**APPENDIX E**

 MATCH CONTRIBUTION INFORMATION

HOME Match

By establishing the HOME Program, Congress intended to establish a partnership between the federal government, states, units of local government and nonprofit organizations to expand the supply of affordable housing for low-income families. According to 24 CFR Part 92.218, IFA must accumulate contributions to qualified housing in an amount equal to 25% of appropriated HOME funds drawn down for housing projects. These contributions are referred to as “match”. HOME applicants are encouraged to have match, and points are awarded for eligible match, but a match contribution is not required.

IFA does, however, reserve the right to make award decisions (i.e. provide points for match) such that the state maintains the required level of match to HOME funds.

To be considered an eligible match, a contribution must be made from nonfederal sources and must be made to housing that is assisted with HOME funds or to housing that is not HOME assisted but meets the HOME affordability requirements 24 CFR Part 92.219.

Matching contributions may be in the form of one or more of the following:

* Cash contributions from nonfederal sources and permanently contributed to the HOME project. This contribution cannot be made by the owner/developer. Nonfederal cash match contributions to HOME assisted or HOME eligible projects may be expended for activities that are eligible project costs, as well as for costs that are not eligible HOME costs.
* Below-market interest rate loan from private lending institution.
* The value of state or local taxes, fees, or other charges that are normally imposed but are waived, forgone, or deferred.
* The value of donated land or other real property, before the HOME assistance is provided and minus any debt burden, lien, or other encumbrance.
* The cost of on-site and off-site infrastructure directly required for affordable housing assisted with HOME funds, not paid with federal resources. (The cost of infrastructure related to affordable housing that is NOT HOME assisted is not an eligible form of match).
* Proceeds from multifamily and single family affordable housing project bond financing validly issued by a State or local government, or an agency, instrumentality, or political subdivision of a State and repayable with revenues from the affordable housing project.
* Donated site preparation and construction materials not acquired with federal resources and any donated or voluntary labor in connection with the site-preparation.