AMENDMENTS

TO

POLICIES FOR THE USE OF STATE HOME FUNDS

FFY 2019

Due to the COVID-19 Pandemic HUD has issued several Waivers and Suspension to HOME Program Requirements. Maryland Department of Housing and Community Development will be implementing several of these waivers and suspensions.

As a result of these waivers and suspensions the following amendments are being made to the FFY 2019 Polices for the Use of State HOME Funds.

**Current Policy - Required Set Asides**

Under federal law at least 15 percent of the State's HOME formula allocation, or

 $ 864,414.30 must be reserved for use by CHDOs. Included within that amount, up to 10%

 or $ 86,441.43 may be used for predevelopment costs for CHDOs.

**Amendment:** HUD is allowing a reduction of the 15 percent set aside of each annual allocation of HOME funds to zero percent. Maryland DHCD will reduce the 15 percent allocation for Federal Fiscal Year 2019 to zero percent.

**Current Policy - Monitoring Responsibilities**

The federal requirements for the HOME program establish an extensive set of monitoring and reporting requirements, including site inspections and tenant certifications. When HOME funds are used in conjunction with other State resources, DHCD already has oversight and monitoring responsibilities for the State resources. When HOME funds are used without other State funds, DHCD will ensure that all HOME administrative and monitoring requirements are met in accordance with the HOME Monitoring Plan.

**Amendment**: HUD requires on-site inspections of HOME assisted rental housing to determine compliance with the property standards and to verify the information submitted by the owners in accordance with the income and rent requirements. These inspections must occur at least once every three years during the period of affordability.

To protect PJ staff and reduce the spread of COVID-19 HUD is providing a waiver to extend the timeframe for PJs to perform on-going periodic inspections and on-site reviews. The waiver is applicable to ongoing periodic inspections and does not waive the requirement to perform initial inspections of rental properties upon completion of construction or rehabilitation. Within 120 days of the end of this waiver period, PJs must physically inspect units that would have been subject to on-going inspections during the waiver period. The waiver is also applicable to on-site reviews to determine a HOME rental project’s compliance with rent and income requirements if the project owner is unable to make documentation available electronically. The waiver is in effect through December 31, 2020

In order to protect Maryland DHCD staff and reduce the spread of COVID-19 DHCD will extend the time frame to perform on-going periodic inspections and on-site reviews to determine a HOME rental projects’ compliance with property standards and rent and income requirements.