

# **New York State HOME Program**

## **Disbursement and Reporting Instructions for**

### **Community Housing Development Organizations (CHDO)**

**Revised, December, 2011**

The following instructions are intended for use by community housing development organizations (CHDO) that have received awards of funds from the Housing Trust Fund Corporation (HTFC) to develop one-four unit home ownership projects or small (maximum of 10 units) rental projects using New York State HOME Program funds. CHDOs must follow these instructions to submit projects for preliminary approval, to request payment of funds and to meet program reporting requirements.

These instructions are only for use by CHDOs developing projects. Subrecipients and state recipients administering local rehabilitation, home ownership, and rental assistance programs with New York State HOME Program funds should refer to Disbursement and Reporting Instructions for State Recipients and Subrecipients ([Disbursement and Reporting Instructions](#)) for guidance on those types of projects. If unsure, contact your Office of Community Renewal (OCR) Regional Office Representative. This form can be found on our website at <http://nysdhcr.gov/Forms/HOMELPA/>.

The purpose of this document is to provide guidance to CHDOs on project activity reporting and securing payment of project funds. Proper reporting will ensure that the OCR can quickly and effectively approve proposed projects to ensure that all State and Federal program requirements are met. OCR is responsible for ensuring that the amount of HOME funds invested in each project is no more than is necessary to provide affordable housing, that the project is consistent with the activities described in the HOME Program agreement between the CHDO and HTFC and that funds are available for the project once all requirements have been met. The CHDO is responsible for compliance with all HOME and HTFC requirements, adhering to the process described the Program agreement and providing all required project information to OCR in a timely manner.

CHDOs that develop housing can access project funds only after all construction or rehabilitation is complete and ownership of the housing is transferred to an eligible low-income household or owner/developer. **Funds will only be disbursed for projects after a Project Setup/Completion Report has been approved by OCR.**

#### **1. Project Set-up / Initial Commitment**

Before a commitment of HOME funds can be made for a project (activity), the CHDO must submit a CHDO Project Setup/Completion Report to OCR (form ERS-06, rev. 10 Oct. 2008). This report is used by OCR to establish a project account and reserve funding for each CHDO home ownership project, and to ensure that the proposed project will be affordable to targeted buyers at the proposed investment level.

The Setup/Completion report is a Microsoft Excel spreadsheet. The form must be filled out using Excel, or similar spreadsheet software, and the CHDO must electronically submit the Setup/Completion Report to OCR, by email, to [HomeProgram@nyshcr.gov](mailto:HomeProgram@nyshcr.gov) with a copy to the appropriate OCR regional representative. Please note that other versions of the Setup/Completion report will not be accepted. The report provides project and beneficiary information required by the HUD Integrated Disbursement Information system (IDIS) and is used by OCR to assess the viability of the proposed project. For assistance in completing the report electronically, contact OCR. Copies of these forms can be accessed on the internet at <http://nysdhcr.gov/Forms/HOMELPA/>.

At setup, complete sections A-F of the Setup/Completion Report. For most items requiring entry, instructions will appear when you scroll over the cell. Use the drop-down menus, where provided, to enter your answers. The Setup/Completion Report includes the following sections:

- **Section A: General Information:** This section requests general information about the CHDO. In the “Name of Participant” box, enter the name of the CHDO. The IDIS Activity ID cell should be left blank on initial submission. The activity number will be assigned by HUD when OCR establishes the project account. Enter the OCR-assigned SHARS ID number for the contract where indicated. Enter the date the form was submitted to OCR in the blank cell next to the SHARS ID.
- **Section B: Project Commitment Information:** This section requests information specific to the project, building (activity) being assisted. Each section must be completed. If unsure about entering section/block/lot information, contact your HCR regional office representative.
- **Section C: Builder/Developer Information:** This section requests information about the builder or developer. Usually, this is the same as the CHDO.
- **Section D: Construction Budget:** This section requests information on the costs of building the project. Include all costs that will be required to acquire, design, and construct the project. Follow the specific instructions that appear when scrolling over each cell. Where requested, provide details to explain an entry in a specific line.
- **Section E: Sources of Construction Financing:** This section requests information on the sources of financing that will be used to construct the project. The total of all sources must equal the total development cost (TDC) entered in line D5. Any variance between TDC and the sum of construction sources will be displayed on the spreadsheet. Enter requested information in each column for each funding source listed, using the drop-down menu choices. Do not provide permanent financing information in this section – that information will be required in Section H, after the project is complete.

- **Section F: Affordability Analysis:** This section requests information to show that the proposed project will be affordable to the target population identified in the agreement between the CHDO and OCR. The development subsidy (line F2) is usually the difference between cost to build the project and the appraised value of the project upon completion. This subsidy may come from HOME funds, from other sources, or from some combination of HOME and other public subsidies. The subsidy to the buyer (line F4) is the difference between the appraised value (or sales price, if lower) and the maximum amount that the buyer can afford without subsidies. The subsidy provided to the buyer (line F4) may come from HOME funds, from other sources, or from some combination of HOME and other public subsidies. If the project or building includes rental units, all information requested in this section must be based on the total of costs associated with the building, not just on the home buyer's unit. Also note that all information is requested on an annualized basis, rather than a monthly basis.

When you submit the form to OCR, **save a copy of the completed spreadsheet on your computer or on reliable storage media.** You will be required to use the file again, with additional sections filled in, at project completion.

The Setup/Completion report must be electronically mailed to the OCR HOME Program office in Albany as soon as the CHDO has signed agreements with the seller and construction lenders, and is ready to begin work on the project. **Do not wait until you are ready to request payment to submit the Setup/Completion report.** OCR will review the feasibility of the proposed project based on the information included in the Setup/Completion Report and will notify the CHDO of the system-assigned activity number, or of any deficiencies with the submission, within ten business days. If there are problems with the proposed project or with the information provided on the form, the CHDO will be given 15 days to resolve the outstanding issues. Because the notifications are provided by email, the CHDO must provide a valid email address when submitting the Setup/Completion report.

## **2. Project Funding Amendments**

If the amount of funds committed to a project increases, or the project is cancelled, the amount of HOME funds set-aside for the project in IDIS must be adjusted. If the amount of funds committed to the project has increased, a revised Setup/Completion report must be submitted. The CHDO must verify that sufficient uncommitted funds are available (under contract with OCR) for increases, and must submit an amended project Setup/Completion Report to OCR for processing, with Sections A-F revised accordingly. Do not submit an amendment to decrease funds allocated to a project. To cancel a project, provide written notification that the project is being cancelled, stating the reasons for the cancellation, with a copy to the regional office. Projects may not be cancelled after funds have been disbursed to the CHDO for the project, except as described in Section 5, below.

### **3. Requests for Payment**

A CHDO may access funds by submitting payment requests to OCR. OCR draws funds from the federal treasury and pays CHDOs upon receipt of federal funds. Funds may only be requested after all requirements listed in Section 4 of this document have been met. Advances of funds are not permitted. Funds will be transferred directly into the LPA's designated account through an Automated Clearing House procedure. The Designation of Depository must be submitted to the HTFC, with original signatures as soon as you have signed your contract. These forms are available on the HCR website at: [http://nysdhcr.gov/Forms/ocdhm\\_directdeposit.pdf](http://nysdhcr.gov/Forms/ocdhm_directdeposit.pdf).

Each of the forms discussed in this section can be accessed from the HOME Program page of the HCR web site, which is <http://nysdhcr.gov/Forms/HOMELPA/>. Payment requests are made using form HOME-01, Local Recipient Disbursement Request. Payment for several projects may be requested on one disbursement request form, provided that a detail sheet (form HOME-02) is submitted for each individual project, and an activity number has been provided to the CHDO for each project. All disbursement requests must include documentation for each expense billed to the HOME Program.

Be sure to include your SHARS ID number on all forms to facilitate processing. Copies of all disbursement requests must also be submitted to the appropriate regional office. Disbursements should be numbered consecutively beginning with the SHARS ID number (i.e. 20110000-01, 2011000-02). If you have any questions regarding this process, please contact your regional representative.

**CHDOs must send original signed copies of each disbursement request to the following addresses to avoid delaying receipt of funds:**

#### **Capital District Regional Office**

New York State HOME Program  
Office of Community Renewal  
Hampton Plaza, 9<sup>th</sup> Floor  
38-40 State Street  
Albany, New York 12207

#### **Buffalo Regional Office**

New York State HOME Program  
Office of Community Renewal  
Electric Tower  
535 Washington Street  
Buffalo, New York 14203

#### **New York City Regional Office**

New York State HOME Program  
Office of Community Renewal  
25 Beaver Street  
New York, NY 10004

#### **Syracuse Regional Office**

New York State HOME Program  
Office of Community Renewal  
620 Erie Blvd. West, Suite 312  
Syracuse, New York 13204

# Housing Trust Fund Corporation

## CHDO Disbursement Instructions

Complete all sections of the form except those marked “OCR use only.” Enter the full name of the CHDO, where indicated. This form is used to indicate the total amount of funds that will be drawn against the authorized contract amount. The amounts are detailed by activity on the accompanying detail sheets. The Disbursement Request form must be signed by an authorized representative of the recipient. An “Authorized Signatory Form For Request For Funds” must be completed prior to the start of all contracts and at any time an employee is added as a signatory. This form can be found on our website at:

<http://nysdhcr.gov/Forms/HOMELPA/>.

#### 4. Purchase Assistance Detail Sheets

A Purchase Assistance Detail Sheet (form HOME-02) must accompany each payment request for each project (activity) for which payment is requested. The detail sheet provides additional information specific to the project for which payment is requested. The IDIS activity number and the SHARS ID for the contract from which funds are being requested must be entered at the top of each detail sheet. A final setup/completion report (Form ERS-06) report must also accompany the request for payment. See section 6, below.

To request funds for several projects (activities) on the same form HOME-01 Local Recipient Disbursement Request, provide:

- A separate detail sheet for each project for which funds are being requested; and
- a copy of a closing statement for each project that shows all funds that were provided as part of the permanent loan closing. Payment requests submitted with incomplete detail sheets or without a closing statement will be returned.

CHDOs must certify that all final payment requirements have been met before drawing funds. Funds may only be requested when project completion requirements have been met. Advances of funds are not permitted.

By submitting a payment request and detail sheet, the CHDO certifies to OCR that the following requirements have been met:

- a. Participant income has been examined, and the participant determined eligible;
- b. All work on the unit is complete, and the unit complies with all applicable building codes, (including HUD Housing Quality Standards and OCR rehabilitation standards), there are no health or safety hazards present, and the unit has been determined to be free of lead paint hazards;
- c. An appraisal has been performed by a certified appraiser, and the value of the unit does not exceed the HOME Program mortgage limit;

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- d. The CHDO has recorded an executed note and mortgage, on a form approved by OCR, against the property that provides for repayment of HOME funds in accordance with program regulations if ownership is transferred;
- e. The home buyer has obtained property insurance equal to the replacement value of the unit;
- f. An escrow account has been established for receipt of monthly insurance and tax payments by the home buyer (may be held by the permanent lender);
- g. The CHDO has provided the home buyer with a one-year warranty that the unit will be free from material or workmanship defects;
- h. A certificate of occupancy has been obtained, if required by local building officials; and,
- i. All other financing required to complete the project and enable the buyer to purchase the unit at an affordable price has been provided for the project.

### **Line by line instructions for completing detail sheets (Form HOME-02):**

**SHARS ID #:** Enter the SHARS ID number assigned to the recipient's contract.

**Client name:** Enter the full name of the client that is receiving the HOME funds.

**Activity #:** Enter the IDIS activity number that was provided by OCR.

**Total HOME funds:** Enter the amount of HOME funds **committed** to this project (from the Setup/Completion Report).

**Total paid to date:** Enter the total amount of HOME funds previously drawn for this project, if any.

**Amount of this draw:** Enter the amount requested for this project at this time.

**Percent complete:** Indicate the percentage of the project that has been completed. Generally projects will be 100% complete when payment is requested. Explain any discrepancy on a separate sheet.

**Project address:** Enter the full address of the project site.

**Name of primary lender:** Enter the name of the institution holding the primary mortgage loan.

**Amount of primary loan:** Enter the amount of the primary mortgage loan the buyer obtained.

**Interest rate of primary loan:** Enter the interest rate of the primary loan.

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**Term of primary loan:** Enter the term (in years and months) of the primary loan.

**Other financing:** List any subsidies provided to the buyer (including closing cost assistance) for this project. Do not include NYS HOME Program funds on this line.

**Appraisal date:** Enter the date the property was appraised.

**Appraised value:** Enter the appraised value of the property.

**Property insurance company:** Enter the name of the company that provides property insurance.

**Financial institution holding escrow account:** Enter the name of the financial institution where the buyer's tax and insurance escrow account is held.

**Environmental hazards:** Enter the date this property was determined free of environmental hazards and in compliance with all related statutory and regulatory rules.

**Final Property Standard Inspection clearance:** Enter the date that an inspection determined that this unit met Housing Quality Standards or equivalent local property standard.

**Date of lead hazard clearance:** Enter the date that this unit was determined to be lead safe.

Include a copy of the permanent loan closing statement for each project when submitting the disbursement request.

## 5. Project Completion

When the project is complete and payment is being requested, the Setup/Completion Report must be resubmitted. Any information previously reported in Sections A-C must be updated, and all data for the following information must be provided:

- **Section G: Homebuyer Activity Information:** This section requests data on the project that is required for entry in IDIS. Some entries in this section are automatically generated from information entered in Section A. All other fields must be completed, using the drop down menus where provided. Only answer the question on appraised value that corresponds to your type of project (rehabilitation or new construction). Do not answer both questions.

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- **Section H: Final Project Costs:** This section requests data on project funding that is required for entry in IDIS. Any HOME funds provided as a development subsidy (see section F, above) must be entered in line 1a (Subsidy Costs – Grant). Any buyer subsidies that were provided to assist the buyer with the purchase price must be entered on line 1b (Subsidy Costs – Deferred payment loan). The total amount of HOME funds reported on line H1 must equal the total invested in the project. All other funds used to provide permanent financing for the project must be entered in the appropriate lines.
- **Section I: Household Characteristics:** Provide all requested information. If the project includes a rental unit and the unit is not occupied at completion, the form must be resubmitted as soon as the unit is occupied by an eligible low-income household. If the form is not resubmitted with all required information within 60 days, setup authority may be revoked.

The Setup/Completion Report must reflect final project costs, and must be accompanied by a **digital photograph of the exterior (front façade) of the completed unit**. If the project includes vacant rental units, or other required information that cannot be provided at closing, the final Setup/Completion Report must be re-submitted to OCR within 60 days of final payment. Copies must be emailed to [HOMEProgram@nysdhcr.gov](mailto:HOMEProgram@nysdhcr.gov) and to the appropriate regional office. OCR enters completion data into the IDIS system following verification that all funds have been expended. Failure to submit completion reports within 60 days of final payment is a violation of HUD rules, and will result in suspension of authority to submit additional project setups.

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### **7. Record Keeping, Reporting, and Monitoring**

All CHDOs are responsible for maintaining complete project files, including participant applications, eligibility documentation, and contracts, contractor invoices, inspection reports, work specifications, loan commitments, lead paint hazard documentation, and other documentation related to payments made with HOME funds. These files will be examined by OCR/HCR representatives during annual on-site monitoring visits, and are subject to examination at any time by representatives of OCR, HCR and/or the NYS Office of the State Comptroller.

The Setup/Completion report, disbursement request, and detail sheets constitute the primary reporting requirements for the New York State HOME Program. Each form submitted to OCR should be filled out completely, and checked to ensure that no errors are present. Occasionally CHDOs may be required to submit additional information. An annual report will also be required each January, in a format provided by OCR.

Please be sure to use current versions of all forms. For copies of any form, contact your HCR regional office. Copies may also be available from the HCR web site at [www.nyhcr.org](http://www.nyhcr.org). As a reminder, the HCR regional office should always be copied on any form or correspondence submitted to the OCR HOME Program office. If you have questions on this process, please contact your HCR regional office representative.