



**HOME Investment Partnerships Program** 

 Provided through the U.S. Department of Housing and Urban Development (HUD).

Established by Congress in 1990.

Clark County received its first funding under the HOME program in 1992.

Provides formula grants to States and local participating jurisdictions (PJ's).

These resources are used to strengthen public-private partnerships.

Designed to expand the supply of affordable housing for low- and very low-income households.

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#### **HOME (Continued)**

- Communities often use these funds in partnership with local nonprofit groups.
- Helps fund the development, acquisition and/or rehabilitation of affordable housing.
- HOME is the largest Federal block grant to state and local governments designed exclusively to create affordable housing for low-income households.



West Sahara Senior Housing Developer: George Gekakis, Inc.

## Account for Affordable Housing Trust Fund (AAHTF)

- Formerly known as the Low-Income Housing Trust Fund (LIHTF).
- Established in 1989 and administered by the State of Nevada.
- Funds are allocated by the state to the local governments.
- Designed to expand the supply of affordable housing for low- and very low-income households.
- Funds are used as non-federal match to satisfy federal HOME requirements.



# HOME/AAHTF Funds are for Affordable Housing Projects

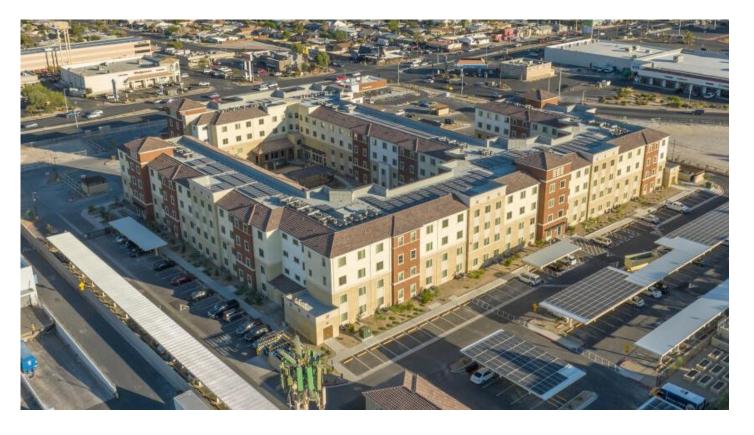
- Not for public facilities, like parks or community centers
- Not for service programs
- Must provide safe, sanitary housing for the community
- May include housing identified for seniors, multifamily or individuals with special needs





#### **Eligible Activities**

- Development of Rental Housing
  - New Construction
  - Acquisition and Rehabilitation
- Homebuyer Activities
- Tenant Based Rental Assistance (TBRA)
- Owner Occupied Rehabilitation



Decatur Commons Senior Apartments

Developer: Nevada H.A.N.D.

## Major Program Requirements

- All Clark County HOME funded units must be at or below 50% Area Median Income (AMI).
  - Area Median Income (AMI) for a family of 4 in Clark County is \$83,900
  - 50% AMI for a family of 4 in Clark County is \$43,300

#### Comparison

#### **AMI Rent**

50% AMI Rent

- 2 Bedroom \$1,457/per month
- 2 Bedroom \$975/per month

\* Based on FY 2023 HOME program rent limits and HUD Fair Market Rent Documentation System



### Minimum Affordability Period

- Projects must have "minimum affordability period" as shown below:
  - Rehabilitation and acquisition of Housing:
    - 5 years \$1,000 to \$14,999 per unit amount of HOME funds
    - 10 years \$15,000 to \$40,000 per unit amount of HOME funds
    - 15 years over \$40,000 per unit amount of HOME funds
  - New Construction:
    - 20 years any amount
- Projects may be subject to extended affordability period





#### The Affordability "Gap"

Without subsidies like HOME and AAHTF, quality housing for low-income households would not be developed:

 The "affordability" of affordable housing is based on the customer's ability to pay, <u>not</u> the developer's cost to build.

The lower the income targeting proposed, the less the tenant can pay, and the less cash flow the developer will have available to cover operating expenses, including debt service.

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#### Public Funds Fill the "Gap"

- Public subsidy is used to make up the gap in the development budget.
- Public money is exchanged for public benefit.
- The "benefit" is the development of quality housing that housing becomes available and affordable to lower income households.
- Other benefits include: long term affordability, special needs, community revitalization.
- Like its private counterpart, public financing is based primarily on project feasibility.
- The project must pencil.





2024-2025 HOME/AAHTF Funds

- Estimated \$8.4 million in funding
- Clark County's current year's focus:
  - Multifamily Rental Housing Development
    - New Construction
    - Acquisition and Rehabilitation

#### 2024-2025 HOME/AAHTF Funds

- 15% of HOME funds are set aside for Community Housing Development Organization (CHDOs).
- County Administration: Up to 10% of the allocation of HOME funds can be utilized to administer the HOME program.
- County Set-Aside:
  - Ensures funds are available to support ongoing programs and special projects.
  - Allows flexibility to meet federal expenditure guidelines.



#### **CDAC** timeline

- CDAC Orientation December 5, 2023
- HOME Application Deadline December 11, 2023
- Project Presentations January 16, 2024
- Committee Scoring Deadline HOME January 17 to February 2, 2024
- Voting Recommendation February 20, 2024





## Questions

