



West Virginia Housing  
Development Fund

[www.wvhdf.com](http://www.wvhdf.com)  
(800) 933-1272

# HOME & HTF Updates

Your Doorway  
**Home**

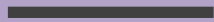


NMLS 198038



# HOME Regulations

## 24 CFR §92



# HOME Program





## Generally Affordability Period:

- 15 years for rehabilitation
- 20 years for new construction



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# HOME Program



## Serves:

- **60% AMI at initial occupancy**
- **80% AMI for subsequent occupancy**



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# HOME Program



# HTF Regulations

**24 CFR §93**

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## Housing Trust Fund



**Serves 30%  
AMI**

**Affordability  
period is  
always 30  
years**

**Housing Trust Fund**



## PROJECT-BASED ASSISTANCE



HOUSING CHOICE VOUCHER  
PROGRAM

- Works best with project based vouchers
- Contact PHA early and often

# Housing Trust Fund



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**Funding Levels**

**RFP Timing**

**Underwriting**

**Reserve Accounts**

**Fund project-related soft costs**

**Utility allowances**

**Environmental reminder**



**General Updates**





**2016 Amount: \$3,588,720.00**  
**2016 Program Income: \$2,568,676.36**  
**2016 Total: \$6,157,396.36**

**2017 Amount: \$3,533,696.00**  
**2017 Program Income: \$1,163,776.01**  
**2017 Total: \$4,697,472.01**

## HOME Funding Levels



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**NewHOME: \$1,374,799**

**HOME Leverage Loan: \$47,300**

**HOME Rental: \$2,133,200**

**CHDO Rental: \$531,000**

**CHDO Operating: \$141,427**

**Admin: \$469,746**



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# 2017 HOME Funding Priorities



**Amount: \$3,000,000**

**2016**

**2017**

**Amount: \$3,000,000**

# HTF Funding Levels



**Rental: Up to \$2,700,000**

**Operating Cost Assistance:  
Up to \$999,999**

**Admin: \$300,000**



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## **2017 HTF Funding Priorities**



**Regulated by  
24 CFR §93.201(e)(1)**



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**Operating Cost Assistance**

# Operating Cost Assistance

OCA may be used as follows:

**“Operating costs are costs for insurance, utilities, real property taxes, and maintenance and scheduled payments to a reserve for replacement of major systems (provided that the payments must be based on the useful life of each major system and expected replacement cost) of an HTF-assisted unit.”**



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**October 31,  
2017**

**Pre-Applications  
– At least one  
week prior**



# RFP Timing

**Late May  
2018**

**Pre-Applications  
– At least one  
week prior**



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**24 CFR §92.250(b)(2) and  
§93.300(b)(2):**

**An assessment, at minimum, of the current market demand in the neighborhood in which the project will be located, the experience of the developer, the financial capacity of the developer, and firm written financial commitments for the project.**



# Underwriting Includes





**Current market  
demand in the  
neighborhood in  
which the project will  
be located**

**1 to 4 units:  
Developer prepared  
market study**

**5 + units:  
Professionally  
prepared market  
study**

# Current Market Demand



**Assessment includes, but not limited to:**

- Previous projects
  - Experience with Federal funds
  - Experience with Fund – other programs
  - Adequate staff for project
- 



# Experience of the Developer



# Financial Capacity of Developer

**All HOME and/or HTF applications must include the three most-recent audited financial statements from all underlying developers, owners, and guarantors. Fiscal soundness evaluation includes review of financial ratios and trending.**



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**Firm written financial commitments for all other sources must be received prior to executing the HOME or HTF Written Agreement.**

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**Financial Commitments**



## **Includes, but not limited to:**

- **Subsidy Layering: thorough review of sources and uses**
- **Project's annual expenses**
- **Pro forma**
- **HUD Cost Allocation Spreadsheet**

# **Additional Underwriting**



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# Replacement Reserve Account Preservation Reserve Account

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## Reserve Accounts



**Purpose:** To provide a source of funds for capital expenditures not normally paid by the Project's Operating Account.

**Amount:** Usually determined in underwriting and can be approximately \$300 to \$750 PUPA.

## Replacement Reserve Account

# Replacement Reserve Account

Written  
Agreement:

```
graph LR; A[Written Agreement:] --- B[Held at Fund]; A --- C[Asset Management Dept. monitors]; A --- D[Amount to be deposited monthly]; A --- E[Amount will increase 3% annually]; A --- F[Request for Release – must submit to Fund];
```

Held at Fund

Asset  
Management  
Dept. monitors

Amount to be  
deposited  
monthly

Amount will  
increase 3%  
annually

Request for  
Release – must  
submit to Fund





**Purpose:** To provide a source of funds to preserve the Project during the affordability period.

**Amount:** Usually determined in underwriting as an annual amount and/or 50% of Project's surplus cash, as noted in Written Agreement.

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# Preservation Reserve Account



# Preservation Reserve Account

## Written Agreement:

- Held at Fund
- Asset Management Dept. monitors
- For expenses deemed necessary by the Fund to preserve the ongoing economic and physical viability of Project during A/P
- Only used when no other funds available

# Fund Project-Related Soft Costs

**24 CFR §92.206(d) and  
§93.201(d)**

**Permit increasing the commitment to include an amount the Fund will use to reimburse itself for certain Project-related soft costs that include, but are not limited to: underwriting, review, and oversight of Project prior to completion.**



## How amount is determined:

- Establish a Project-specific time sheet activity line item
- Prior to commitment, calculate current, actual costs and estimate future costs
- Amount is a Source and Use for Project

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# Fund Project-Related Soft Costs



# Utility Allowances

## 24 CFR §92.252(d)(1)

The participating jurisdiction must use the HUD Utility Schedule Model or otherwise determine the utility allowance for the project based on the type of utilities used at the project.

## 24 CFR §93.302(c)

The grantee (Fund) must establish maximum monthly allowances for utilities.



Allowance  
Manager



# **HOMEfires – Volume 13, Number 12**

## **Explains the HUD Utility Schedule Model**

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# **Utility Allowances**



**Donated  
property  
—  
due  
diligence**

- **SHPO Clearance**
- **Environmental  
Statutory Checklist**
- **Asbestos and LBP**

**Environmental Reminder**



## HUD Exchange emails:

<https://www.hudexchange.info/maillinglist/>

## HUSM webinar

<https://www.hudexchange.info/trainings/courses/hud-utility-schedule-model-calculating-utility-allowances-for-home-webinar1/>

# Further Information





## HUD Cost Allocation Spreadsheet

<https://www.hudexchange.info/resource/5190/home-cost-allocation-tool/>

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# Further Information



# Further Information

**HOME & HTF email list serve**

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**Q & A**

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