

## Memorandum

To: Affordable Housing Coalition Members

From: Willa Darley Chapin, Federal Housing Programs Manager, VHCB

Date: November 13, 2007

Re: HOME Funds for Septic Repair/Replacement

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In light of the State's new rules regarding septic permitting, the legislature asked VHCB to set aside \$200,000 in FFY2007 HOME funds to help with septic repair/replacement costs. To be eligible for these funds properties must 1) have a failed on-site septic system and 2) already be perpetually affordable as secured by a covenant (i.e. already received funding through VHCB).

HOME Program rules also apply, including:

- 1) The entire project must be brought up to applicable housing code, if not already, at the time of the HOME investment.
- 2) Rent and Income limits - for rental housing, household incomes below 60% AMI (and 20% under 50% AMI if more than 5 HOME units); for owner-occupied housing, household income below 80% AMI.
- 3) Projects with previous HOME awards are not eligible to receive additional HOME funds until the expiration of the HOME affordability period.

In July 2007 the Board approved the following:

### **BOARD RESOLUTION - SEPTIC REPAIR & REPLACEMENT FUNDS\***

In order to assist eligible properties identified with failed septic systems, VHCB sets aside \$200,000 in HOME funds to be used for permanently affordable multifamily rental properties and mobile home parks as follows:

- For septic repair/replacement projects costing less than **\$15,000** per unit/lot, staff may review and approve applications and commit HOME funds.
- For projects costing between **over \$15,000** per unit, staff will review applications and may commit funds with Board Chair approval.
- For projects **where** HOME funds would be used for purposes beyond septic repair/replacement, staff will review applications and present recommendations to the full board for approval.

\*This does not include funding for perpetually affordable single family homes. VHCB anticipates awarding HOME septic funds for single family homes through the regional revolving loan funds which are currently setting up a system for distributing available CDBG and ANR septic funds.

Please feel free to contact me with questions at 828-5061 or [willa@vhcb.org](mailto:willa@vhcb.org)