

## **NOTIFICATION**

### **HOME Program Competitive Application Deadline Extended to April 13, 2012**

The HOME Program is extending the competitive application deadline **to April 13, 2012**, from February 10, 2012.

#### **Explanation:**

The MDOC Housing Division recently became aware of several provisions in the Federal Fiscal Year (FFY) 2012 Appropriation language that have the potential to significantly impact the Montana HOME Program's operations. Listed below are provisions identified by HUD as having the most significant impact for the HOME Program.

- 1) **Project Certification** – Before committing FFY 2012 HOME funds to a project, the HOME Program must certify in HUD's Integrated Disbursement and Information System (IDIS) that it has:
  - Conducted an underwriting review
  - Assessed **developer** capacity and fiscal soundness
  - Examined neighborhood market conditions to ensure adequate need for the project
- 2) **CHDO Capacity** – The HOME Program may not commit FFY 2012 funds to a Community Housing Development Organization (CHDO) unless it has determined that the CHDO *has staff with demonstrated development experience*
  - Volunteers, board members, and consultants are not staff
- 3) **Project Completion** – The HOME Program must repay funds expended on projects that are not completed and ready for occupancy within four (4) years of the date the written agreement is executed (between MDOC and the HOME grantee).
  - Under certain limited circumstances, HUD may grant a one-year (only) extension.
- 4) **Deadline for Sale of Homebuyer Units** – If a homeownership unit (developed with HOME funds) has not sold to a HOME-eligible homebuyer within six (6) months of completion of the rehabilitation or construction, as applicable, it must be converted to a HOME rental unit.
  - HUD does not have the authority to grant any exceptions to the 6-month requirement.

HUD guidance on the Appropriation language for the HOME Program is expected in March. In order to allow the HOME Program to adequately assess and implement any changes to its policies, procedures, and application guidelines and to allow potential applicants time to incorporate any necessary changes to its application, the HOME Program is extending the competitive application deadline to April 13, 2012.

❖ **Information for entities planning to apply for FFY 2012 HOME funds:** The HOME Program requires that a public hearing on the proposed project be held within two months of submitting an application. Since Applicants may have already held a public hearing for proposed projects, they will have the option of either submitting their application:

- after holding another public hearing within two months of the April 13 deadline, or
- before April 13 and within two months of their public hearing (for example, if the public hearing was held on January 30, the application could be submitted on or before March 30)

If an application is submitted before HUD issues guidance on the Appropriations language and that guidance impacts the Applicant or the application, the Applicant will have an opportunity to address (only) the areas impacted by the guidance.

Contact the HOME Program at **406-841-2820** or [HomeProgram@mt.gov](mailto:HomeProgram@mt.gov) for additional information.