I. HOME PROGRAM REQUIREMENTS

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A. Background:

The HOME Program was signed into law as Title II of the Cranston Gonzalez National Affordable Housing Act in 1990, and has been amended several times by subsequent legislation. The intent of the HOME Program is to:

- Provide decent affordable housing to lower-income households,
- Expand the capacity of nonprofit housing providers,
- Strengthen the ability of state and local governments to provide housing, and
- Leverage private-sector participation.

HOME funds are allocated by formula to state and local governments that are called Participating Jurisdictions or "PJs." PJs utilize the HOME funds for four main categories of housing activities:

- Homeowner rehabilitation and reconstruction,
- Homebuyer assistance (acquisition & rehabilitation, new construction),
- Rental housing development and rehabilitation,
- Tenant based rental assistance (TBRA).

Public facilities are not an eligible activity under HOME.

B. Uniform Administrative Requirements

The HOME Program rules specify certain administrative requirements that must be followed and incorporated into program operations. All HOME funds must be used in accordance with these requirements, regardless of whether funds are used by CHDOs, subrecipients, state recipients, or contractors.

Consistency with Consolidated Plan

Grantees are required to use HOME funds in a manner that is consistent with the activities identified in the State of Wisconsin Consolidated Plan and that are supportive of the housing goals identified in the consolidated plan. HOME awards and program format are designed to meet the parameters outlined in the State of Wisconsin Consolidated Plan.

Program Targeting and Income Verification

The HOME Program mandates that all HOME funds benefit low-income families. A low-income household is described as a household with an income at or below 80 percent of the county-median income (CMI) adjusted for family size.

There are additional income targeting requirements for rental housing and tenant-based assistance designed to reach very-low-income families. The HOME rule requires that at least 90% of the occupants of HOME-assisted rental units and households assisted with HOME-funded TBRA must have incomes that are 60% or less of the CMI. **The HHR program requires that 100% of the tenants of HOME-assisted rental units have incomes that are 60% or less of the CMI at the time assistance is provided.** In addition, in each rental housing project containing five or more units 20% of the units must be occupied by tenant households with incomes at or below 50% CMI.

Income eligibility is based on the anticipated annual (gross) income of all adults in the family. To determine a household's eligibility, a "snapshot" of the household's current circumstances is used to project future income. It is assumed that today's circumstances will continue for the next 12 months, unless there is verifiable evidence to the contrary. The HOME regulations require that income eligibility of applicants be determined by examining source documents (e.g., wage statement, interest statement) evidencing annual income.

The method used for the State HOME program is the annual income as defined in 24 CFR Part 5. This definition was formerly commonly referred to as the Section 8 definition. The Part 5 definition of annual income is the gross amount of income of all adult household members that is anticipated to be received during the coming 12-month period.

HOME Investment per Unit.

The **minimum** amount of HOME funds that must be invested in any activity is $1000 for every HOME-assisted unit in the activity. The minimum **only** relates to HOME funds and **not** to any other funds that might be used for activity costs. The minimum HOME investment does not apply to TBRA.

The **maximum** per-unit HOME subsidy varies by area and is calculated by HUD annually. The limits are based on the Section 221(d)3 limits for elevator-type projects. The maximum HOME subsidy limits for Wisconsin are available on the Internet from the Department of Administration, Division of Housing, HHR web page: http://doa.wi.gov/category.asp?linkcatid=1071&linkid=212&locid=173**.**
The current limits are included in Attachment 1 Per Unit Subsidy Limits.

HOME Purchase Price or After-Rehabilitation Value Limits

For owner-occupied and homebuyer properties, HOME limits the value or purchase price of the property. The price or, in the case of rehabilitated properties, the value may not exceed 95% of the county median purchase price as published by HUD.

Acquisition Only: In the case of property that does not require rehabilitation, the sales price of the HOME property to be acquired by a homebuyer may not have a value that exceeds 95% of the area median purchase price for that type of housing.

Acquisition and Rehabilitation: If rehabilitation is required, the value of the property **after rehabilitation** may not exceed 95% of the area median purchase price for that type of housing. The after rehabilitation value estimate should be completed prior to investment of HOME funds.

Written Agreements

Before any HOME funds are committed or disbursed, a written agreement (contract) must be executed between the Wisconsin Department of Administration and the Grantee. The contract is a statement of the relationship between the Grantee and the Department and states the conditions under which the HOME funds are being provided. The contract must remain in effect for the relevant periods of affordability.

Program income

Repayments of HOME funds (such as money repaid to the Grantee through deferred and amortized loan payments) are program income. Because **program income must be expended before additional HOME funds can be drawn down**, Grantees must have a mechanism in place to track both the receipt and expenditure of such funds. Both the inflow and outflow of program income must be tracked through financial ledgers or on software-based spreadsheets.

A Semi-Annual Program Income Report listing is required to be filed annually with DHCD:

- Beginning balance,
- Program Income received ,
- Program Income expended,
- Ending balance

Match Requirement

The HOME Program requires Grantees to make contributions equaling 25 percent of the HOME funds it expends for certain housing activities each program year. These contributions are called "match" and they must be a permanent contribution from non-Federal public and private sources. Examples of match include funds from local and state government, charitable organizations/foundations and private sector lenders.

HOME funds may not be used as the “nonfederal” match for other federal programs **except** to match McKinney Act funds.

Financial Management and Audit Requirements

Grantees and other governmental entities receiving HOME funds must comply with certain financial management and audit standards promulgated by the U.S. Office of Management and Budget (OMB). These uniform requirements for financial management systems, procurement, reports and records are detailed in a series of OMB circulars. In addition, public entities must comply with certain provisions in 24 CFR Part 85.

Dependent on the nature of your program, the following U.S. Office of Management and Budget (OMB) Circulars apply:
Although there are six grant circulars, the Grantee is only covered by three, depending on type of entity as follows:

States, local governments, and Indian Tribes follow**:**
A-87 for cost principles, relocated to 2 CFR, Part 225
A102 for administrative requirements and 24 CFR Part 85 for the U.S. Department of Housing and Urban Development’s codification of the grants management common rule, and
A-133 for audit requirements

Educational Institutions (even if part of a State or local government) follow**:**
A-21 for cost principles, relocated to 2 CFR Part 220
A-110 for administrative requirements, relocated to 2 CFR Part 215, and
A-133 for audit requirements

Non-Profit Organizations follow**:**
A-122 for cost principles, relocated to 2 CFR Part 230
A-110 for administrative requirements, relocated to 2 CFR Part 215, and
A-133 for audit requirements

The “boilerplate” section of the HOME contracts states the audit requirements in Article 36. All Grantees must have a certified annual audit performed utilizing Generally Accepted Accounting Principles and Generally Accepted Auditing Standards.

<u>Federal Funded Awards</u>:
Governmental Grantees, or their assignees, including Non-Profit and For-Profit assignees, that **expend** $500,000 or more in a single year from awards which funding originated from Federal Government sources shall comply with the Single Audit Act of 1984 (including the Single Audit Act Amendments of 1996), OMB Circular A-133, and the State Single Audit Guidelines issued by the Department. Audit reports are due to the State within thirty (30) days from issuance of the report, but no later than nine (9) months after the end of the audit period.

Non-Profit Grantees, or their assignees, that **expend** $500,000 or more in a single year from awards which funding originated from Federal Government sources shall comply with the Single Audit Act of 1984 (including the Single Audit Act Amendments of 1996) and OMB Circular A-133. In addition, a separate footnote or schedule shall be included listing all awards which funding originated from State Government sources and the total cash expended under each of those awards for the year under audit. Audit reports are due to the State within thirty (30) days from issuance of the report, but no later than nine (9) months after the end of the audit period.

For-Profit Grantees, or their assignees, that **expend** $500,000 or more in a single year from awards which funding originated from Federal Government sources shall have a certified annual audit performed utilizing Generally Accepted Accounting Principles, Generally Accepted Auditing Standards and Government Auditing Standards. In addition, a separate footnote or schedule shall be included listing all awards which funding originated from Federal Government sources and the total cash expended under each of those awards for the year under audit. Audit reports are due to the State within thirty (30) days from issuance of the report, but no later than nine (9) months after the end of the audit period.

One (1) copy of the Audit along with the Management Letter shall be submitted to the address listed below. Responses and corrective action to be taken by management must be included for any findings or comments issued by the auditor. If the combined total **expended** from all funding originating from Federal Government sources is less than $500,000 in a single year, the Grantee, or its assignee, shall confirm in writing that the above audit requirements are not applicable. This confirmation shall be submitted to the address listed below.

<u>State Funded Awards</u>:
NOTE: If an audit is required under OMB Circular A-133 as described
above, then this section does not apply as State Funded Awards shall already be included in that audit.

Governmental, Non-Profit, and For-Profit Grantees, or their assignees, that **expend** $100,000 or more in a single year from awards which funding originated from Federal Government sources shall have a certified annual audit performed utilizing Generally Accepted Accounting Principles, Generally Accepted Auditing Standards and Government Auditing Standards. In addition, a separate footnote or schedule shall be included listing all awards which funding originated from Federal Government sources and the total cash expended under each of those awards for the year under audit. Audit reports are due to the State within thirty (30) days from issuance of the report, but no later than nine (9) months after the end of the audit period. One (1) copy of the Audit along with the Management Letter shall be submitted to the address listed below. Responses and corrective action to be taken by management must be included for any findings or comments issued by the auditor. If the combined total **expended** from all funding originating from State Government sources is less than $100,000 in a single year, the Grantee, or its assignee, shall confirm in writing that the above audit requirements are not applicable. This confirmation shall be submitted to the address listed below.

<u>Submit To</u>**:**
Send one copy of the Audit and Management Letter **or** the letter confirming that
the audit requirements are not applicable to:

Single Audit Coordinator
DOA Division of Administrative Services
101 E. Wilson Street, 9th Floor (53703)
P.O. Box 7869
Madison, Wisconsin 53707-7869.

Debarred Contractors
Federal funds may not be used to directly or indirectly employ, award contracts to, or otherwise engage the services of any contractor or subrecipient during any period of debarment, suspension or placement of ineligibility status. Grantees are responsible for checking all contractors, subcontractors, lower-tier contractors and subrecipients against the federal publication that lists debarred, suspended and ineligible contractors. Information is available at: https://www.sam.gov/portal/public/SAM/ .

Planning and Administrative Costs
Each Grantee may receive administrative funds of up to 11 percent of the housing assistance funds awarded (and up to 10% of program income) for reasonable planning and administrative expenses. The Grantee may pay for administrative and planning costs, most often including salaries, wages, and related costs of staff responsible for HOME Program administration.

Grantees may choose to include:

- either the entire salary, wages, and related costs of each person whose primary responsibility involves program administration or;
- the prorata share of such costs for each person involved in program administration.

A Grantee may choose only one of these methods each year.

In addition to staff salaries and related costs, HOME-related planning and administration may include:
- Goods and services ("overhead") necessary for general HOME Program administration (e.g., utilities, office supplies, etc.)
- Administrative services under third party agreements (e.g., legal services, auditor, consultant)
- Providing public information
- Fair housing activities
- Indirect costs e.g., rent, utilities, and other costs shared among several Grantee departments)
- Complying with other Federal requirements. E.g. environmental surveys, historical review, lead regulations.

Staff, overhead, and certain compliance costs that are incurred by the Grantee and which are directly related to carrying out specific HOME projects, may be charged as either planning/administrative costs or as project-related soft costs. Whichever method is chosen must be applied throughout the contract. Soft costs incurred by a property owner are considered project-related cannot be charged as administrative costs. (For example, if the property owner hires and pays for an appraisal, this is a project cost.)

Indirect costs such as office rent, utilities, maintenance, and other costs that are shared between two or more departments, agencies, or programs can *only* be charged against HOME program administration using a cost allocation plan that has been prepared in accordance with OMB Circular No. A-87 "Cost Principles for State, Local, and Indian Tribal Governments," Or OMB Circular No. A-122 "Cost Principles for Nonprofit Organizations." These types of costs are *always* administrative costs.

Accounting and reporting requirements are simplified by charging costs to administration and planning, however, a Grantee may not be able to pay all such costs under the administration cap. On the other hand, costs charged to a specific project count toward the maximum per-unit subsidy limit and trigger the 25 percent match requirement. **If a project does not go forward, project delivery costs must be charged as administrative costs retroactively.**

Recordkeeping

Grantees must establish and maintain complete written records to document that HOME Program requirements have been met. Consequently, the Grantee should establish documentation and recordkeeping requirements that apply to Grantee staff and all entities receiving HOME funds. Grantees must also provide citizens and other interested parties with reasonable access to records, consistent with applicable state and local privacy and confidentiality laws. HUD and the Comptroller General of the United States, or any of their representatives, have the right to access any records of any Grantee or sub-recipient for auditing, excerpt, or transcript purposes.

***Property* Standards**

HOME assisted properties must meet certain building and quality standards, depending on the activity being undertaken and/or the type of housing.

State and Local Standards

State and local building codes and ordinances apply to any HOME-funded project regardless of whether the project involves acquisition, rehabilitation, or new construction.

All new manufactured HOME-financed housing must meet the construction and safety standards of 24 CFR Part 3280. New manufactured housing must be installed according to state and/or local codes or the manufacturers written instructions.

Housing Quality Standards

For acquisition-only projects, if there are no state or local codes or standards, Section 8 Housing Quality Standards (HQS) must be used.
An HQS inspection is the standard inspection for use on HHR-assisted activities.

Rehabilitation Standards

All HOME-funded rehabilitation work must meet the HOME Minimum Rehabilitation Standards. These standards are similar to work specifications and generally describe the methods and materials to be used when performing rehabilitation activities. Grantees may utilize more stringent standards when completing rehabilitation but they must be incorporated into the work specifications provided for bidding purposes.

C. Community Housing Development Organizations (CHDOS)

Fifteen percent of the State of Wisconsin HOME allocation must be set aside for housing that is owned, developed, or sponsored by CHDOs.

Eligible CHDO set-aside activities include:

- The acquisition and or rehabilitation of rental housing;
- New construction of rental housing;
- Acquisition and/or rehabilitation of homebuyer properties;
- New construction of homebuyer properties;
- Direct financial assistance to purchasers of HOME-assisted housing that has been sponsored or developed with HOME funds by the CHDO.

Ineligible CHDO Activities:

Using the 15% set-aside, a CHDO acting as an owner, sponsor, or developer **may not** undertake any of the following activities:

- Rehabilitation of existing homeowners' properties;
- Homebuyer acquisition-only assistance;

- Tenant-based rental assistance (TBRA).

Eligible Activities – Subrecipients

CHDOs may also act as subrecipients with non-set-aside funds by undertaking all other HOME-eligible activities such as:

- TBRA;
- Homeowner rehabilitation;
- Providing downpayment or closing cost assistance; and
- Brokering or other real estate transactions that are not counted towards the set-aside.

A CHDO is acting as an owner, sponsor, or developer when:

- <u>Owner</u>: A CHDO is considered an owner of a property when it holds valid legal title or has a long-term leasehold interest (99-year minimum). The CHDO may be an owner with one or more individuals, corporations, partnerships, or other legal entities. A CHDO may be sole owner and have another entity act as developer or it can be both the owner and developer of its own project.

- <u>Sponsor</u>: A CHDO may be a sponsor for both HOME-assisted rental housing and homebuyer housing. A CHDO sponsor must always **own the project** prior to and/or during the development phase of the project.

- <u>Developer</u>: A CHDO is considered a developer when it either: owns the property and develops the project **or** has the contractual obligation to a property owner to develop a project.

D. Contracting and Procurement Procedures

When a Grantee is involved with procuring property or services utilizing HOME or other federal funding, the Grantee must make sure it is compliant with standards involving procurement practices, contracting services, conflict of interest, and other related issues.

Procurement

All HOME grantees must establish written procurement procedures. The procedures or policies must cover acquisition of supplies and services by the grantee.

When acquiring the services of a consultant to administer a HOME program or to provide other professional services (e.g., audit, architectural, engineering) to be paid with HOME funds proper procurement procedures must be followed. For professional services that are less than the simplified acquisition threshold of $100,000 grantees may use the simplified acquisition procedures as specified in 24 CFR Part 85.36 or 24 CFR Part 84.44.

Simplified acquisition procedures require that price or rate quotations shall be obtained from at least three qualified sources. If a local procurement policy is in place that is more restrictive than the simplified procedures described here, the local policy must be followed. Evidence that the appropriate procedure was followed must be in place in the procurement file.

Some form of cost or price analysis shall be made and documented in the procurement files in connection with every procurement action. Cost analysis is the review and evaluation of each element of cost to determine reasonableness, allocability and allowability.

Grantees must, to the extent practicable and economically feasible:

- Give preference for products and services that conserve natural resources and protect the environment and are energy efficient.

- Make positive efforts to utilize small businesses, minority-owned firms, and women's business enterprises.

Contracting
Grantees must ensure that every purchase order or other contract executed for federally-assisted projects includes any clauses required by Federal statutes and Executive Orders and their implementing regulations. Some of the clauses that must be incorporated into contracts include acknowledgment that contractors must follow Federal labor requirements (when they apply) like the Copeland Anti-Kickback Act, promise to comply with the Equal Employment Opportunity Executive Order, and recognition of conflict-of-interest provisions.

E. Conflict of Interest

Background:
The HOME Program regulations require compliance with two different sets of conflict-of-interest provisions. The conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42 apply to the procurement of property and services for all state recipients and subrecipients of State HOME funds. In addition, the HOME Final Rule at Part 92.356 specifies the requirements for HOME grantees with respect to conflict of interest.

The Grantee will be required to pay back to the Department of Administration any HOME funds disbursed for persons with whom there is an identified conflict of interest.

Activities Covered by CFR Provisions:
In the procurement of property and services, the conflict-of-interest provisions at 24 CFR 85.36 and 24 CFR 84.42 apply. These regulations require subrecipients/grantees to maintain written standards governing the performance of their employees engaged in awarding and administering contracts. At a minimum, these standards must:

(1) Require that no employee, officer, agent of the subrecipient shall participate in the selection, award or administration of a contract supported by HOME if a conflict-of-interest, either real or apparent, would be involved;

(2) Require that the subrecipient employees, officers and agents not accept gratuities, favors or anything of monetary value from contractors, potential contractors or parties to subagreements; and

(3) Stipulate provisions for penalties, sanctions or other disciplinary actions for violations of standards.

A conflict would arise when any of the following has a **financial or other interest** in a firm selected for award:

(1) An employee, agent or officer of the subrecipient;
(2) Any member of an employee's, agent's, or officer's immediate family;
(3) An employee's, agent's, or officer's partner; or
(4) An organization that employs or is about to employ an employee, agent or officer of the subrecipient.

Activities Covered by HOME Regulations:
In cases not covered by 24 CFR 85.36 and 24 CFR 84.24, the HOME regulations at 24 CFR 92.356 governing conflict-of-interest apply. These provisions cover employees, agents, consultants, officers and elected or appointed officials of the subrecipient/grantee. The HOME regulations state that no person covered who exercises or has exercised any functions or responsibilities with respect to HOME activities or who is in a position to participate in decisions or gain inside information:

(1) May obtain a financial interest or benefit from a HOME activity; or
(2) Have an interest in any contract, subcontract or agreement for themselves or for persons with business or family ties.

This requirement applies to covered persons during their tenure and for one year after leave the subrecipient/grantee.

Provisions for Nonprofit and For-Profit Owners, Developers and Sponsors:

The HOME Final Rule includes conflict-of-interest provision applicable to for-profit and nonprofit owners, developers and sponsors of HOME-assisted housing. This provision states that no owner, developer or sponsor of HOME-assisted housing, including their officers, employees, agents, consultants or elected or appointed officials, may occupy a HOME-assisted unit in a development. This provision **does not** apply to:

(1) An individual receiving HOME funds to acquire or rehabilitate his/her principal residence, or
(2) An individual living in a HOME-assisted rental housing development where s/he is a project manager or a maintenance worker.

Determining Potential Conflict of Interest:
Following are the steps to use to determine a potential conflict of interest:

1. Identify "covered persons" for your HOME program.

2. Add conflict of interest question to your HOME application. All conflict of interest questions must be answered.

3. Inform applicants with potential conflict of interest that there will be public disclosure of their name.

4. Publish "Conflict of Interest Publication Notice" one time in the local newspaper.

5. Submit an Affidavit of Publication of the Notice and a letter giving a brief narrative of the situation to the HHR program administrator. The letter should include the applicant's name, income level, how public disclosure was made, and a description of why a waiver should be granted.

6. DO NOT sign any loan closing documents until you have received a signed waiver.

7. After submission of the request to the HHR program administrator, the information is forwarded to the DOA attorney for an opinion on whether the exception would violate State law. The request and the attorney's opinion are then submitted to HUD for an exception to the provisions of the conflict of interest requirements.

Application Information:
The following question should be made a part of the initial loan application form:

Do you have family or business ties to any of the following people? (Complete chart identifying the covered people by name.* Grantee inserts names.)
If **yes**, disclose the nature of the relationship.

NAMES OF COVERED PERSONS	RELATIONSHIP

*Covered persons apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the State recipient, or subrecipient which are receiving HOME funds. No covered person who exercises or has exercised any functions or responsibilities with respect to the activities assisted with HOME funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

<u>Family includes</u>:
Spouse
Fiancée/ fiancé
Children and children-in-law
Brothers and brothers-in-law
Sisters and sisters-in-law
Parents and parents-in-law
Anyone who receives more that 50% of their annual support from the person (e.g., adopted child, foster child).

Sample Conflict of Interest Publication Notice:

The (***<u>grantee name</u>***), hereby discloses its intention to make (***<u>loan/grant</u>***) of (***<u>$XXX</u>***) from the federal HOME Program (24 CFR 92) to (***<u>name of applicant</u>***) for the purpose of home purchase/home repair. (***<u>name of applicant</u>***) is the (***<u>relationship</u>***) of a(n) (***<u>employee/Board Member</u>***) of the (***<u>grantee name</u>***). The (***<u>employee/ Board Member</u>***) does not participate in the approval process for the (***<u>loan/grant</u>***). Comments concerning this notice will be accepted no later than ten (10) days after publication of this notice to: ***<u>grantee name and address; ATT: name of person designated to receive complaints</u>***)

Factors HUD Considers for Exceptions:
- Whether the person affected is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive the same interests or benefits as are being made available to the group or class;
- Whether the affected person has withdrawn from his/her functions/responsibilities or the decision-making process with respect to the specific assisted activity in question;
- Whether undue hardship will result either to the grantee or the person affected when weighed against the public interest served by avoiding the prohibited conflict;
- Whether the tenant protection requirements of 92.253 are being observed (rental housing projects);
- Whether the affirmative marketing requirements of 92.351 are being observed (rental housing projects);
- Any other relevant factors.

F. Prohibited Activities

Certain activities are specifically prohibited by the HOME regulations at 24 CFR 92.214. As such, the following list of activities cannot be supported by HOME funds:

- Project reserve accounts. HOME funds may not be used to provide project reserve accounts (except for initial operating deficit reserves) or to pay for operating subsidies.
- Tenant-based rental assistance for certain purposes. HOME funds may not be used as rental assistance in conjunction with the Federal Rental Rehabilitation Program (Section 17) to prevent displacements. In addition, they may not be used for certain mandated existing Section 8 Program uses, such as Section 8 rent subsidies for troubled HUD-insured projects.
- Match for other programs. HOME Program funds may not be used as the "nonfederal" match for other Federal programs except to match McKinney Act funds.
- Operations or modernization of public housing. HOME funds may not be used to provide annual contributions for the operation of public housing or to carry out modernization activities in public housing.
- Construction of public housing. HOME funds may not be used to finance the construction of conventional public housing.
- Double dipping. During the first year after project completion, the PJ may commit additional funds to a project. After the first year, no additional HOME funds may be provided to a HOME-assisted project during the relevant affordability period except that:
    - Rental assistance to families may be renewed.
    - Rental assistance may be provided to families that will occupy housing previously assisted with HOME funds.
    - A homebuyer may be assisted with HOME funds to acquire a unit that was previously assisted with HOME funds.
- Acquisition of Grantee-owned property. A Grantee may not use HOME Program funds to reimburse itself for property in its inventory or property purchased for another purpose.
- Project-based rental assistance. HOME funds may not be used for rental assistance if receipt of the funds is tied to occupancy in a particular project. Funds from another source, such as Section 8, may be used for this type of project-based assistance in a HOME-assisted unit.
- HOME funds may be used for other eligible costs (such as rehabilitation) in units receiving project-based assistance from another source - for example, Section 8 or state-funded project-based assistance.

ATTACHMENT 1

PER UNIT SUBSIDY LIMITS

Wisconsin 2012 HOME Per Unit Subsidy Limits						
221(D)(3) Statutory Mortgage Limits (Non-Elevator Type)						
High Cost Percentages (HCP)						
All Wisconsin Participating Jurisdictions		**Basic Limits per No. of Bedrooms**				
		0	1	2	3	4+
		$50,956	$58,752	$70,857	$90,699	$101,042
	HCP					
	240%	**$122,294**	**$141,005**	**$170,057**	**$217,678**	**$242,501**

ATTACHMENT 2

PURCHASE PRICE/AFTER REHABILITATION VALUE LIMITS

HOME maximum purchase price or after-rehab value limits are based on the Section 203(b) Single Family Mortgage Limits. The Section 203 (b) limits are determined by HUD's Office of Single Family Housing.

The current Section 203(b) mortgage limits exceed the 95 percent maximum purchase or after rehabilitation value limits authorized by the HOME statute.

In accordance with the guidance provided in HUD's January 2009 **HOMEfires Vol. 10 No. 1**, the State HME Program is authorized to use either the Section 203 (b) mortgage limits established as of February 2008 or the actual 95 percent of median sales price limits for their areas, whichever is higher.