

### **PROHIBITED ACTIVITIES**

The HOME Program provides an extremely flexible financing mechanism for affordable housing. There are however, certain activities that cannot be undertaken.

#### **Ineligible Properties**

- Public Housing development, maintenance, or modernization
- Properties eligible for assistance under the 24 CFR Part 248, "Prepayment of Low Income Housing Mortgages,"(See below)
- Properties receiving Rental Rehabilitation Program funds
- Certain mandated existing Section 8 program uses, such as Section 8 rent subsidies for troubled HUD-insured projects.
- Commercial properties
- Emergency Homeless Shelters
- Emergency Repairs
- Properties which have previously received HOME funds

#### **Preservation of Certain HUD Subsidized Low-Income Housing Mortgages**

Properties eligible for assistance under the 24 CFR Part 248, "Prepayment of Low Income Housing Mortgages," are not eligible for assistance with HOME Program funds unless the applicant is a nonprofit or resident ownership organization that qualifies as a priority purchaser under § 248.101.

#### **Project Previously Assisted With Home Funds**

After the **first year** following project completion, no further HOME funds can be used during the project's **period of affordability**. Projects may, however, add additional "phases" using HOME funds.

#### **HOME Match for Other Programs**

HOME Program funds typically cannot be used as the "nonfederal" match for other federal, state, or local initiatives.

#### **Emergency Repair Program**

Emergency repair cannot be performed with HOME funds.

#### **Rental Assistance Payments**

Although the federal regulations allow HOME funds to be used for tenant-based rental assistance, they do not allow HOME funds to be used in conjunction with the Federal Rental Rehabilitation program, or for certain mandated existing Section 8 program uses, such as Section 8 rent subsidies for troubled HUD-insured projects. Federal regulations do not allow HOME funds to be used for rental assistance to tenants if receipt of funds is tied to continued occupancy in a particular project.

#### **Fees for servicing or monitoring HOME activities**

HOME regulations do not permit fees for servicing or monitoring activities related to the HOME Program. Should the regulations change, and in the event that administrative fees are no longer available through the HOME program to pay for such costs, IHFA reserves the right to implement such charges.