



HOME PROGRAM BUDGET AND NARRATIVE

APPLICANT:	DATE:	ORIGINAL:
NAME OF PROJECT:	PROGRAM YEAR:	REVISION:

	HOME AMOUNT REQUEST	OTHER FUNDS		TOTAL APPROVED
		Committed	Secured	
1. Acquisition				
2. Development Costs				
a. Rehabilitation				
b. New Construction				
3. Relocation				
4. Related Soft Costs				
a. Project Delivery				
b. Architectural Services				
c. Engineering Services				
d. Other (Developer Fee)				
5. CHDO Operating Expense				
6. _____				
7. _____				
8. _____				
9. Administration (Limited to 6%)				
a. Admin. / Planning				
b. Audit				
10. TOTAL				

ADMINISTRATION SUMMARY

6% of HOME Grant

Total HOME Request \$ _____

Administration \$ _____

Percent %

Resources included as a source of funding in the application may not be substituted or adjusted unless approved by DCED. If additional funds are applied for at any point in the development process, DCED must be notified and a revised budget submitted.

HOME Program Budget and Narrative Instructions

Use this guide to adequately describe the costs, where appropriate, noted on the HOME Program Budget. The budget must also include a written narrative detailing the budget items.

1. Category Explanations

Line 1: Acquisition

Acquisition costs are limited to purchase price and costs that are not listed as related soft costs in Line 4a or 4b. Acquisition assistance to homebuyers should be identified here.

Line 2: Development Costs

Include demolition of existing structures, project site improvements and utility connection costs in the estimate of expenses for the following categories.

- a. **Rehabilitation:** The actual cost of rehabilitating the dwelling unit. Completed units must meet the DCED Housing Rehabilitation Standards. Eligible expenses include refinancing of existing debt on single-family owner-occupied dwellings when HOME funds are loaned and the overall housing costs of the owner are reduced, energy related improvements, improvements that permit use by disabled persons, radon mitigation, and the abatement of lead based paint.
- b. **New Construction:** Costs of constructing units to the HOME Property Standards as specified on Page 12 and 13 of the HOME Program Guidelines.

Line 3: Relocation

These costs include relocation payments and other relocation assistance for permanently and temporarily relocating individuals, families, businesses, nonprofit organizations, and farm operations where assistance is required and appropriate. Relocation payments include: replacement housing payments, payments for moving expenses and payments for reasonable out-of-pocket expenses for temporary relocation purposes. Other relocation assistance includes: staff and overhead expenses related to providing advisory and other relocation services to persons that are displaced. Applicant should review the requirements the Uniform Relocation Act at 49 CFR Part 24.

Line 4: Related Soft Costs

Related reasonable and necessary costs associated with financing the development of assisted housing. These costs are borne by the owner, grantee or subrecipient.

- a. **Project Delivery:** Staff and overhead costs directly related to carrying out the project. Services assisting potential owners, tenants, and homebuyers may be charged to HOME only if the project is funded and the individual becomes the owner or tenant of the HOME assisted project.
- b. **Architectural Fees**
- c. **Engineering Fees**
- d. **Other:** Cost of financing and closing a project (including lenders fees, credit reports, legal fees, appraisal fees, builders and developer's fees), affirmative marketing and fair housing information costs, initial operating deficits for substantial rehabilitation and new construction, and impact fees.

Line 5: CHDO Operating Expenses

May not exceed 50% of a Community Housing Development Organization's (CHDO) total operating expenses for the prior fiscal year or \$50,000.00, whichever is more. (Note: DCED has capped CHDO operating assistance at \$100,000.00.) The 50% or \$50,000 per fiscal year limitation applies to CHDO operating expenses as well as administrative funds received for its capacity as a subrecipient, the budget should show the non-HOME amount and the budget narrative should provide the source, use and timing of the non-HOME funds. The CHDO's fiscal year operating budget is required. CHDOs, if not already under contract to do so, must be working on a DCED or PHFA CHDO set-aside project.

Line 6-8: Other Fees

Line 9: Administration

- a. **Administration and Planning:** Administration costs can be no more than 6% of the total HOME request and are limited to reasonable and necessary expenses incurred in carrying out HOME eligible program activities. (For a list of what reasonable administrative and planning costs include, see 24 CFR 92.207.)
- b. **Audit:** Audit costs include HOME portion of the annual single audit of the local government applying for the assistance. If the grantee intends to subcontract the administration of the project to another governmental agency, the audit costs would then cover the second governmental agency.
- c. Until December 26, 2014, the Single Audit Act of 1996 should be considered when planning and budgeting for any single audit. After December 26, 2014, the Uniform Administrative Requirements, Cost Principles and Audit Requirements for Federal Awards or Final Rule at 2 CFR Part 200 should be taken in consideration to determine if an audit is required.

Line 10: Total**2. Program Income**

If program income is to be realized or has accumulated, a description of the source, actual or projected amount, and the identification of the HOME activities it will fund must be provided on a separate page and be attached to the HOME Program Budget.

3. Budget Modifications/Revisions

Budget Modification and Revision Templates with Instructions may be found on the DCED website at dced.pa.gov at the Federal Resource Library.