




**Successful Financial
Management of the HOME
Program**



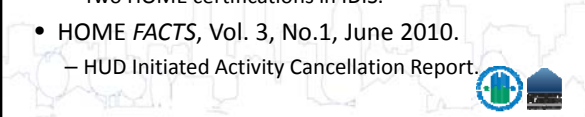
Speakers

- Peter Huber, HUD, Office of Affordable Housing Programs
- Kevin Roddy, ICF International



Recent Financial Policy Guidance


- Memo on Repayment of HOME Funds, April 5, 2010.
 - Sent to all HOME PJs.
 - Repayment of funds and revision of draws.
- HOME *FACTS*, Vol.3, No. 2, September 2010.
 - Two HOME certifications in IDIS.
- HOME *FACTS*, Vol. 3, No.1, June 2010.
 - HUD Initiated Activity Cancellation Report.



Slide 3

Common Issues


- Committing funds in IDIS prior to executing a legally binding written agreement.
- Not recording program income receipts in IDIS and/or drawing HOME funds from the Treasury account prior to disbursing program income or other funds in local account.
- Not using subfunds, subgrants, and fund types correctly.
 - For example, use CL instead of CR; use SU for homebuyer or homeowner rehab programs.
- Revising vouchers in lieu of repayment; not returning funds drawn in advance or in excess of need; not disbursing funds within 15 days of drawdown.



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Common Issues (cont)


- Not Completing/Canceling Open Activities.
 - IDIS auto-cancellation of activities funded for more than 1 year without an initial disbursement of funds.
 - Activities in "Final Draw" (FD) for more than 120 days.
 - Ensuring "stalled" activities get moving or get cancelled.
 - Last draw date more than five years ago.
 - Last draw date more than one year ago.
- Homebuyer units that cannot be sold because of market conditions.
- Using expiring funds by cleaning up old subfunds and subgrants.
- Meeting deadlines for HOME commitment, CHDO reservation, and expenditure requirements.



Slide 5

HOME and IDIS Reports to Help Troubleshoot Common Issues


- Deadline Compliance Status Report
- SNAPSHOT of HOME Program Performance
- PR27 - Status of HOME Grants
- PR25 - Status of CHDO Funds
- PR22 - Status of HOME Activities
- Open Activities Report
- Expiring Funds Report



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Deadline Compliance Status Report

- Broad report on HOME commitment, CHDO reservation, and expenditure deadlines.
 - Provided for all deadlines in the current calendar year.
 - For example, the current report shows all deadlines in 2011 for the 2009 commitment and CHDO reservation requirement and the 2006 expenditure requirement.
- If shortfall, letter received from Field Office – 4 months and 1 month prior to deadline.
 - Communicate with Field Office on documentation.
 - Review monthly until no shortfall to ensure compliance.



Deadline Compliance Status Report

HOME Deadline Compliance Status Report
Requirement Years: 2009 Commitments, 2009 CHDO Reservations, and 2006 Disbursements
As of 3/31/11
(sorted chronologically by Field Office)


FA	Y	Require.	Actual	Adherence**	Requirement	Total Commit	%	Status	Current Status
Albuquerque									
C	2009-09-30	\$76,443,801	\$0	0%	\$76,443,801	\$76,443,801	100.0	Met	
R	2009-09-30	\$38,308,156	\$0	0%	\$38,308,156	\$38,308,156	100.0	Met	
MM	2009-09-30	\$38,135,645	\$0	0%	\$38,135,645	\$38,135,645	100.0	Met	
Los Angeles									
C	2009-09-30	\$7,211,100	\$75,000	1%	\$7,286,100	\$6,536,100	100.0	Met	
R	2009-09-30	\$7,211,100	\$75,000	1%	\$7,286,100	\$7,211,100	100.0	Met	
MM	2009-09-30	\$6,254,240	\$75,000	1%	\$6,329,240	\$7,136,100	100.0	Met	
New Mexico									
C	2009-09-30	\$116,000,000	\$0	0%	\$116,000,000	\$116,000,000	100.0	Met	Four month under 2009**
R	2009-09-30	\$116,000,000	\$0	0%	\$116,000,000	\$116,000,000	100.0	Met	
MM	2009-09-30	\$116,000,000	\$0	0%	\$116,000,000	\$116,000,000	100.0	Met	

Notes: ** Four month under 2009** means that the actual amount is less than the requirement amount.
* Commitments, Reservations, or Disbursements.
* Requirements used to track grant activity, regardless of whether reserved to a particular fiscal year.
* FY 2009 was an allocation year for HOME. Therefore, it has no amount subject to the FY 2009 commitment or CHDO reservation deadline date.
* FY 2009 was an allocation year for HOME. Therefore, it has no amount subject to the FY 2009 expenditure deadline date.
* Due to CHDO reservation or commitment (CHDO) deadline requirements, a requirement may be met for the HOME State Code category but not for the CHDO requirement and allocation system (CHDO).
* Home State Code category is HOME. Publishing Subsystem uses CHDO's Integrated Commitment and Allocation System (ICAS).
* Version: April 05, 2011

Side 2

Snapshot Report

- Commitments & Disbursements – close as possible to 100%.
- Completed rental disbursements to all rental commitments - close as possible to 100%.
- Completed CHDO disbursements to all CHDO reservations - close as possible to 100%.
- Lease up – occupancy data for completed rental activities – as close as possible to 100%.
- Leveraged funds ratio – at least above national average.



HOME IDIS IMPORTANT RULES

1. Activity Setup: One IDIS Activity for each HOME Project

- a. A HOME Project means a site or sites together with any building (including a manufactured housing unit) or buildings located on the site(s) that are under common ownership, management, and financing and are to be assisted with HOME funds as a single undertaking.
- b. Each HOME Project should be reported under a single IDIS activity.

2. Activity Funding: Do not fund an activity without a HOME written agreement

- a. Only after the PJ has executed a legally binding written agreement can it enter the commitment in IDIS through the Activity Funding function. Any activity funded in IDIS without an executed legally binding written agreement already in place is not a valid HOME commitment and constitutes a false statement.
- b. For more information see HOME FACTS - Vol. 3 No. 2, September, 2010 :
<http://www.hud.gov/offices/cpd/affordablehousing/library/homefacts/volumes/vol3no2.cfm>

3. Activity Funding: Activities funded for more than one year without an initial disbursement of funds will be canceled

- a. New as of January 2011, HUD will cancel all projects funded for more than 12 months with no disbursements beginning in January 2011, and on the first business day of each month thereafter.
- b. If an activity is canceled, it can be re-opened.
- c. For more information, refer to HOME FACTS - Vol. 3 No. 1, June, 2010:
<http://www.hud.gov/offices/cpd/affordablehousing/library/homefacts/volumes/vol3no1.cfm>

4. Activity Completion: Update the activity's status to complete within 120 days of Final Draw

- a. Use the Open Activities Report on HUD Website:
<http://www.hud.gov/offices/cpd/affordablehousing/reports/open/>
- b. If PJ does not have tenant data within 120 days of final drawdown, enter the unit as vacant (works for rental, does not work for homebuyer or homeowner rehabilitation activities).
- c. If the PJ completes the activity with vacant units, re-open the activity and provide the tenant data once the HOME-assisted units are fully occupied. For old activities, the current tenant characteristics are acceptable provided HOME requirements are met.
- d. Use the Vacant Units Report to monitor which activities have vacant units:
<http://www.hud.gov/offices/cpd/affordablehousing/reports/vacantunits.cfm>