

# **HOME Investment Partnership (HOME) Program – For Rental Housing Requests**



**City Council Study Session— January 22, 2015**

# Council Approved funding

- \$1,210,893 rental projects (can also go to a CHDO doing rental)
- \$300,000 (apx 30%) for a CHDO to offer home buyer program (required 15% - \$148,500)
- \$80,000 for a Home buyer assistances program

# Mesa Funding Cycles

Program	2012/13	2013/14	2014/15	2015/16
HOME	\$944,491	\$907,559	\$993,434	<b>\$990,000</b>

**Anticipated at least a 5 to 10 % reduction in HOME federal funding for FY 2015/16**

# Purpose and Process

- Finalize funding recommendations for HOME **rental** funding for Council approval.
- Technical review and rating by staff weighted at **70pts** of total score.
- Review and presentation score weighted at **30pts** from Housing and Community Development Advisory Board.
- Total available score is **100 points**.

# HOME FY 2015/16 Tax Credit Applications for Funding

(Staff recommendations assumes level funding)

Funding Source	Applications / Project Name	Request	Staff Recommend
HOME (Rental)	La Mesita Phase III	\$250,000	\$250,000
HOME (Rental)	The Hub at Mesa Lofts	\$350,000	\$350,000
HOME (Rental)	El Rancho Apartments Phase II	\$300,000	\$255,000 (85% of request)
HOME (Rental)	Sycamore Station	\$365,800	\$274,350 (75% of request)
HOME (Rental)	Mesa ArtSpace	\$500,000	\$0
HOME	Subtotal	\$1,765,800	\$1,129,350



# HUD requirements

## HUD Requirements:

- Can only fund what subsidy layering and financial review outline is needed
- Must complete environmental assessment prior to any contracts
- Must comply with all other federal pre-award requirements prior to contract
- Contract completion constitutes official award

# Methodology for possible funding reduction scenario

## Staff Recommendation:

- Upon a reduction, reduce two lowest rated commitments to 2% needed for City participation points.
- Reduction to come from Rental Housing allocation and not CHDO homeowner funding
- Fully fund projects awarded 2015/16 LIHTC should only a few be approved

# **Community & Cultural Development Recommendations:**

**Supported Staff Recommendation (2-1 vote – Richins voting nay):**

- Award approved for only 2015/16 tax credit successful projects
- Support all projects with full funding should three or less receive 2015/16 LIHTC
- Support staff recommended methodology for funding should HOME grant be reduced by HUD



# Questions and Discussion