

STATE OF MISSISSIPPI
HOME RENTAL &
COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO)
SET-ASIDE PROGRAMS
FACT SHEET

Eligible Applicants

For-profit and Non-profit applicants with experience developing affordable housing opportunities are eligible to apply for HOME funds. Applicants must demonstrate financial capacity and development experience, directly relevant to the project submitted for funding. Non-profit organizations applying through the CHDO Set-Aside must meet the CHDO qualifications and demonstrate staff capacity.

Eligible Beneficiaries

HOME units must be occupied by low and very-low income households.

**Rental Housing: Ninety Percent (90%) of the HOME units must be rented to households with incomes at or below Sixty Percent (60%) of Area Median Income (AMI). Further, twenty percent (20%) of the HOME units must be rented to households with incomes at or below 50% of Area Median Income (AMI).*

Eligible Activities

- Acquisition
- Rehabilitation
- Construction

Eligible Project Type

- Multi-Family Rental Housing
- Single Family Rental Housing

HOME-Assisted Units

MHC will designate HOME-Assisted Units as “fixed” or “floating” units. Floating units may change over time as long as the total number of HOME-assisted units in the project remains constant. Owners must ensure that all HOME-assisted units remain comparable to the non-assisted units over the affordability period in terms of size, features and number of bedrooms.

Period of Affordability

Housing assisted with HOME funds must meet the affordability requirements of \$92,252 or \$92,254, as applicable. HUD will require repayment of HOME funds, if the affordability requirements for the specified time period are not met.

Availability of Funds

The amount of HOME funds available in the Rental Set-Aside and the CHDO Set-Aside is determined by HUD’s annual appropriation and the State’s Consolidated Plan Priorities.

Maximum Amount

- Maximum Award per applicant is based on funds availability and the final amount determined by reviewing the financial feasibility of the project including operating revenues.
- Maximum Award per project is up to \$500,000 per phase of the development not to exceed the maximum award per applicant.

**Subsidy Layering Analysis will determine costs are reasonable, verifiable sources and uses of funds, amounts requested are necessary and their uses are determined feasible. The total HOME award may not exceed the maximum per unit subsidy limits applicable at the time of HOME commitment for the number of units that will be designated as "HOME units".*

Other Funding Sources

HOME funds are intended to leverage other affordable housing funds to maximize the resources available for the development of affordable housing opportunities. Other sources typically leveraged with HOME funds are other federal and non-federal sources to produce and preserve affordable units such as Federal Home Loan Bank (FHLB), Rural Development, Low Income Housing Tax Credits (LIHTC), and Tax Exempt Bonds with Housing Tax Credits.

**The development must demonstrate a need for the use of HOME funds as gap funding to contribute to its financial feasibility.*

HOME AWARDS

HOME funds will be awarded to applicants in the form of a loan, payable from available cash flow to minimize project debt and maximize affordability to eligible households.

APPLICATION PROCESS

Applicants must submit a fully completed and executed HOME Investment Partnership Program Application Package that includes the application and all required supporting documentation. There is no application fee for applying for HOME funds.

The application process consists of two steps:

- 1) Threshold Review - An application must meet all threshold requirements.
- 2) Application Scoring – An application must score a minimum of 75 on a 100 point scale to be considered for a HOME Award. Applications are scored based on selection criteria.

For any questions regarding the HOME Rental & CHDO Set-aside Programs, please contact Lillie Naylor @ 601-718-4658 or lillie.naylor@mshc.com.