



**Texas Department of Housing
and
Community Affairs**

HOME Investment Partnerships Program
Single Family
Match Guide

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1 Definitions and Acronyms

The following terms used in this Match Guide have formal definitions in Housing and Urban Development (HUD) regulations and Texas Department of Housing and Community Affairs (TDHCA/the Department) written agreements.

Administrator: A Unit of General Local Government (UGLG), Private Nonprofit Organization or other entity acting as a Community Housing Development Organization (CHDO) Subrecipient, Developer or similar organization under 24 CFR Part 92, that has an executed written agreement with the Department

Applicant: Any entity that has applied for HOME funding or a HOME Agreement from the Department

Beneficiary: A low-income person or household that has received or will receive HOME funds or benefit from HOME funds through the Administrator's written agreement with the Department

CDBG: Community Development Block Grant

CFD: Contract for Deed

CFR: Code of Federal Regulations

CHDO: A Community Housing Development Organization that is a private, nonprofit organization meeting the requirements found in the HOME Final Rule at 24 CFR 92

Contractor: An entity that has been procured by an Administrator and that is operating and being paid according to a contract, typically to provide specified goods or services

Developer: Any Person, general partner, Affiliate, or Affiliated Party or affiliate of a Person who owns or proposes a development or expects to acquire control of a development that is responsible for performing under a written agreement with the Department

Direct Project Costs: For the purposes of this Match Guide, determination of the required Match amount for a Project is based on Direct Project Costs defined as follows:

- Homeowner Rehabilitation Assistance (HRA) - Direct Project Costs include the total costs of hard construction, demolition, aerobic septic systems, and, if applicable, refinancing
- Homebuyer Assistance (HBA) – Direct Project Costs include the total costs of downpayment for acquisition of the property and applicable closing costs
- Tenant-Based Rental Assistance (TBRA) – Direct Project Costs include the total costs for rental subsidy; utility subsidy, and deposits (Note: 10 TAC Chapter 23 does not specify a Match requirement for TBRA)

- Single Family Development (SFD) – Direct Project Costs include the total costs hard construction, demolition, aerobic septic systems, acquisition of the property, and applicable closing costs (Note: 10 TAC Chapter 23 does not specify a Match requirement for SFD)
- Contract for Deed (CFD) – Direct Project Costs include the total costs hard construction, demolition, aerobic septic systems, acquisition of the property, and applicable closing costs (Note: 10 TAC Chapter 23 does not specify a Match requirement for CFD)

Grantee: Any entity that has received HOME funding or a HOME award from the Department to administer the HOME Program on behalf of the state, also referred to as an Administrator

HBA: Homebuyer Assistance

HRA: Homeowner Rehabilitation Assistance

HUD: United States Department of Housing and Urban Development

HOME Agreement: A contractual document entered into between the Department and an Administrator, Grantee, or Developer that governs the use of HOME funding that may be in the form of a contract or a Reservation System Participant (RSP) Agreement

Match: Funds contributed to a Project or Activity that meet the requirements of 24 CFR §§92.218 - 92.220; Match does not include mortgage revenue bonds, non HOME-assisted Projects, and cannot include any other sources of Department funding unless otherwise approved in writing by the Department

MFD: Multifamily Development

Project: A single housing unit with a unique physical address that may also be referred to as an individual development or site

SFD: Single Family Development

State Recipient: A governmental entity designated by the Department to receive HOME funds

Subrecipient: A public agency or non-profit organization selected by the Department to administer a portion of the state’s HOME Program; an entity that receives funds solely as a Developer or owner of housing is not a Subrecipient

TAC: Texas Administrative Code

TBRA: Tenant-Based Rental Assistance

2 Introduction

Basics

The HOME Investment Partnerships Program (HOME) requires that the state of Texas, as a Participating Jurisdiction, must provide Match in an amount equal to no less than 25% of the total HOME funds drawn down for Project costs during a program year. In some years this Match requirement may be lowered by HUD due to special circumstances, but the overall requirement remains at 25%. Match must come from a state or local, non-federal source. Consequently, the Department often uses the ability to generate Match as a criterion for awarding funds to applicants, and requires that Grantees provide and document Match as pledged in their Applications.

The Department defines Match as funds contributed to a Project that meets the requirements of the HOME Final Rule, 24 CFR §§92.218-92.221. Match contributed to a Project may not include mortgage revenue bonds, contributions made to non-HOME-assisted units, or other sources of Department funding unless otherwise specifically approved in writing by the Department.

Match Guide Overview

This Match Guide is provided as an aid to HOME Administrators in interpreting federal and state regulations pertaining to HOME Match requirements. The federal rules are the final authority concerning what may or may not be counted as Match in the HOME Program and are very specific and detailed, based on statute enacted by the U. S. Congress. While the Department seeks to be flexible in recognizing Match, flexibility is strictly limited by these federal rules. Administrators should refer to and understand the specific federal regulations at 24 CFR §§92.218 - 92.221 and state rules at 10 TAC §23.32 for HRA, §23.42 for HBA, §23.52 for CFD, §23.62 for TBRA, and §23.72 for SFD concerning Match and the documentation needed to demonstrate the eligibility of Match contributions.

Match Proposals Submitted with the HOME Application May Change

Although Administrators may be awarded access to HOME funds based on Match proposals submitted in the Application, Match contributions detailed in an Administrator's HOME Agreement, or as otherwise approved by the Department, may differ from what was originally proposed in the Application. *Accepting an award of funding creates a commitment on the part of the Administrator to provide acceptable Match and documentation as required by the Department in accordance with HOME Program rules and the HOME Agreement.* While a reasonable effort is made during the Application phase to approve the proposed Match for scoring or threshold purposes, the complicated nature of Match requirements makes review during the implementation phase an on-going process. The validity of Match can be affected by procurement, identity of interest, and other issues that are not apparent until the Match is reported. These issues, as well as others, may necessitate changes to Match sources during the implementation phase, but not the Match obligation of the Administrator.

Applicable Federal Rules and Notices

Administrators are expected to be familiar with and maintain compliance with federal regulations at 24 CFR §§92.218-92.221 and HUD CPD Notice 97-03. Note: federal notices are applicable until revisions are published by HUD, regardless of the stated expiration date.

Applicable State Rules

Administrators are expected to be familiar with and maintain compliance with the Department's Umbrella Rule at 10 TAC Chapter 20 and HOME Rule at 10 TAC Chapter 23 as they relate to Match.

Flexibility in the Types of Match Provided

The Department is committed to helping Administrators understand and meet federal Match requirements as the HOME Program is implemented. The Department may allow Administrators to provide Match that differs from the Application or award document, as long as the proposed Match meets the federal requirements; changes to Match may necessitate an amendment to existing HOME Agreements.

Match Proposals in the Application

Applications submitted for HOME funding must include a detailed description of the proposed Match (listed in the Application's Match tab), letters of intention, letters of commitment, resolutions, local ordinances or other legally binding agreements, and other documentation acceptable to the Department confirming the types and sources of Match to be contributed. Scoring points or threshold requirements will only be considered for Match amounts that are both eligible and verifiable.

Determining and Reporting Your Match Obligation

Determining the Match Obligation

The Administrator's Match obligation is defined in the HOME Agreement and is based on the applicable percentage of budgeted Direct Project Costs applicable to the specific HOME Activity being conducted (refer to the Definitions section of this Match Guide), in accordance with 10 TAC Chapter 23. Match must be documented in the Administrator's records when it is contributed to an Activity, and must be reported to the Department on a per-Project basis using the Housing Contract System (HCS).

Reporting Match

Match must be reported in the HCS on a per-Project basis as draw requests are submitted. Up to 50% of total Project funds (including hard costs and soft costs) can be drawn before providing evidence of Match with a draw request. When the percentage of the cumulative draws requested exceeds 50% of total Project funds (including hard costs and soft costs) the Administrator must provide evidence of Match, including the date of provision, in accordance with the applicable percentage of funds requested.

Example 2.1: The cumulative total of Project draws requested (including hard costs and soft costs, and excluding administrative funds) for the Smith household equals 51% of the total Project budget. Documentation verifying that 51% of Administrator's Match obligation has been met must be submitted with the draw support documents. Administrator must ensure that the Match was recorded in local records when it was actually provided, regardless of when it is reported to the Department.

Match Documentation and Recordkeeping

Match obligations can only be met by providing clear documentation demonstrating compliance with federal and state rules and notices and Department procedures. Match support documents must be included with the draw request documentation that is attached to the HCS and the Match contribution amount must also be included in the Draw Workbook when a draw request is submitted. The Department may, from time to time, request additional documentation not specifically listed in this Match Guide. Complete documentation must be retained onsite by Administrator for the entire record retention period specified in the HOME Agreement.

Prohibition on Matching Contributions from Certain Sources

Match regulations at 24 CFR 92.220(b)(4) prohibit contributions from certain sources. These prohibitions will affect how Administrators plan, contribute, and document Match contributions.

Final beneficiaries (*i.e.* homeowners and homebuyers) and Administrators that have ownership in a HOME Project (*i.e.* SFD Developers) are prohibited from contributing Match. This prohibition does not apply to Administrators with no ownership in HOME Projects that donate eligible forms of Match from non-federal sources as permanent contributions. Additionally, the prohibition does not apply to Contractors (such as building Contractors and consultants) donating labor, services, or materials when the donation of Match was not a factor in their procurement.

Example 2.2: XYZ NonProfit Organization owns land being developed for HOME Projects and wants to donate several lots to eligible homebuyers. Since XYZ NonProfit Organization has ownership in the Projects, the Organization is prohibited from donating Match. However, real property donated by an outside third party in support of affordable housing could be eligible Match.

Example 2.3: Mr. Smith's home is being reconstructed under the City of Hometown's HRA Program. Mr. Smith wants a more expensive type of flooring installed in his home and offers to contribute \$500 cash toward the increased cost. The \$500 cash is not eligible Match because Mr. Smith is a final beneficiary and he has ownership in the HOME Project.

Example 2.4: ABC Construction Company was procured by City of Hometown to reconstruct housing under the HOME Program. Provision of Match was not a factor in the procurement of ABC Construction Company. ABC Construction Company voluntarily donated plumbing materials to be permanently installed in a HOME Project and did not include the cost of the materials in its invoicing to City of Hometown. The value of the plumbing materials donated by ABC Construction Company may be considered eligible Match, as long as they provide a letter to the city specifying their intent to support affordable housing through the donation of plumbing materials, and the value of the donation.

Example 2.5: City of Hometown, a HOME Program Administrator, waives its permit fees for the reconstruction of five Projects. Since the Administrator does not have ownership in the Projects, the waived permit fees may be counted as eligible Match.

Example 2.6: Big Box Lumber Company voluntarily donates lumber valued at \$2,500 to City of Hometown in support of the City's affordable housing program. As an outside third party vendor, Big Box Lumber Company can provide an eligible source of Match and the \$2,500 value of the donated lumber may be counted by City of Hometown as materials Match as long as they provide a letter to the City of Hometown specifically stating that they are providing the lumber to the HOME project as a match contribution.

Example 2.7: Professional consulting firm Lone Star Management was procured by City of Somewhere to administer its HRA Program. Provision of Match was not a factor in the procurement of Lone Star Management. Lone Star Management staff conducted periodic construction inspections on the HOME Projects without charging City of Somewhere for services rendered. The value of the un-billed inspections conducted by Lone Star Management may be counted as eligible Match in the form of professional services. Administrators must ensure they only count number of customary inspections that would occur in accordance with the construction phase of the home.

HOME Funds Not Requiring Match

Federal regulations at 24 CFR 92.218 specify the following types of HOME funds are not subject to Match requirements:

- HOME funds used for administrative and planning costs
- HOME funds used for CHDO operating, capacity building, and project-specific expenses

Additionally, the Department's HOME Rule at 10 TAC Chapter 23 specifies that Match is NOT required for HOME Agreements issued under the following Activity types:

- Persons with Disabilities set-aside (includes all Activity types)
- Disaster-Relief set-aside (includes all Activity types)

- Tenant-Based Rental Assistance (TBRA)
- Contract for Deed (CFD)
- Single Family Development (SFD)

Match Contributions for Other Programs

Contributions that have been or will be counted as satisfying a Match requirement of another federal program may not also be counted as HOME Program Match.

Understanding the Match Requirement

Match must meet a number of overall criteria to be eligible. Although federal rules allow Match from eleven (11) specific sources, the Department only accepts Match from nine (9) of those sources, and each source has specific rules, criteria, calculation methods, and documentation requirements. The Department does not accept the proceeds of local housing bonds as Match from Administrators since the Department typically generates the maximum allowed under this category. Additionally, the Department does not accept sweat equity as Match.

Overall Match Criteria

To qualify as eligible, the Department requires that Match:

- Must be a permanent contribution to a HOME-assisted unit
- Must originate from a non-federal source
- Cannot be leveraging or money loaned to the Program
- Cannot be contributed by an entity or Person with ownership in the HOME Project
- Must be recorded by the Administrator at the time it is spent or incurred and supported by verifiable documentation

The resources used to create Match can be generated before or after the obligation is created, but the Match credit will only be recognized when both the Project and the contribution are in place.

Example 2.8: The City of Big Elm installs infrastructure that is paid for using non-federal funds and will not be counted as Match toward a CDBG grant or any other federally funded activity. The infrastructure cost of \$30,000 benefits eleven homes equally, including one home being assisted under an Administrator's HRA program. The infrastructure was completed within 12 months before HOME funds were committed to the Project. Once the unit is completed and occupied, the prorated value of the Match contribution may be recognized, calculated as follows: $\$30,000/11 = \$2,727.27$

Match obligations and Match credits may not necessarily be linked to the same Project within a HOME Agreement. One Project may produce excess Match which can make up for another Project that does not produce Match.

Example 2.9: Hometown Administrator undertakes two HRA Rehabilitation Projects of \$20,000 each, thereby incurring a \$10,000 Match obligation ($\$20,000 \times 2 \times 25\% = \$10,000$). One of the Projects generates \$11,000 in donated materials, meeting the Match obligation for both Projects.

Excess Match

Excess Match is encouraged. If eligible Match exceeding the contractually required amount is generated, the Department encourages the Administrator to report the full contribution.

Eligible Forms of Match

The Department accepts the following forms of eligible Match contributed by an eligible source:

- Cash from a non-federal source
- Forbearance of fees
- Donated real property
- Cost of infrastructure directly required for HOME-assisted Projects
- Value of donated materials for site preparation and construction
- Rental value of donated use of equipment for site preparation or construction
- Value of donated labor or professional services
- Direct cost of supportive services to residents of HOME-assisted units
- Direct cost of homebuyer counseling services to households that complete purchases using HOME assistance

Ineligible Forms of Match

Match counted for other federal programs such as Medicare, Medicaid, and Head Start cannot be counted as HOME Match. HOME can be counted as Match for McKinney-Vento Act programs.

In addition, the Department does not accept the following types of contributions as eligible Match:

- Contributions made with or derived from federal resources or funds, including but not limited to CDBG funds, regardless of when the funds were received or expended
- Contributions from final beneficiaries, including homeowners and homebuyers, who have ownership in the HOME Project
- Contributions from Administrators that have ownership, including but not limited to a ground lease, in the HOME Project
- Contributions to housing units not receiving HOME assistance
- Sweat equity
- Costs eligible for reimbursement as Administrative costs only

- Contributions counted as Match toward any other federal program
- Proceeds from bond financing or the value attributable to federal tax credits (such as the Housing Tax Credit Program)
- Other forms of contributions not meeting the federal HOME requirements at 24 CFR 92.218 – 92.221 or the state requirements in 10 TAC Chapter 23

3 Reporting Match in the Housing Contract System (HCS)

Basics

Draw requests may be approved without a Match contribution if the funds requested to-date for the Project are cumulatively 50% or less of the total Project budget (including hard costs and soft costs). After 50% of the total Project budget (including hard costs and soft costs) has been requested, Match in proportion to the percentage requested to-date must be submitted with subsequent draw requests.

Administrator must keep current Match records documenting the Match source(s) and type(s), and identifying the Project(s) to which Match is contributed. Administrator must retain copies of all support documentation submitted to the Department.

Calculating the Match Report Requirement for HRA

Description	Calculation
Direct Project Costs \$85,000	Direct Project Costs for HRA include construction hard costs, demolition, aerobic septic systems, and, if applicable, refinancing = \$80,000 construction hard costs + \$5,000 demolition costs
Required Match for Project \$850	= \$85,000 Direct Project Costs x 1% (applicable required Match percentage per HOME Agreement)
Additional Project costs not included in Direct Project Costs \$12,182	Additional third party costs - \$3,182 Additional soft costs - \$9,000 Total Project costs = \$85,000 + \$12,182 = \$97,182
Draw #1 \$35,000	Draws requested to-date = 36.0% of total Project costs (includes hard construction + third party + soft costs) ($\$35,000 \div \$97,182 = 36.0\%$ (<i>less than 50%</i>)) Match required with Draw #1 = Zero
Draw #2 \$30,000	Draws requested to-date = 66.9% of total Project costs ($[\$35,000 + \$30,000] \div \$97,182 = 66.9\%$) ($\850 total Match required x 66.9% proportional = \$568.65) Match required with Draw #2= \$568.65
Draw #3 \$32,182	Draws requested to-date = 100% of total Project costs $\$35,000 + \$30,000 + \$32,182 = \$97,182$ total Project budget Match required with Draw #3 = \$281.35 ($\850 total Match required - \$568.65 previously contributed = \$281.35)

Calculating the Match Report Requirement for HBA

Description	Calculation
Direct Project Costs \$17,000	Direct Project Costs for HBA include down payment costs for acquisition of the property + closing costs = \$15,000 downpayment + \$2,000 closing costs
Required Match for Project \$850	= \$17,000 Direct Project Costs x 5% (applicable required Match percentage per HOME Agreement)
Additional Project costs not included in Direct Project Costs \$1,500	Additional soft costs - \$1,500 Total Project costs = \$17,000 + \$1,500 = \$18,500
Draw #1 \$17,000	Draws requested to-date = 91.9% of total Project costs (includes acquisition + closing + soft costs) (\$17,000 ÷ \$18,500 = 91.9% (<i>greater than 50%</i>)) (\$850 total Match required 91.9% proportional = \$781.15) Match required with Draw #1 = \$781.15
Draw #2 \$1,500	Draws requested to-date = 100% of total Project costs \$17,000 + \$1,500 = \$18,500 total Project budget Match required with Draw #2 = \$68.85 (\$850 total Match required - \$781.15 previously contributed = \$168.85)

Entering Match Contributions in the Housing Contract System (HCS)

Match contributions must be reported in the HCS with draw requests.

Enter *Dates Services Rendered*, applicable *Grant/Loan Amount*, and the draw amounts being requested for each applicable line-item:

DRAW REQUEST

Activity #		Draw #	
Vendor Name		Tax ID	
Vendor # - Mail Code		Date Submitted	
Dates Services Rendered from	08/01/2015	To	08/31/2015
Final Draw?	<input type="checkbox"/>	Voucher #	
Supporting Documents Received and Approved?	no		
CFDA	14.239		
Status	Pending		
Risk Assessment Score			
Grant Amount	18,500.00	Loan Amount	0.00
Attachments			

DRAWS FOR PROJECT

Item #	Category	Budgeted Amount	Drawn To Date	Available Balance	This Draw Amount
	Hard Cost	\$80,000.00	\$57,451.50	\$22,548.50	
1	Miscellaneous	\$80,000.00	\$57,451.50	\$22,548.50	17,000.00
	Soft Cost	\$8,586.00	\$5,275.00	\$3,311.00	
1	Miscellaneous	\$8,586.00	\$5,275.00	\$3,311.00	1,500.00
Total		\$88,586.00	\$62,726.50	\$25,859.50	\$18,500.00

Enter the contributed *Match Amount*, *Name of Match Source* (i.e. the Match provider), *Detailed Match Description*, and *Date Match Recognized*.


MATCH INFORMATION

Match Type	Admin	Amount	Name of Match Source	Detailed Match Description	Date Match Recognized	Total
Direct Cost of Homebuyer Training	\$0.00	0.00				\$0.00
Direct Cost of Self-Sufficiency Program	\$0.00	0.00				\$0.00
Donated Labor, Materials, and Site	\$0.00	0.00				\$0.00
Donated Land or Other Real Property	\$0.00	0.00				\$0.00
Donated Non-Professional Labor	\$0.00	0.00				\$0.00
Donated Professional Labor	\$0.00	0.00				\$0.00
Non-Federal Cash Contribution	\$0.00	0.00				\$0.00
Non-Federally Funded Infrastructure	\$0.00	0.00				\$0.00
Rental Value of Donated Site Prep Equip	\$0.00	0.00				\$0.00
Waived Taxes, Fees and Charges	\$0.00	781.15	City of Memphis	Waived permit fees and charges	08/01/2015	\$781.15
Total	\$0.00	\$781.15				\$781.15

Include the required Match support documents with the draw support documents and attach them to the HCS.

Electronic Document Attachments

ATTACHMENTS

Type	Description	Path	
**Miscellaneous document(s)	Match documentation verifying waived fees	//201605181335-Match-support-documentation.pdf	View  

Entering Match Contributions in the HRA Workbook

Match contributions must also be included in the Draw Workbook submitted with the draw request support documents.

Record of Match Provided								
Column A Date Match Provided	Column B Cost Category	Column C Validation Type	Column D Payee	Column E Invoice Number	Column F Invoice Date	Column G Budget Remaining	Column H Match Amount Provided	
08/01/15	Match contributed	Fee schedule	City of Memphis	Schedule	08/01/15	\$ 850.00	\$ 781.15	
						TOTALS:	\$ 781.15	

4 Cash Contributions

Basics

Cash from a non-federal public or private source permanently contributed to a HOME-assisted Project may be counted as Match (refer to 24 CFR 92.220(a)(1)).

- Costs for goods or services contributed to a HOME-assisted Project that are paid for by the expenditure of cash originating from the Administrator's general revenue fund or other non-federal source may be considered cash Match.

Services that are contributed to a HOME-assisted Project (professional services, supportive services, homebuyer counseling services, etc.) but which do not involve an expenditure of cash are not considered cash Match. Note: this type of contribution may be eligible under the donated labor or donated professional services Match category.

- Security deposits paid by a non-federal source on behalf of an eligible TBRA beneficiary may be counted as cash Match, as long as any deposit refund is made to the tenant and not the Administrator.

Determining the cash contribution value:

- The full face value of a cash contribution can be counted as cash Match if:
 - It is from an eligible source
 - It is from non-federal funds
 - The contribution is permanent. Permanent contributions must be non-repayable, or if repayable, all repayment, interest, or other return on investment must be made to the Department's HOME Program.

Sources of Cash Match

In all cases, proper documentation is required to confirm eligibility. Cash Match must originate from a source other than the Project owner, Developer, building Contractor engaged in a HOME activity, or consultant.

Eligible Activity	Eligible Sources Under this Category	Ineligible Sources Under this Category
<p>Single Family HOME Activities eligible for cash Match:</p> <ul style="list-style-type: none"> ○ HRA ○ HBA/HBAR ○ TBRA ○ SFD - CHDO ○ CFD 	<ul style="list-style-type: none"> ○ Local general revenues ○ Local Housing Trust Fund programs ○ Donations from non-federal third parties ○ Security deposits paid from a non-federal source on behalf of an eligible TBRA beneficiary, provided the deposit is refunded to the tenant and not the Administrator 	<ul style="list-style-type: none"> ○ All CDBG funds ○ Other federal grant funds ○ Funds received through the Department’s Housing Trust Fund program ○ Bond funds raised through Low-Income Tax Credits ○ The interest rate subsidy attributable to federal tax-exempt financing ○ Cash contributions from a HOME Project owner, sponsor, or Developer ○ Owner equity or cash investments in a Project ○ Expenditures for program administration ○ Professional, supportive, and homebuyer counseling services which do not involve an expenditure by the Administrator are not cash match (but may be eligible as donated labor/services)

Timing and Documentation of Cash Match

When Cash Match May be Counted

Donated cash may be counted as Match at the time funds are expended on a HOME-assisted Project, or when loans applicable to a HOME-assisted Project are closed, or when the Project to which cash has been properly donated is setup, whichever is later.

Documentation of Cash Match

Applications for HOME Program Funds

The completed HOME Program Application must include:

- Completed Match Table document (which is included as a tab section within the HOME Program Application)
- Cash Match from private sources: Documentation must include a letter of commitment from the donor specifying an eligible end use and stating the eligible source of non-federal funds. Letters of commitment must indicate the amount, terms and conditions for transfer, and specify the funds are being provided in support of affordable housing
- Cash Match from public sources: Documentation must include a copy of the resolution or applicable ordinance authorizing and allocating funds from a non-federal source and identifying source, amount, and distribution. Match funds may be in the form of cash allocation for a specific purpose

Draw Requests

Documentation of proportionate Match contributions must be submitted with online requests for draws and must include the following:

- Cash Match from private sources: A copy of the letter of commitment from the donor specifying an eligible end use, stating the eligible source of non-federal funds, and indicating the amount, terms, and conditions for transfer, specifying funds were provided in support of affordable HOME-assisted housing, and a copy of documentation verifying the contribution has been made to specified HOME-assisted unit(s)
- Cash Match from public sources: A copy of the resolution or applicable ordinance authorizing and allocating local funds from an eligible non-federal source and identifying source, amount, and distribution, and documentation verifying the contribution has been made to specified HOME-assisted unit(s)
- Deferred forgivable loan Match (from an eligible source other than the Department): A copy of the note with deferred forgivable loan language verifying the contribution has been made to specified HOME-assisted unit(s)
- Cash Match donated at loan closing: A copy of the loan closing documents (*i.e.* final Settlement Disclosure Form(s), etc.) identifying the eligible non-federal source, amount, and distribution of cash Match provided and verifying the contribution has been made to specified HOME-assisted unit(s)

Retained by Administrator

The Administrator must retain copies of all documents submitted to the Department. Accounting records must clearly demonstrate the eligible source of funds used for cash Match and verify that cash Match expenditures are properly applied to eligible HOME-assisted units.

5 Forbearance of Fees, Taxes, and Charges

Basics

The value of foregone fees, taxes, and charges that are normally imposed by a state or local government which are waived, reduced, foregone, or deferred in order to achieve affordability of HOME-assisted Projects may be counted as Match (refer to 24 CFR 92.220(a)(2)).

Eligible Forms of Waived/Reduced/Forgone/Deferred Fees, Taxes, and Charges

Waived or reduced state and local fees, taxes, and charges may be counted as Match:

- Local tax abatements will only be considered if they are executed in accordance with a Texas statute.
- Value of foregone real estate taxes must be based on the post-improvement value of the property. Post-improvement value takes into consideration all improvements including infrastructure, building structure, and any other land improvements.
- The value of fees, taxes, and charges foregone for future years is the present discounted cash value of the amount forgiven, based on the Treasury security rate with a maturity closest to the number of years for which taxes, charges, or fees are foregone.

Example #5.1: City of Hometown decides to forego real estate taxes of \$2,000 annually for 10 years credited at the start of each year. The Treasury security rate for 10-year notes is 4.5%.

<i>Payment:</i>	<i>\$2,000 annually</i>
<i>Interest Rate:</i>	<i>4.5%</i>
<i>Term:</i>	<i>10 years</i>
<i>Net Present Value:</i>	<i>\$15,825</i>

In general, for situations where the waived amount is constant over multiple years, calculators should be set to compute based on one payment per year. For calculations on individual years, where the annual taxes waived might change, the discounting of each year is based on the period of time that will elapse until the tax payment is waived.

Other waived or reduced fees or charges normally associated with the transfer or development of real estate, such as title searches, title insurance premiums, and utility hook-ups or surcharges may also be eligible forms of Match.

- Documentation must show evidence of the typical fee charged and indicate that the waiver/reduction is in support of affordable housing.

Ineligible Forms

Waived security deposits are not considered Match under this category. Security deposits paid from non-federal sources for eligible clients may be eligible under the cash Match category.

Waived or reduced professional fees and charges are not considered Match under this category. These waived or reduced fees and charges may be eligible under the donated labor and professional services Match categories.

Waived fees or charges that are only associated with or assessed on the HOME Program (rather than normally being imposed on all transactions) are not eligible forms of Match. Fees cannot be created for the HOME Program and then waived or reduced in an effort to create Match.

Fees, taxes, and charges that are waived without the appropriate ordinances or resolutions passed in accordance with Texas statute are not eligible forms of Match.

Sources of Waived/Reduced/Foregone/Deferred Fees, Taxes, Charges

In all cases, proper documentation verifying eligibility is required. Match for waived, reduced, foregone, or deferred fees, taxes, and charges must originate from a source other than the Project owner or the Administrator.

Eligible Activity	Eligible Sources Under this Category	Ineligible Sources Under this Category
Single Family HOME Activities eligible for Match from waived, reduced, foregone, or deferred fees, taxes, and charges: <ul style="list-style-type: none"> ○ HRA ○ HBA/HBAR ○ SFD - CHDO ○ CFD 	<ul style="list-style-type: none"> ○ Properly documented waived, reduced, foregone, or deferred fees, taxes, and charges, associated with HOME-assisted units 	<ul style="list-style-type: none"> ○ Fees, taxes, and charges associated with a non-HOME-assisted unit ○ Fees waived by a HOME Project owner, Developer, consultant, or building Contractor, other than a State Recipient ○ Waived security deposits Waived labor and professional services

Timing and Documentation of Forbearance of Fees Match

When Forbearance of Fees, Taxes, and Charges Match May be Counted

Waived, reduced, foregone, or deferred fees, taxes, and charges may be counted as Match when Administrator has documented that both of the following events have occurred:

- The Administrator and Project owner have been notified that fees, taxes, and charges have been waived, reduced, foregone, or deferred; and
- The relevant transaction has taken place.

Documentation of Forbearance of Fees, Taxes, and Charges Match

Applications for HOME Program Funds

The completed HOME Program Application must include:

- Completed Match Table document (which is included as a tab section within the HOME Program Application)
- Copy of fee/rate schedule from the city, county, or state (as applicable) stating the dollar amount normally charged for each fee or service
- Copy of a resolution or ordinance passed by the city or county stating its intention to waive/reduce/forego/defer a specified projected amount in support of affordable HOME-assisted housing. Terms of the waiver/reduction/forbearance/deferment must be specified, and must be legal under local, state, and federal regulations
- Copy of formal notice to homeowner(s) verifying waiver/reduction/forbearance/deferment of fees, taxes, or charges

Draw Requests

Documentation of proportionate Match contributions must be submitted with online requests for draws and must include the following:

- Documentation from the provider or local government verifying the actual contribution has been made to a specified HOME-assisted unit, including a fee/rate schedule showing the applicable contribution amount
- Copy of the formal notice to applicable homeowner(s) verifying the type and amount of fees, taxes, or charges that have been waived/reduced/foregone/deferred
- For tax abatements, a worksheet from the local government showing the Match computation and documentation certifying the tax abatement is in compliance with Texas statute
- Loan closing documents for a HOME-assisted unit (i.e. HUD-1, Settlement Disclosure Form, etc.) demonstrating the source, amount, and distribution of waived/reduced/foregone/deferred fees, taxes or charges contributed as Match

Retained by Administrator

Administrator must retain copies of all documents submitted to the Department.

Questions about Forbearance of Fees, Taxes, and Charges Match

Q: Does waiving a security deposit or unit application fee in the TBRA Program or in a rental project constitute Match under the Forbearance of Fees category?

A: No. However, payment of a security deposit by a non-federal source could be counted as cash Match.

Q: Is it allowable under Texas law for a local community to waive taxes for a particular property solely on the basis of it being a HOME-assisted Project?

A: No. Taxes cannot be waived solely on the basis that a unit is a HOME-assisted Project. Texas Government Code includes certain provisions for waiving local property taxes. The Department does not provide guidance in this area.

Q: Does our 501(c)(3) sales tax exemption count as Match?

A: No.

6 Real Property

Basics

Land or real property permanently contributed to a HOME-assisted Project may be a source of Match (refer to 24 CFR 92.220(a)(3)). The donation may be made by the Administrator, non-federal public entities, private entities, or individuals, except for applicants or recipients of HOME assistance or HOME contracts, or investors who own, are working on, or are proposing to apply for assistance for a HOME-assisted Project.

- Property may be donated to the HOME-assisted Project
- Property may be sold to the HOME-assisted Project at below its market value
- Note: Property must originate from a source other than the Project owner, Developer, consultant, or building Contractor

Real Property Acquired with Non-federal Resources

If real property acquired with non-federal resources is donated to a HOME-assisted Project, the Match credit is equal to the appraised value, minus any debt burden, liens, or other encumbrances.

- The appraisal must be performed by an independent, licensed appraiser in conformance with generally recognized methods, practices, and procedures.

Real Property Acquired with Federal Funds

Federal funds include, but are not limited to, CDBG, urban renewal, and Neighborhood Stabilization Program (NSP).

Real property acquired with federal funds and donated for a HOME-assisted unit can provide Match credit if:

- The real property was acquired specifically for HOME-assisted housing or for a HOME-eligible Project; and
- The real property was acquired at demonstrably below the appraised value; and
- The seller acknowledges the sale at below market value as a donation to affordable housing.

If the real property was originally acquired by the owner of the HOME-assisted Project using federal funds, the Match credit is the difference between the appraised value at the time of acquisition with the federal funds and the acquisition cost.

If the real property was originally acquired below appraised value with federal funds by an entity that sold the property to the owner of the HOME-assisted Project, the Match credit is the difference between the sales price paid by the entity using the federal funds and the appraised value at the time of acquisition by the entity.

Sources of Donated Real Property Match by Activity

In all cases, proper documentation is required for eligibility. Match must originate from a source other than the Project owner, Developer, consultant, or building Contractor.

Activity	Eligible Sources Under this Category	Ineligible Sources Under this Category
<ul style="list-style-type: none"> ○ HBA ○ SFD – CHDO ○ HRA 	<ul style="list-style-type: none"> ○ Property sold at a reduced price or donated ○ A party other than Administrator, owner, Developer, building Contractor, or consultant donates all or part of the property value 	<ul style="list-style-type: none"> ○ Project owner, Developer, building Contractor, or consultant sells property to homebuyer ○ One household member occupant sells property to another household member and stays in property
<ul style="list-style-type: none"> ○ TBRA ○ CFD 	<ul style="list-style-type: none"> ○ None 	<ul style="list-style-type: none"> ○ This Match category is not applicable to TBRA or CFD

Timing and Documentation of Donated Real Property Match

When Donated Real Property Match May be Counted

Donated land or other real property may be counted as Match at the time title is transferred to an eligible HOME-assisted Project.

Documentation of Donated Real Property Match

Applications for HOME Program Funds

The completed HOME Program Application must include:

- Completed Match Table document (which is included as a tab section within the HOME Program Application)
- A reliable estimate of the value of the proposed real estate donation, including an appraisal of the real property performed by an independent, licensed appraiser (if available at the time of application for funding)
- A letter of commitment and from the donor stating the best available valuation and specifying the donation is being provided in support of affordable HOME-assisted housing. Actual valuation can only be established by an independent appraisal at the time of transfer. Note: Developers may not contribute land from their inventory as Match.

Draw Requests

Documentation of proportionate Match contributions must be submitted with online requests for draws and must include the following:

- Appraisal of the real property performed by an independent, licensed appraiser
- A letter from the real property owner/seller noting the property value and the amount the property is being sold for, and stating that the difference is the value of the contribution being made in support of affordable housing
- Worksheet showing the Match computation
- Closing or transfer documents (*i.e.* HUD-1, Settlement Disclosure Form, etc.) evidencing the transfer of title

Retained by Administrator

Administrator must retain copies of all documents submitted to the Department.

Examples of Donated Real Property Match

Example 6.1: A local government acquires a property from a private owner for \$55,000 using CDBG funds – the property is to be used for HOME-assisted housing. The appraised value at the time of the acquisition is \$75,000. The private owner acknowledges in writing at the time of the sale that she is making a donation to affordable housing. The Match credit is \$20,000 (\$75,000 - \$55,000).

Example 6.2: A tract of land has an appraised value of \$100,000. ABC Administrator purchases the property for \$75,000 using local funds of \$30,000 and CDBG funds of \$45,000, and donates the land to a CHDO. The seller acknowledges in writing at the time of the sale that the \$25,000 discount on the purchase price (the difference between the appraised value and the acquisition price) is a donation to affordable housing. The \$30,000 local funds used to purchase the property produces additional Match credit. The total Match credit is \$55,000 (\$25,000 discounted price + \$30,000 local funds).

Example 6.3: Smalltown Administrator reconstructs a home under the HRA Activity, which results in an \$85,000 loan to the Smith household. The appraised value of the completed reconstructed property is \$100,000. It is not acceptable in this situation for any Match to be claimed for donated real estate. The owner of the Project may not contribute Match to his/her own HOME-assisted unit.

Example 6.4: Greentown Community Development Corporation (CDC), a certified CHDO developing single family units, owns several previously acquired lots. They apply for HOME funds to build homes on these lots and want to claim the value of the lots as Match. As a Developer applying for HOME funds, Greentown CDC may not claim this form of Match.

Example 6.5: Ms. Brown, a third party who does not own a HOME Project and is not applying for HOME assistance, donates real property to City of Greentown specifically to develop affordable housing that will meet the requirements of the HOME Program. This may be counted as Match at the time title to the property is transferred to a HOME-assisted household. Documentation must include a letter from Ms. Brown stating the donation is in support of affordable housing, an appraisal prepared by an independent licensed appraiser, and documentation of the cost to the Project of any sale price or encumbrances.

7 Infrastructure

Basics

Investments in on-site and off-site infrastructure may be counted as Match. To receive Match credit, infrastructure must:

- Be directly related to HOME-assisted Projects. Unlike infrastructure included on a Project as a HOME-eligible cost, Match infrastructure need not be on the actual Project lot or site.
- Must *directly facilitate the occupancy* of HOME-assisted units. Examples include, but are not limited to:
 - Streets
 - Sidewalks
 - Gutters
 - Street lights
 - Utility lines and connections

Since infrastructure improvements may serve both HOME-assisted and non-HOME-assisted housing, the investment must be prorated accordingly.

Infrastructure Match Requirements

Parks, bridges, or highways are not HOME-eligible types of infrastructure improvements.

The infrastructure improvement must be completed no earlier than 12 months before HOME funds are committed to the Project. It is not necessary for the infrastructure improvement to have been identified as serving a HOME-assisted Project when the infrastructure was installed.

The infrastructure improvement must be paid for with non-federal resources.

The improvements must be donated – they cannot be added to the cost of the housing.

Sources of Infrastructure Match by Activity

In all cases, proper documentation is required for eligibility. Match must originate from a source other than the Project owner, Developer, consultant, or building Contractor.

Activity	Eligible Sources Under this Category	Ineligible Sources Under this Category
<ul style="list-style-type: none"> ○ HRA ○ HBA ○ SFD – CHDO ○ CFD 	<ul style="list-style-type: none"> ○ Installation of infrastructure improvements directly tied to HOME-assisted units 	<ul style="list-style-type: none"> ○ Any non-HOME-assisted unit ○ Any infrastructure improvements paid for with federal funds
<ul style="list-style-type: none"> ○ TBRA 	<ul style="list-style-type: none"> ○ None 	<ul style="list-style-type: none"> ○ This Match category is not applicable to TBRA

Timing and Documentation of Infrastructure Match

When Infrastructure Match May be Counted

Investments in on-site and off-site infrastructure may be counted as Match at the time the infrastructure is completed or when the eligible HOME-assisted project is setup, whichever is later.

Documentation of Infrastructure Match

Applications for HOME Program Funds

The completed HOME Program Application must include:

- Completed Match Table document (which is included as a tab section within the HOME Program Application)
- A resolution from the local community or letter of commitment from the donor specifying the type of improvement(s) the method of cost allocation to HOME Projects being served, and verification that payment for the improvements is from non-federal sources. Infrastructure improvements must directly facilitate the occupancy of HOME units. Infrastructure improvements must be completed within 12 months prior to the commitment of HOME assistance or during the HOME assistance. The Match contribution will be prorated to include HOME-assisted units only
- If the infrastructure has been completed, documentation confirming the date of completion and verification the improvements were paid for using non-federal funds
- Worksheet showing the Match computation and proration, as applicable

Draw Requests

Documentation of proportionate Match contributions must be submitted with online requests for draws and must include the following:

- Documentation of infrastructure completion, date of completion, and payment from non-federal funds
- Worksheet showing the Match computation and proration, as applicable

Retained by Administrator

- Administrator must retain copies of all documents submitted to the Department.

Examples of Infrastructure Match

Example 7.1: \$50,000 in local non-federal funds is spent on street lights serving ten homes on a block. Two of the homes on the block ($2 / 10 = 20\%$) are HOME-assisted. The value of the infrastructure Match associated with HOME is \$10,000 ($\$50,000 \times 20\%$) because the value of the Match must be prorated to reflect the percentage of units that are HOME-assisted.

Example 7.2: \$100,000 in non-federal funds is spent on sidewalks, curbs, and gutters serving 20 homes on a block. Nine of the homes on the block ($9 / 20 = 45\%$) are HOME-assisted. The value of the infrastructure Match is \$45,000 ($\$100,000 \times 45\%$) because 45% of the units are HOME-assisted.

8 Materials

Basics

The value of donated materials for site preparation and construction of HOME-assisted housing may be counted as Match.

- Materials must have been purchased by the contributor with non-federal funds
- Materials must be a permanent contribution to the Project
- Administrator must provide documentation of the procedures used to determine the value of the donated materials

Sources of Materials Match by Activity

In all cases, proper documentation is required for eligibility. Match must originate from a source other than the Project owner, Developer, consultant, or building Contractor.

Activity	Eligible Sources Under this Category	Ineligible Sources Under this Category
<ul style="list-style-type: none">○ HRA○ HBA○ SFD – CHDO○ CFD	<ul style="list-style-type: none">○ Any party excluding the HOME Project owner or Developer	<ul style="list-style-type: none">○ The HOME Project owner or, Developer
<ul style="list-style-type: none">○ TBRA	<ul style="list-style-type: none">○ None	<ul style="list-style-type: none">○ This Match category is not applicable to TBRA

Timing and Documentation of Materials Match

When Materials Match May be Counted

Donated materials may be counted as Match at the time they are used for or contributed to the HOME-assisted Project.

Documentation of Materials Match

Applications for HOME Program Funds

The completed HOME Program Application must include:

- Completed Match Table document (which is included as a tab section within the HOME Program Application)

A letter of commitment from the donor stating the item and dollar value of the donated materials and specifying the donation is being provided in support of affordable HOME-assisted housing. *Note: Materials must be truly donated, not just discounted for volume.*

Draw Requests

Documentation of proportionate Match contributions must be submitted with online requests for draws and must include the following:

- Letters from providers itemizing the actual materials donated, specifying the value of the donation, and including a statement that the donation is made in support of affordable housing

Retained by Administrator

Administrator must retain copies of all documents submitted to the Department.

Examples of Materials Match

Example 8.1: The local building supply store which is not a vendor for the HOME Project donates construction materials valued at \$1,000 for the purpose of supporting affordable HOME-assisted housing in the community. The materials are used in 2 HOME-assisted units. The value of the donated materials is determined by using a price comparison process used in normal procurement. The \$1,000 value of the donated materials may be counted as Match.

9 Equipment

Basics

The reasonable value of the use of site preparation and construction equipment donated to HOME-assisted housing may be counted as Match.

- The full value of the contribution may be counted based upon the equipment rental rate multiplied by the number of hours/days for which the equipment was donated.
- Documentation of the Match must include a letter from the equipment owner stating the rental rate and the number of hours/days donated.

Sources of Equipment Match by Activity

In all cases, proper documentation is required for eligibility. Match must originate from a source other than the Project owner, Developer, consultant, or building Contractor.

Activity	Eligible Sources Under this Category	Ineligible Sources Under this Category
<ul style="list-style-type: none"> ○ HRA ○ HBA ○ SFD – CHDO ○ CFD 	<ul style="list-style-type: none"> ○ Any party excluding the HOME Project owner or Developer 	<ul style="list-style-type: none"> ○ The HOME Project owner or Developer
<ul style="list-style-type: none"> ○ TBRA 	<ul style="list-style-type: none"> ○ None 	<ul style="list-style-type: none"> ○ This Match category is not applicable to TBRA

Timing and Documentation of Equipment Match

When Equipment Match May be Counted

Donated equipment may be counted as Match at the time the equipment is used for or contributed to the HOME-assisted Project.

Documentation of Equipment Match

Application for HOME Program Funds

The completed HOME Program Application must include:

- Completed Match Table document (which is included as a tab section within the HOME Program Application)
- A local resolution or letter of commitment from the donor specifying the cost method used to determine the donation value (e.g. rental rate multiplied by the number of hours/days for use of donated equipment) and including the cost breakdown of fees normally charged for equipment rental or use and specifying funds are being provided in support of affordable HOME-assisted housing

Draw Requests

Documentation of proportionate Match contributions must be submitted with online requests for draws and must include the following:

- Letters from providers specifying the value of the donation and documenting the type of equipment, number of hours used, usual rental rates charged, and including a statement that the donation is made in support of affordable housing

Retained by Administrator

Administrator must retain copies of all documents submitted to the Department.

Questions about Equipment Match

Q: City of Smallville is administering an HRA award and will be donating demolition services to the Program paid for with non-federal dollars, but their dump truck must be replaced first. Can the cost of a used dump truck be counted as Match? If not, can any portion of the costs be counted as Match?

A: No. The *full* cost of the dump truck, which will presumably be used for numerous purposes, may not be counted as Match. However, if City of Smallville demonstrates an appropriate hourly rate for rental of a dump truck, demonstrates that the dump truck was not paid for with federal funds, documents the hours of use for HOME-assisted Projects, and shows that the demolition was paid for with non-federal funds, then that amount may be counted as Match.

10 Labor and Professional Services

Basics

The value of donated labor and professional services provided for a HOME-assisted Project may be counted as Match. However, donated labor or professional services contributed by building Contractors or consultants who are under contract or seeking a contract with a HOME-funded Administrator are not eligible Match (this does not prohibit Contractors who do not own or work on any HOME Project from contributing labor or professional services).

- Unskilled labor: hourly rate (currently \$10 per hour) is established by HUD and made available annually
- Skilled labor and professional services (such as professional services donated by an attorney or accountant): must be valued at the rate normally charged by the entity providing the skilled labor/service

Sources of Labor and Professional Services Match by Activity

In all cases, proper documentation is required for eligibility. Match must originate from a source other than the Project owner, Developer, consultant, or building Contractor.

Activity	Eligible Sources Under this Category	Ineligible Sources Under this Category
<ul style="list-style-type: none"> ○ HRA ○ HBA ○ SFD – CHDO ○ CFD 	<ul style="list-style-type: none"> ○ Skilled and unskilled labor, properly valued 	<ul style="list-style-type: none"> ○ The HOME Project owner or Developer
<ul style="list-style-type: none"> ○ TBRA 	<ul style="list-style-type: none"> ○ None 	<ul style="list-style-type: none"> ○ This Match category is not applicable to TBRA

Timing and Documentation of Labor and Professional Services Match

When Match May be Counted

Donations of labor and professional services may be counted as Match at the time the services are used for or contributed to the HOME-assisted Project.

Documentation of Labor and Professional Services Match

Applications for HOME Funds

The completed HOME Program Application must include:

- Completed Match Table document (which is included as a tab section within the HOME Program Application)
- Letters of commitment from providers who are donating skilled labor or professional services describing specific services provided and specifying the normal hourly rate charged for the services. Letters of commitment must reflect eligible activities and may not include administrative work
- Supportive services or counseling are not eligible Match if the funding source is federal

Draw Requests

Documentation of proportionate Match contributions must be submitted with online requests for draws and must include the following:

- Signed and dated timesheet (for labor), letter (for professional services), or payroll documents from providers of donated labor or professional services identifying the person performing the labor/services, type of labor/services provided, hours worked, applicable pay rate or billing rate, computation of the total donation, and including a statement confirming the donation is made in support of affordable housing.

Retained by Administrator

Administrator must retain copies of all documents submitted to the Department.

Questions about Labor and Professional Services Match

Donated Labor Costs of Administrator

Q: City of Bigville is applying to administer an HRA Program and proposes to contribute \$20,000 Match in the form of labor provided by the City's staff for demolition, site preparation, and building inspections. Is the proposed Match eligible?

A: Yes. However, the donation is only considered to be Match as long as the labor is not administrative in nature. The labor must be directly related to specific HOME-assisted Projects and the City must provide adequate documentation demonstrating the appropriate basis for costs claimed as Match.

Donated Professional Services by a Building Contractor

Q: A building Contractor has been procured through an acceptable procurement process and is under contract to reconstruct HOME-assisted units. He donates services for certain construction activities

associated with the HOME-assisted units. These services are documented on timesheets. Is this eligible as Match?

A: Yes. A building Contractor can contribute donated services, labor, and/or materials to HOME Projects as long as those contributions are voluntary and were not a factor in their procurement.

Administration costs incurred by HOME Program Administrator

Q: Are personnel costs for the administration of a TBRA program that are paid from non-federal sources eligible as donated professional services Match?

A: No. Program administration costs are not eligible Match (refer to 24 CFR 92.207 for administrative expenses). Donated professional services must be contributed to a specific HOME-assisted Project.

11 Direct Costs of Supportive Services

Basics

The direct costs of supportive services provided to residents of HOME-assisted Projects or to households receiving TBRA assistance may be counted as Match if the services are:

- Paid with non-federal funds; *and*
- Provided during the HOME-assisted Project's period of affordability or term of the TBRA contract; *and either*
 - Necessary to facilitate independent living; *or*
 - Required as part of a self-sufficiency program provided to residents or TBRA recipients

Examples of supportive services include:

- Case management
- Mental health services
- Assistance with the tasks of daily living
- Substance abuse treatment and counseling
- Day care
- Job training and counseling

Direct costs that may be counted as Match are limited to salary costs and the cost of materials directly related to the provision of the supportive services. Overhead costs (such as rent and utilities) are not considered direct costs.

Sources of Direct Costs of Supportive Services Match by Activity

In all cases, proper documentation is required for eligibility. Match must originate from a source other than the Project owner, Developer, consultant, or building Contractor.

Activity	Eligible Sources Under this Category	Ineligible Sources Under this Category
<ul style="list-style-type: none"> ○ TBRA 	<ul style="list-style-type: none"> ○ Supportive services paid for from non-federal funds which are necessary to facilitate independent living provided during the term of the TBRA contract 	<ul style="list-style-type: none"> ○ Supportive services paid for with funds from federal sources ○ Food, unless provided in the form of prepared meals, as part of supportive services ○ Program administration fees to provide supportive services ○ Services provided to a household in a non-HOME-assisted unit
<ul style="list-style-type: none"> ○ HRA ○ HBA ○ SFD – CHDO ○ CFD 	<ul style="list-style-type: none"> ○ None 	<ul style="list-style-type: none"> ○ This Match category is not applicable to HRA, HBA, SFD-CHDO, or CFD

Timing and Documentation of Direct Costs of Supportive Services Match

When Direct Costs of Supportive Services Match May be Counted

Direct costs of supportive services may be counted as Match at the time the supportive services are provided to the HOME-assisted household.

Documentation of Direct Costs of Supportive Services Match

Applications for HOME Funds

The completed HOME Program Application must include:

- Completed Match Table document (which is included as a tab section within the HOME Program Application)
- Description detailing the proposed services, staffing costs, and allocation method to be used in determining direct costs applicable to HOME-assisted units

Draw Requests

Documentation of proportionate Match contributions must be submitted with online requests for draws and must include the following:

- Signed and dated timesheets and/or payroll documentation for Administrator's staff must include the provider's name, description of the supportive services provided, hours worked, hourly rate of pay, computation of the direct costs, and verification services were provided to HOME-assisted individuals
- Documentation verifying the source of funds used to pay for the supportive services provided by Administrator's staff is non-federal

Retained by Administrator

Administrator must retain copies of all documents submitted to the Department.

Questions about Direct Costs of Supportive Services Match

Medicare/Medicaid Match Eligibility

Q: Can HOME-eligible services that are paid for using Medicare or Medicaid funds be considered Match for a TBRA Program?

A: Medicare and Medicaid funds are not eligible HOME Match regardless of how they are used or who uses them. These funds are a combination of federal funds and state funds that are provided as Match for the Medicaid program. The HOME Program does not allow funds that are used as Match for other federal programs to also be counted as Match for HOME. In the event that similar supportive services are carried out using funds that are clearly not federal money or required matching funds for some other program, then the direct cost of those services, properly documented, could be counted as Match. Typically, eligible funds would come from the local jurisdiction or organizations, not from state sources.

In addition to 24 CFR 92 limitations, the applicable part of Office of Management and Budget (OMB) 2 CFR 200.306 states that Match cannot be paid by the federal government under another award, except where specifically authorized by federal statute to be used for cost sharing or Match.

Match credit can be earned by utilizing non-federal funds for supportive services to tenants receiving TBRA assistance. The Match must be direct costs.

Documentation of Labor Costs for Supportive Services

Q: How must labor costs be documented for supportive services Match?

A: Labor costs must be documented with proper accounting records such as timesheets and/or payroll records showing the time recorded by the employee as spent on specific Match-eligible activities for HOME-assisted units. It is not sufficient to record time to the “HOME Program” or even to “Self-Sufficiency Program” – the documentation must include a description of the supportive services provided and the name of the TBRA-assisted household, in addition to the other items noted in this section. Administrative costs of operating the TBRA Program are not an eligible form of Match.

TBRA Administrator is also the Property Owner

Q: The TBRA Administrator earns revenue as the owner of HOME-funded rental property and uses surplus cash flow to provide Match-eligible supportive services. Does this count as Match?

A: No. The owner, who indirectly benefits financially from the TBRA Program, cannot provide Match. The provision of TBRA assistance by a HOME-funded rental property owner is a potential conflict of interest.

12 Homebuyer Counseling

Basics

Administrators may count the direct cost of providing homebuyer counseling to households that complete a home purchase using HOME assistance as Match.

- Counseling may include pre-purchase and/or ongoing counseling during the period of affordability
- The counseling may be provided as part of a program that is not HOME Program specific (for example, homebuyer counseling may be provided by a lender-run or nonprofit organization). However, only the costs of services to households that complete purchases using HOME funds may count as Match.

Direct costs that may be counted as Match are limited to salary costs and the cost of materials directly related to the provision of homebuyer counseling services. Overhead costs (such as rent and utilities) are not considered direct costs.

Sources of Homebuyer Counseling Match by Activity

In all cases, proper documentation is required for eligibility. Match must originate from a source other than the Project owner, Developer, consultant, or building Contractor.

Activity	Eligible Sources Under this Category	Ineligible Sources Under this Category
<ul style="list-style-type: none"> ○ HBA 	<ul style="list-style-type: none"> ○ Homebuyer counseling provided to households that complete home purchases using HOME funds 	<ul style="list-style-type: none"> ○ Counseling provided after the period of affordability ○ Counseling paid for using federal funds ○ Program administration fees to provide counseling
<ul style="list-style-type: none"> ○ HRA ○ SFD – CHDO ○ CFD ○ TBRA 	<ul style="list-style-type: none"> ○ None 	<ul style="list-style-type: none"> ○ This Match category is not applicable to HRA, SFD-CHDO, CFD, or TBRA

Timing and Documentation of Homebuyer Counseling Match

When Homebuyer Counseling Match May be Counted

Homebuyer counseling services may be counted as Match at the time the counseling services are provided to a HOME-assisted household.

Documentation of Homebuyer Counseling Match

Applications for HOME Funds

The completed HOME Program Application must include:

- Completed Match Table document (which is included as a tab section within the HOME Program Application)
- Description of the proposed homebuyer counseling services, costs, source of funds, and cost allocation method to be used

Draw Requests

Documentation of proportionate Match contributions must be submitted with online requests for draws and must include the following:

- Documentation of direct costs incurred for providing homebuyer counseling (do not include overhead costs) identifying the counseling provider, stating the rate normally charged per person, and showing computation/allocation of costs to the HOME-assisted homebuyer
- Certificate of completion of homebuyer counseling from the counseling provider identifying the HOME-assisted homebuyer and the date of completion

Retained by Administrator

Administrator must retain copies of all documents submitted to the Department for a time period as specified in the HOME Agreement and in accordance with federal and state record retention requirements, which is generally five years after project completion.