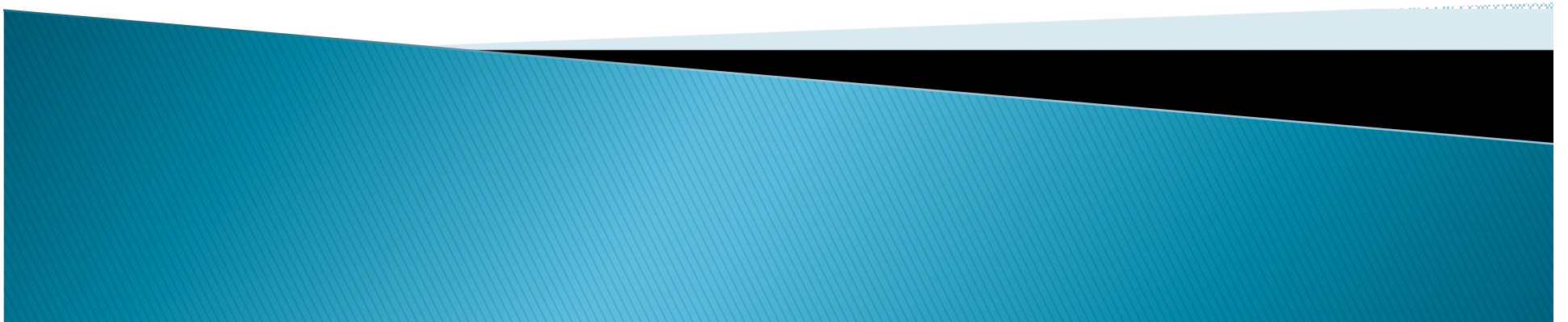


# HOME Investment Partnership Program

Consortium



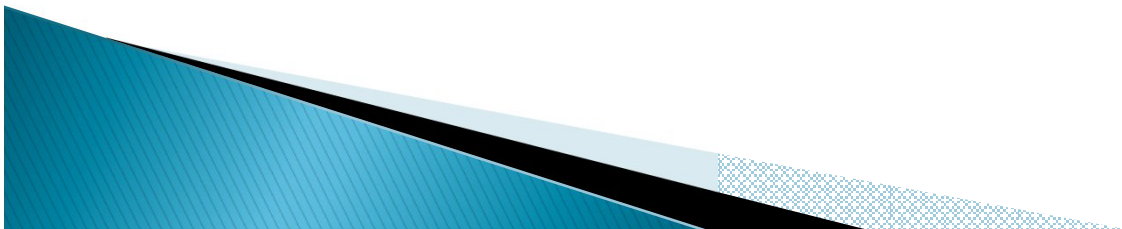
# History

- ▶ Created by the National Affordable Housing Act of 1990.
- ▶ Objectives:
  - Provide decent affordable housing
  - Expand the capacity of nonprofit housing providers
  - Strengthen state and local government ability
  - Leverage private participation



# Eligible Activities

- ▶ New Construction both rental and owner-occupied
- ▶ Rehabilitation/Reconstruction
- ▶ Site Improvements
- ▶ Purchase of vacant land to add a HOME unit
- ▶ TBRA
- ▶ Acquisition



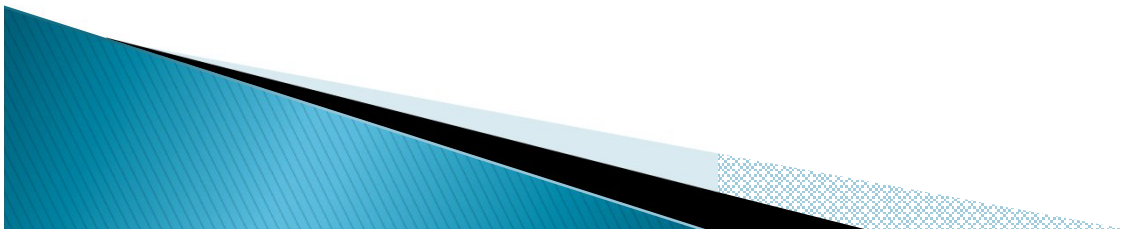
# Acquisition

- ▶ Homebuyer
- ▶ Acquisition/rehab/resale
- ▶ Lease-purchase
- ▶ Renter to owner conversion
- ▶ Homebuyer counseling
- ▶ Down payment and closing costs
- ▶ Sales price buy down
- ▶ Various financing options



# PJ (Participating Jurisdiction)

- ▶ HUD allocates the funds by formula to PJs
  - States    Local Governments    Consortia
- ▶ Formula considers age of housing stock, substandard housing stock, families living below poverty, population
- ▶ Consortium – local governments join together, pooling their populations to become a PJ



# How local government gets HOME

## ▶ Non-PJ

- Apply to State to receive funds through the competitive process
- State determines eligible activities

## ▶ PJ / Consortium

- Receives direct allocation from HUD
- Decides which eligible activities to fund
- Decides how to distribute the funds for use in Jurisdiction



# Steps to forming a Consortium

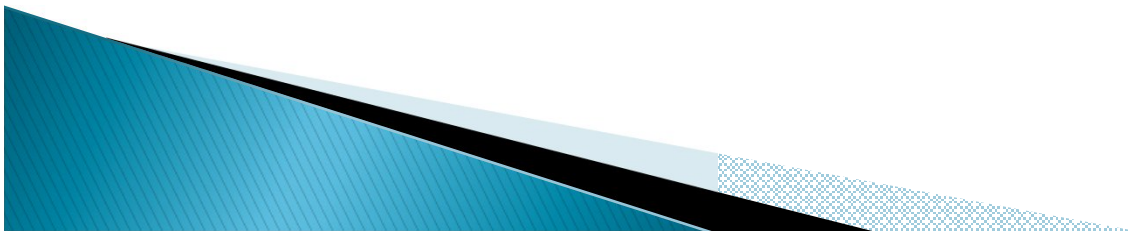
1. Determine eligibility
  - Contiguous units of Local Government (population)
  - Administrative capacity (Lead Entity)
    - Financial, program management and compliance verification (10%)
  - Consolidated Plan to include all of Yuma County
2. Notice of Intent to HUD field office
3. Fully executed consortium agreement
4. Legal opinion from Lead Entity



# Steps to forming Consortium

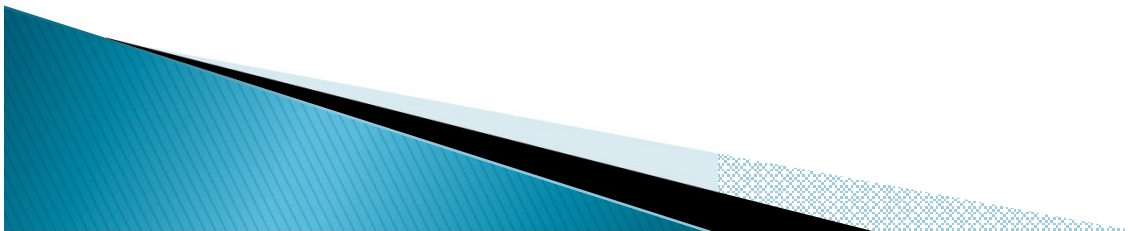
## 5. State Certification

- *“Prospective consortium must submit a written certification from the state that the consortium will direct its activity to alleviate housing problems within the state”*
- *“Prospective consortium members should consider that the state may not want to support the creation of a new consortia because this results in a decrease of the state’s own allocation”*



# Intergovernmental Agreement

- ▶ IGA for a period of 3 years, cannot withdraw from consortium.
- ▶ City of Yuma is the lead entity
- ▶ Create consortium administrative board



# Other Considerations

- ▶ CHDO set-aside
  - 15% of allocation must be used by Community Housing Development Organizations (CHDO)
    - Comite De Bienestar
    - Yuma Neighborhood Development Organization
    - Habitat for Humanity
    - Others?
- ▶ Impact on Not-for-Profits
  - ▶ WACOG
  - ▶ Campesinos Sin Fronteras
  - ▶ PEPP
  - ▶ Housing America



# Funding Scenarios

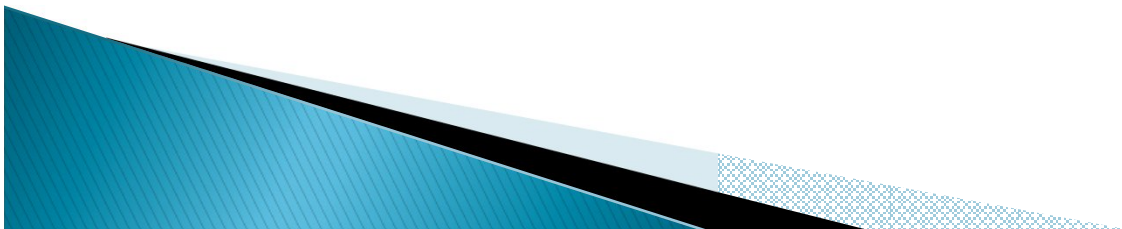
- ▶ Allocation of Funds approximately \$500,000

- \$50,000                      10% City of Yuma Adm.
- \$75,000                      15% CHDO
- \$375,000 HOME funds available

- ▶ Distribution of HOME funds

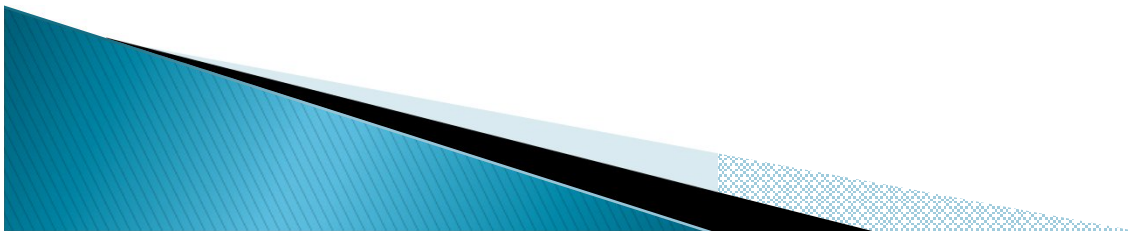
The Yuma County HOME Consortium Administrative Board will use a point-based system to guide funding decisions to ensure equitable distribution of HOME dollars among all Units of Local Government. Prioritization for funding projects will be weighted and consider coverage of all geographical areas. Areas that have not recently received funding will have a higher weighted score. Project readiness, demand and need will also be considered by the Board.

- ▶ **Formula to consider:** population-based formulas, distribution by project readiness, and formulas that reflect the low income population



# Advantages of a HOME Consortium

- ▶ Direct allocation
- ▶ Ability to develop multi-year strategies
- ▶ Consistency in approaches to affordable housing throughout the County
- ▶ Consortium sets priorities and eligible activities
- ▶ City of Yuma has capacity, ConPlan, HUD reporting ability



# Disadvantages of a HOME Consortium

- ▶ Reliant on Congressional Allocation
- ▶ Diminishes the State allocation
- ▶ Non profits loose 20 points if requested HOME funds directly from the state

