

Affordability Period Requirements for the Homebuying HERO Program

*September 2, 2025
City Council Work Session*



- HUD updated 24 CFR Part 92.254 (HOME Program)
- Affordability periods (5, 10, 15 years) remain unchanged
- Dollar thresholds that trigger each period increased
- HERO Program modeled on HOME rules, regardless of funding source



- Previous Rule
 - Less than \$15,000 → 5 years
 - \$15,000 – \$40,000 → 10 years
 - More than \$40,000 → 15 years
- Updated Rule
 - Less than \$25,000 → 5 years
 - \$25,000 – \$50,000 → 10 years
 - More than \$50,000 → 15 years



- Some homebuyers now face shorter affordability periods
- Greater flexibility in today's higher-cost market
- Reduces long-term monitoring burden on staff
- May slightly reduce future recapture income *(if they move before the period is complete)*



- Align HERO Program with updated federal thresholds
- Maintain full compliance with HOME regulations
- Support homebuyers with shorter affordability periods
- Improve program efficiency and responsiveness
- **Receive the updated information and provide consensus to adjust the Homebuying HERO Program affordability periods.**

Questions?



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