

FOOTHILLS NC HOME CONSORTIUM

FREQUENTLY ASKED QUESTIONS

What is the Home Investment Partnership Program?

The HOME Investment Partnerships Program (HOME) provides formula grants to States and localities that communities use – often in partnership with local nonprofit groups – to fund a wide range of activities including building, buying, and/or rehabilitating affordable housing for rent or homeownership or providing direct rental assistance to low-income people. HOME is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.

HOME funds are awarded annually as formula grants to participating jurisdictions. The program's flexibility allows States and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancements, or rental assistance or security deposits.

In what ways can HOME funds be used?

HOME funds can be used in a variety of ways to support a consortium's homeownership activities: home-owner occupied rehabilitation programs, direct homebuyer assistance (down payment and/or closing costs), development of for-sale housing and low-income rental housing, rental assistance, or for other reasonable and necessary expenses related to the development of non-luxury housing including site acquisition or improvement, and demolition of dilapidated housing.

What are the income requirements for eligible beneficiaries?

The eligibility of households for HOME assistance varies with the nature of the funded activity. For rental housing and rental assistance, at least 90% of the benefitting families must have incomes that are no more than 60% of the HUD-adjusted median family income for the area. In rental projects with five or more assisted units, at least 20% of the units must be occupied by families with incomes that do not exceed 50% of the HUD-adjusted median. The incomes of households receiving HUD assistance must not exceed 80% of the area median. HOME income limits are published each year by HUD.

Why is there a need to form a Consortium?

Generally, units of local government form consortia to access direct formula allocations of HOME funds to support housing activities and programs.

States are automatically eligible for HOME funds and receive their formula allocation or \$3million, whichever is greater. Local jurisdictions eligible for at least \$500,000 under the formula also can receive a direct allocation. The formula allocation considers the relative inadequacy of each jurisdiction's housing supply, its incidence of poverty, its fiscal distress, and other factors.

Those communities that do not qualify for an individual allocation under the formula can join with one or more neighboring localities in a legally binding consortium whose members' combined allocation would meet the threshold for direct funding.

Those communities who do not receive a direct allocation or who are not part of a consortium can participate in HOME by applying for program funds made available by their State. In North Carolina the HOME program funds are made available through the North Carolina Housing Finance Agency (NCHFA). It should be noted, that the same communities that receive direct allocations and those that receive allocations through a consortium can also access the NCHFA programs.

What will be the HOME funding level for the consortium?

Under current funding levels the proposed consortium would have funding of approximately \$800,000. The net funding level after deducting administrative fees used to run the program would be approximately \$720,000.

Will there be a match requirement for participating local jurisdictions?

There is a 25% on-going match requirement on all funds drawn from the consortium's HOME Investment Trust Fund treasury account in that fiscal year. The 25% non-federal match can be in the form of cash, assets, labor or other services valuable to the HOME program. The 25% match will be the responsibility of the recipient accessing the funds on a project by project basis.

No money is required from local governments to join the consortium.

Will there be a need for a consolidated plan?

Yes. Forming a consortium enables local governments to work together to develop collaborative approaches to local and regional housing needs that cross town and county lines. Prior to receiving HOME funds every consortium must develop a three to five-year consolidated plan that will describe community needs, resources, priorities, and proposed activities to be undertaken with the HOME program funding.

What will be the governance structure of the consortium?

- Consortium Members
 - The proposed consortium will consist of the four counties and 23 towns representing the Isothermal Region in western North Carolina
- Lead Entity
 - A consortium can organize and govern themselves as they choose, however, they must designate one jurisdiction as the “lead entity” and must execute a legally binding consortium agreement that formally organizes the consortium. The lead entity retains primary responsibility for ensuring consortium compliance with all HOME Program rules and reporting to HUD. The lead entity must have the capacity to administer program requirements either directly or jointly with another entity. The lead entity in the proposed consortium will be McDowell County.
- Administrative Agent
 - As the lead entity, McDowell County will enter into a written agreement with the Isothermal Planning & Development Commission (Administrative Agent) to carry out most of the administrative responsibilities of the HOME program. The Administrative Agent will accept project recommendations from all HOME consortium members and will make final funding decisions consistent with the Consolidated Plan.
- Consortium Committee
 - The consortium committee will have one representative from each member of the consortium and will meet quarterly to receive consortium updates and to review progress made towards consolidated plan goals.

When will the program start?

The program start date for the consortium will be July 1, 2022 for the three-year period 2022 to 2024. The agreement will automatically renew for participation in successive three-year periods.

Please direct any questions to Steve Lockett, IPDC Interim Executive Director,
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