasonable, necessary, and adequately documented lodging costs shall be eligible
- Costs for temporary storage of furniture or personal belongings may be charged as project costs
- Payments must be made directly to the lodging provider, not the homeowner
- Payments to family members or friends providing accommodations are not allowed
- Costs unrelated to temporary lodging, including but not limited to meals, lost wages, transportation, cable, internet, toiletries, entertainment, or other personal expenses, are not be eligible
- LPAs that use a rental unit they own and operate to house an occupant during temporary relocation are eligible for reimbursement assuming appropriate invoicing and cost reasonableness.

4. Eligibility Criteria

As detailed throughout this policy, to be eligible for optional temporary relocation assistance:

- Household income must be at or below eighty percent (80%) of Area Median Income (AMI), adjusted for household size, and the household must otherwise meet all applicable HOME program eligibility requirements;
- The relocated individual(s) must live in the oner-occupied single-family dwelling receiving program assistance as their primary residence
- The LPA must determine that temporary relocation is necessary due to documented long-term health or safety conditions
- The homeowner must voluntarily participate in the rehabilitation program and voluntarily agree to the approved scope of work

5. Documentation and Recordkeeping

LPAs shall maintain complete records supporting all temporary relocation determinations above and assistance provided pursuant to this policy, including but not limited to:

- Documentation demonstrating the need for temporary relocation
- Written homeowner acknowledgment and voluntary agreement
- Copies of all notices and advisory communications
- Lodging invoices and proof of payment
- Dates of temporary relocation occupancy
- Documentation of OCR approval for any exceptions or extensions and
- Any additional documentation required to demonstrate compliance with applicable federal and state requirements

6. Reimbursement of Costs

Requests for reimbursement of eligible temporary relocation costs shall be submitted to OCR as part of a standard reimbursement request and must include all supporting documentation as proof of the relocation expenses and any additional records requested by OCR.

Costs that do not comply with the above requirements and fall within the project budget will not be reimbursed. LPAs must submit support and justification of costs as requested.

LPAs remain responsible for ensuring compliance with all applicable federal, state, and program requirements related to temporary relocation activities.

Notices to the Seller

The seller must receive and acknowledge receipt of a notice of voluntary sale (Appendix 31 of HUD Handbook 1378). See the Homeownership Assistance Administrative Plan for details.

Permanent Displacement

Permanent displacement is discouraged and is unlikely to occur with the activities covered in this manual.

Contact your Project Manager if this issue is a concern.

Maximum Sales Price and After Rehab Value Limits

LPAs must comply with 24 CFR 92.254 qualification as affordable housing and will use the HUD determined limits.

The initial purchase price or after-rehabilitation value of units assisted with HOME funds cannot exceed the HUD Homeownership Purchase Price Limits (maximum purchase price/after rehab value limit) at the time of commitment as published annually by HUD for the local jurisdiction available at: →https://www.hudexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value/.

HUD defines the commitment of funds as the signing of the written agreement as per 2 CFR92.2.

"Existing Housing" limits apply, except for new construction projects (built within the last 12 months). The proper number of units should be applied.

The LPA must document compliance in the file.

Please refer to the activity-specific administrative plans for further information.

Lead Based Paint (LBP)

Federally funded residential projects must follow both Residential Lead-Based Paint Hazard Reduction Act of 1992 (24 CFR Part 35) and EPA rule (40 CFR 745.80) requiring the use of lead-safe practices and other actions aimed at preventing lead poisoning.

See link for more information → eCFR :: 24 CFR Part 35 -- Lead-Based Paint Poisoning Prevention in Certain Residential Structures

If lead based paint (LBP) is present, any hazard control work must be cleared according to the requirements of Part 35. The HTFC will allow the LPA to charge the program for a one (1) single LBP clearance test. If it does not pass clearance the first time, the LPA or the contractor (per the agreement between the LPA and contractor) must pay for all subsequent clearance testing.

Because units are fully replaced with new homes, lead based paint compliance is not triggered for Manufactured Home Replacement. All other activities have some form of lead requirement as detailed in the activity specific sections of this administrative plan, however, below are some key points.

- Unless the HOME assisted unit meets the exempt criteria, at minimum the homeowner/homebuyer/tenant needs to be notified of all known information about LBP, LBP hazards, and mitigation steps. HOME recipients must be given specific materials (see each activity specific section of this administrative plan) and copies of all reports for tests conducted.

- A Lead Visual Assessment (VA) performed by a certified inspector to identify deteriorated paint, paint chips, dust, and other debris is required for

    - Homeownership Assistance for units built prior to 1978
    - Tenant-Based Rental Assistance for units built prior to 1978 AND a child under the age of 6 resides or is expected to reside in the home

- For projects that include rehabilitation where the property is receiving more than $5,000 but less than $25,000 per unit in federal rehabilitation assistance (including HOME and other federal funds), the LPA must evaluate the unit for lead hazards. The requirements vary depending on total federal funds used.

- For projects requiring lead-based paint inspections and paint testing, recipients must ensure that lead-based paint inspections and paint testing are performed in accordance with EPA regulations at 40 CFR 745.324 or 40 CFR 745.227(b) and (h). For any paint inspections and paint testing on deteriorated paint surfaces or surfaces to be disturbed or replaced, LPAs must ensure that the paint inspection and paint testing is performed by an EPA-certified lead-based paint inspector or risk assessor. LPAs must include the inspector or risk assessor's EPA certifications in the general program files and be made accessible

for review by HUD and the Office of Community Renewal

- Contractors performing the rehabilitation work and lead paint controls *cannot* also conduct the lead assessment and or clearance.

- Risk assessments cannot be more than 6 months old.

For more information on this topic, please refer to HUD's Lead Based Paint Toolkit → LSHR Toolkit: Introduction - HUD Exchange.

LBP regulations vary slightly based on the specific HOME activity and the amount of Federal rehab assistance.

Please refer to the activity-specific section of the plan for additional information on LBP regulations and the LBP Calculation Worksheet here →lbp-federal-calculation-worksheet-final-updated.xlsx (live.com).

Code Compliance

In accordance with 24 CFR 92.251 all properties assisted with the NYS HOME Program's Homeownership Assistance, Homeowner Rehabilitation, or Manufactured Home Replacement must meet state and local permitting, code and inspection requirements. TBRA does not apply here but must meet HUD Property Standards 24 CFR 92.251 (f) The NYS Property Maintenance code must be met at a minimum for all units.

New construction and Manufactured Home Replacement must provide a Certificate of Occupancy (CO) from the local code official.

For Homeownership Assistance and Homeowner Rehabilitation the preferred method to document NYS Code is the issuance of a recent Certificate of Occupancy (CO) by the local code official. If a building permit for rehabilitation is pulled, then a Certificate of Completion (CoC) inspection that approves items listed in the building permit is required.

In the absence of either, the program will accept a letter on official letterhead from either the local code official or other qualified official procured by the LPA stating:
- The unit contains no health and safety violations
- The unit contains no code violations
- The unit meets all applicable State and/or local codes, ordinances, and requirements

Other qualified officials may provide the required statement if:
- The municipality does not require inspections or determinations of compliance for the activity being performed and the municipality does not require its own code official to make the determination; or
- Alocal code enforcement official is not available for the inspections required by the HOME program.

Qualifications for certifying that a project complies with NYS Code requirements:
- Person trained and certified as NYS Code Enforcement Official or Building Official.
- Architect licensed and registered in the State of New York; or
- Engineer licensed in the State of New York that practices in the building industry.

Statements other than a CO or CoC must be signed and dated to include the official's certification, license, or ID number.

Additionally, the LPA must complete the Property Standard Attestation form based on their own independent site visit in addition to obtaining NYS code compliance sign off from an official qualified to certify NYS code compliance and documentation of both retained in project files.

Please refer to other sections of this Plan and the activity-specific sections for other inspection requirements such as lead based paint and LPA inspections.

Rehabilitation Standards and Property Inspections

All HOME projects must meet the property standards outlined in 24 CFR 92.251 as applicable by activity, HOME Rehabilitation Standards for One to Four Unit Structures posted on the HOME website, and state and local code requirements (see above) to be eligible for HOME assistance. Projects must assist or result in housing that is decent, safe, and sanitary as described in 24 CFR 5.703. LPAs must review and meet HOME property requirements listed in 24 CFR 92.251. LPAs should use the 2025 NYS Property Maintenance Code also to guide required items for the scope of work. All HOME units must meet all applicable New York State and/or Local Code and provide certification at project completion.

The HOME implementation date for the National Standards for the Physical Inspection of Real Estate (NSPIRE) is October 1, 2026. Once enacted, these new requirements will be applicable to any project thereafter. These standards are subject to update as HUD issues additional guidance.

LPAs are encouraged to become familiar with the NSPIRE standards here NSPIRE Standards | HUD.gov / U.S. Department of Housing and Urban Development (HUD).

Any expenditure of any type of funds for any rehabilitation or minimal repairs must be included in the program design at application, the program budget, and environmental approval.

HOME rules require that each of the major systems must have a remaining useful life of a minimum of 5 years. The HOME Rehabilitation Standards for One to Four Unit Structures may specify longer useful life requirements. Major systems must be rehabilitated or replaced as part of the scope of work to comply with the requirements or standards. Major systems include structural support; roofing; cladding and weatherproofing (e.g., windows, doors, siding, gutters); plumbing; electrical; and heating, ventilation, and air conditioning.

HOME Rehabilitation Standards	Useful Life of Major Systems	Inspections
Details methods, materials, & requirements that housing must meet upon completion per 92.251(b).	Major systems must have a useful life of 5 years.	The LPA must complete an initial inspection, progress inspections, and a final inspection.

LPAs must develop the scope of work based on the following construction order of priority dictated by inspection reports:

1. Address Health and safety issues
2. Address NYS State and/or Local Code violations
3. Ensure major systems have a useful life of at least 5 years such as roofs, structural support, windows, doors, siding, plumbing, electrical, heating, etc.
4. Include disaster mitigation standards as necessary
5. And in addition, when done in the overall scope to deliver a code compliant unit at completion, address special purpose needs such as weatherization and energy efficiency.

All new manufactured homes must be in compliance with local and HUD installation requirements of Manufactured Home Construction and Safety Standards at 24 CFR part 3280 and sited on permanent foundation as set forth in 24 CFR 203.43f(c)(i). Any existing manufactured homes must meet the Model Manufactured Home Installation Standards at 24 CFR Part 3285 and sited on permanent foundations as required by HUD and local code to be eligible for assistance. An energy audit is strongly encouraged to identify energy-related improvements and should be incorporated into the scope of work, to the best of the

LPAs ability.

Scopes of work must be in sufficient detail to determine compliance with the rehabilitation and property standards above. The LPA must prepare an in-house written cost estimate to compare incoming bids and determine that costs are reasonable.

The scope of work must include any Lead Based Paint issues to be addressed.

Inspections

HOME rules require specific inspections depending on the activity.

All projects must conduct and document (with dates and signatures) all inspections signed by the LPA, homeowner/homebuyer/tenant and construction professional if applicable.

Please refer to other sections of this Plan and the activity-specific sections for other inspection requirements such as code, lead based paint and LPA inspections

Project Set Up

Prior to commencing work and expending funds, a Set Up Form must be submitted. See Activity specific Administrative Plans for further items that may be needed based on the activity. In general, all activities are required to provide the following items listed below.

Set Up Form should be submitted when a project commitment is ready which generally includes

- The project has received Tier 2 environmental approval
- A written agreement and contract have been executed by all parties
- The HTFC security instrument is executed
- All parties involved are ready to commence (rehab ready to start, purchase closing is scheduled, tenant ready to move in)
- First File Review Part 1 approved

All forms are available on the HOME Program website and must be submitted to the NYS HOME IDIS mailbox at: homeidis@hcr.ny.gov

The completed form should be submitted to the NYS HOME IDIS mailbox at: homeidis@hcr.ny.gov

Project Completion Report

When the first project is finished, the LPA must complete Part 2 of the First File Review and submit to the Project Manager for review and approval. If acceptable, no further file reviews will be required for subsequent projects.

The Completion Form must be submitted along with the final disbursement request.

A project completion form should be submitted when

- Scope of work has been completed and inspected to meet HTFC housing rehabilitation standards.
- NYS and/or Local Code approval received
- All parties (LPA, homeowner and contractor) have signed off that all work has been completed to satisfaction and homeowner(s) have been provided with all applicable warranties.

- All funds have been disbursed.
- The HTFC lien has been publicly recorded
- First File Part 2 approved

All forms are available on the HOME Program website and must be submitted to the NYS HOME IDIS mailbox at: homeidis@hcr.ny.gov

More information regarding the specifics for set up, completion, and file review of each activity is listed in the activity specific section of the admin plan.

Chapter Six: Recordkeeping, Privacy, Audits, and Monitoring

Recordkeeping

Program and project files must be securely stored according to the safety measures below to document compliance with all requirements of the contract and this Plan. Activity specific checklists are located on the HOME website.

The LPA shall retain all applicable administrative, program, and individual project records and documentation as specified in 24 CFR 92.508, for seven (7)) years after the POA terminates.

Documents shall include, but not be limited, to underwriting guidelines and evaluation, property description and location, copies of written agreements, records regarding project requirements, subsidy layering analysis, security instruments, maximum subsidy determination, compliance with property standards and on-going inspections, information about contractors and vendors to include verification of non-debarment, verification of qualifications and experience, invoices and payment records, related correspondence, audits, indirect cost analysis, budgets, financial records of the use of funds pursuant to the contract.

This list is not all inclusive. Please refer to the activity specific checklist or contact your Project Manager for detailed information.

The LPA shall submit reports, in such format and at such times as HTFC or HUD may prescribe and shall provide to HTFC any document, report or information that HTFC deems necessary.

The LPA will maintain records of the use of funds pursuant to the contract submit reports and cooperate with audits and inspections by HTFC or HUD.

Representatives of HTFC, HUD or their designees may examine any records or information pursuant to the contract.

Privacy and Protection of Personally Identifiable Information (PII)

PII is information that can be used to distinguish or trace an individual's identity, either alone or when combined with other information that is linkable to a specific individual. Examples include full name, home address, personal e-mail address, social security number, driver's license number, date of birth, telephone number, tax information, salary or paycheck information.

In working with HOME recipients, Local Program Administrators (LPAs) will have access to sensitive information during the application and POA verification process and should minimize the collection of PII to the extent possible.

Access to PII must be restricted to only staff necessary to manage the HOME activity and stored on a secure network or computer system. Computers should be password protected and maintained in locked offices. Paper files should be retained in locked file cabinets. Paper PII must be destroyed by shredding and electronic PII fully deleted by emptying the computer "recycle bin".

Applications for HOME assistance should contain a disclaimer that information will not be shared publicly or with any parties other than NYS and/or HUD for monitoring purposes on a need to know basis and will be transmitted using a secure, encrypted transfer system.

LPAs must refrain from transmitting PII by email and must request access to Procorem, a third-party file transfer and protocol site for the submission and handling of sensitive data as needed. Documents containing PII shall be shared with Project Managers using Procorem only. Project Managers will create a project-specific workspace for LPAs to securely upload files, specifically during monitoring.

LPA Monitoring Requirements

The LPA is responsible for ensuring full compliance with HUD and/or New York State guidelines and regulations for their HOME program. These include administrative, programmatic, and project-based regulations. The LPA is responsible for monitoring all projects and maintaining records of monitoring both at project implementation and throughout the POA. Due to the nature of TBRA, the monitoring requirements differ slightly from the below. Please refer to the specific program activity Administration Plan to confirm monitoring requirements.

Site Inspections

Where applicable, the LPA must monitor construction activities to ensure proper implementation of the construction contract and provide on-site initial as well as progress inspections, all signed off by the LPA construction specialist, homeowner, and contractor.

Primary Residence and Insurance Annual Verification

During the POA, the LPA must annually verify that the HOME assisted unit owner remains as principal resident and maintains proper insurance. LPAs annually mail a letter to the owner requesting formal verification that the unit is still occupied by the HOME assisted applicant. General forms of verification include a copy of a utility bill, bank statement, or cancelled mail with the address and name of the homeowner, in addition to a signed statement verifying they live in the home as their primary address. The mailing envelope must include the following: “Address Correction Requested/Do Not Forward”. This letter should also include a reminder that homeowners must notify the LPA is they plan to sell the home during the POA.

Annual documentation of principal residency and insurance requirements must be maintained in the project file.

The Homeowner’s Insurance policy must include the HTFC as a loss payee during the POA.

The LPA must verify that properties are not in flood zones and if so, must verify flood insurance.

The LPA must notify HTFC of any expected sales of HOME assisted units or non- compliance with residency requirements related to the HTFC security instrument throughout the POA.

Recapture of HOME funds is required if the HOME assisted unit is not occupied as principal resident during the POA. (24 CFR 92.254 (a) (5)). See Chapter 2.

The LPA must assist the household when requesting subordination, satisfaction or repayment of the HTFC Security Instrument. Instructions for requesting each are on the HOME website and should be supported by the LPA. Requests not vetted and approved by the LPA will be returned for LPA review and approval.

HTFC Monitoring of LPAs

HTFC will monitor the LPA throughout the contract term. In-person and remote monitoring consists of a 20% file sample review, review of program finance practices, interviews with all program staff, and a review of

program progress, production, expenditures, and milestones.

Monitoring files must be transferred using Procorem, a third-party file transfer and protocol site for the submission and handling of sensitive data.

Monthly LPA contact through calls, Webex, or email is *required.*

Program Compliance	Project Compliance
• Overall program regulatory compliance • Administrative policies and procedures • Affirmative marketing • Financial systems • Procurement	• Project implentation • Income qualification • Period of affordability • Environmental review • Subidy limit

Other monitoring of LPAs includes a risk assessment that is completed at contract execution, a first file review prior to setting up or completing units in IDIS as well as routine processing of setup reports, disbursement requests and other paperwork submitted to HTFC provides additional opportunities to monitor program activities.

When the program has expended all funds and is beyond the contract end date, the contract will be transferred to the HCR Asset Management Unit to continue to monitor the projects for the remaining term of the POA.

First File Review

The First File review consists of two parts: Part 1 and a Part 2. Prior to the first project set-up and initial project draw, the LPA will assemble all required documentation as specified on the Project Checklist Part 1 and submit to the assigned OCR HOME Project Manager for review. The Project Manager will review the documentation and require any corrections prior to initial project setup. If the first file review Part 1 is acceptable, no further file reviews will be required for subsequent projects, however HTFC reserves the right to require additional file reviews if the first file review is not adequate.

Prior to completing the first project in IDIS, the LPA will assemble all required documentation as specified on the Project Checklist Part 2 and submit to the assigned OCR HOME Project Manager for review. The Project Manager will review the documentation and require any corrections prior to initial project completion in IDIS. If the first file review Part 2 is acceptable, no further file reviews will be required for subsequent projects, however HTFC reserves the right to require additional file reviews if the first file review is not adequate.

Monitoring files will be transferred using Procorem, a third-party file transfer and protocol site for the submission and handling of sensitive data.

The Project Checklist is on the HCR HOME program website.

Compliance Findings

An LPA may be in non-compliance for a variety of reasons including, but not limited to:

- Lack of performance, including failure to meet goals agreed to in the executed HOME contract.
- Misuse of program funds.
- Broader financial/audit issues within the organization.
- Failure to submit required program documents in a timely fashion.
- In default or poor standing with other OCR programs; or
- Failure to comply with rules and regulations as outlined in HOME regulations 24 CFR Part 92, this Administrative plan, in NYS statute, or in the program agreement.

Any LPA that is in non-compliance will be issued a letter detailing the findings. The LPA will normally have 30 days to cure the default. OCR reserves the right to authorize other cure periods as deemed appropriate. If the LPA submits the information within the cure period, the default will not be released until the submission is reviewed and approved in writing.

If the LPA fails to submit the information within the cure period or submits an incomplete or unsatisfactory reply to the default, OCR may terminate the program agreement. Termination of the program agreement may include recapture and/or de- obligation of program funds.

Chapter Seven: Contract Closeout

All program costs must be incurred and disbursed by the contract end date. Costs incurred after the contract end date will not be paid and disbursements submitted after the contract end date will not be processed without pre-approved extensions.

A contract is eligible for closeout when:

- All program funds for HOME assisted units have been disbursed or deobligated.
- All units have been reported as completed in IDIS.
- All required reports have been submitted, except for the most recent audit if it is not yet due.
- Any program income funds on hand at closeout have been returned to the HTFC.
- All annual monitoring completed, and findings resolved.
- All units have recorded Note and Mortgages and copies have been submitted to the Project Manager.

Due to federal HOME program commitment and expenditure requirements, the HTFC reserves the right to de-obligate committed HOME funds if not expended within the contract term and reallocate them for HOME eligible activities according to the State's Action Plan.

HTFC will issue a close out letter to the LPA detailing that the project is complete, however the contract will be transferred to the Asset Management Unit for compliance monitoring throughout the Period of Affordability.

All LPAs must continue to submit and report on federal audits under 2 CFR 200.501 as applicable.

Plan Change Update Log

Version Date	Updates
7.24.26	Chapter 3 - MWBE: SDVOB added, MWBE goals updated, clarifying language added. Chapter 4 - Procurement of Professional Services – Program Wide: Language added to permit procuring both administrative and professional services under a one contract. Chapter 6 – Changing record retention period from five (5) years after the POA terminates to seven (7) years after the POA terminates. Chapter 5 – Relocation: Language added to further clarify requirements for involuntary or permanent relocations and website links updated. Temporary Relocation: Insertion of full updated Optional Relocation Policy and requirements
9.8.26	Introduction – Revised language regarding rental units for Homeownership Assistance and Housing Rehabilitation Chapter 2 – Financial Management: Added bullet about cost allocation under General Information.