
HOME Program Definitions

Adjusted Income: The HOME Program uses the income definitions used in the Section 8 Program. Adjusted income is used in HOME to compute actual tenant payment. Adjusted income is annual (gross) income reduced by deductions for dependents, elderly households, medical expenses, handicap assistance expenses, and childcare.

Affordability: The requirements of the HOME Program that relate to the cost of housing both at initial occupancy and over established timeframes. Affordability requirements vary depending upon the nature of the HOME assisted activity (i.e. New Construction or Moderate Rehabilitation).

- Example of Initial Affordability: In HOME assisted rental housing: 80% of HOME assisted rental units must have rents at the lesser of: the Fair Market Rent for existing housing in the area or 30% of adjusted income of a family whose income equals 65% of median income minus tenant paid utilities and 20% of the HOME assisted rental units must have rents which equal 30% of annual incomes for households at 50% of median minus tenant paid utilities (all adjusted for bedroom size).

- Example of Long Term Affordability: For HOME assisted rental housing, 100 percent of HOME assisted units must remain affordable for a fixed period of a minimum of 5 to 20 years.

Annual Gross Income: The HOME Program uses the income definitions used in the Section 8 Program. Annual income to determine homeowner and tenant eligibility and for targeting purposes. The annual income definition used in Section 8 is more extensive than the income definitions used in CDBG.

Commitment- A legally binding agreement between the Idaho Housing Agency and the project owner, providing HOME funds to a project. HUD recognizes a commitment when the project is entered in the Integrated Disbursement Information System (IDIS).

Community Housing Development Organization (CHDO): A community based non-profit organization that meets the following HUD defined criteria:

- **Legal Status**
 - The CHDO must be organized under state or local laws.
 - It must have a tax exempt ruling from the IRS under Section 501(c) of the Internal Revenue Code of 1986. Organizations that have applied for, but not yet received, their 501(c) ruling do not meet this requirement.
 - No part of its earnings (profits) may benefit any members, founders, contributors, or individuals.
 - Provision of decent housing that is affordable to low and moderate-income persons must be among the purposes stated in the charter, articles of incorporation, resolutions or by-laws of the CHDO.
 - CHDOs need not represent a single neighborhood. They may include in

their service area an entire community (i.e. city, town, village, county, or multi-county area) as long as they meet the other requirements of being a CHDO (cannot be a whole state).

First-Time Homebuyer-Borrower and spouse have not owned a home during the three-years prior to purchase of a home. Exception: Displaced homemaker or a single-parent. See Chapter 2 for additional information.

HOME Funds- HOME funds include all appropriations for the HOME Program, plus all repayments and interest or other return on the investment of these funds.

HOME Investment Trust- The term given to two accounts--one at the federal level and one at the local level that "hold" Idaho's HOME funds. The federal HOME Investment Trust Account is the U.S. Treasury account for each participating jurisdiction. The local HOME Investment Trust account includes repayments of HOME funds, matching contributions and payment of interest or other returns on investment.

Subsidy Layering Review- Review of funding proposals to ensure that the use of HOME funds with other federal funds does not result in an excessive subsidy to a specific project.

Leveraging- Use of funds other than HOME to increase the availability of other public or private sector funds.

Low-Income- Individual/ Family whose adjusted gross incomes do not exceed 80% of the median income for the area (adjusted for family size). IHFA uses 24 CFR Part 5 (formerly known as Section 8) as the guide.

Match- A permanent contribution of certain non-federal resources to a project that are donated and used in conjunction with HOME funds - a sharing of costs associated with the project. HOME rules require a 25% match for each dollar of HOME funds spent.

Moderate Rehabilitation- The term used in the HOME Program to refer to rehabilitation of residential property at an average total development costs equal to or less than \$25,000 per unit.

New Construction- For purposes of the HOME Program, new construction is any project with commitment of HOME funds made within one year of the date of initial certificate of occupancy. Any project, which includes the creation of additional dwelling units outside the existing walls of a structure, is also considered new construction.

Participating Jurisdiction (PJ)- The term given to any state or local government that has been designated by HUD to administer a HOME Program. HUD designation as a PJ occurs if a state or local government meets the funding thresholds, notifies HUD that they intend to participate, and has obtained approval by HUD of a Comprehensive Housing Affordability Strategy.

Project- A site or an entire building or two or more buildings, together with the site or sites on which the building or buildings is located, that are under common ownership, management and

financing and are to be assisted with HOME funds, under a commitment by the owner, as a single undertaking.

State Recipient- Any unit of local government designated by a state to receive HOME funds. The state is responsible for ensuring that HOME funds allocated to State Recipients are used in accordance with the HOME regulations and other application laws.

Substantial Rehabilitation: The term used to refer to the rehabilitation or residential property at an average total development cost per unit greater than \$25,000 per dwelling unit.

Targeting: Requirements of the HOME Program relating to the income or other characteristics of households that may occupy HOME assisted units.

Very-Low Income: Families whose annual incomes (adjusted for family size) do not exceed 50% of the median income for the area. HUD may establish income ceilings higher or lower than 50% of median income for an area on an exception basis.