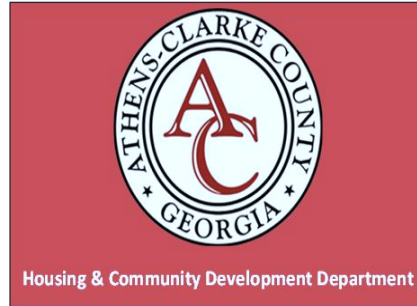




**Housing and Community
Development Department**

**HOME Investment
Partnership
Application
Instructions**



HOME Investment Partnership Application Instructions

The Athens-Clarke County Housing and Community Development Department (HCD) seeks applications from eligible non-profit organizations and select for-profit organizations to undertake affordable housing development projects that will provide decent, affordable housing for low-income residents.

HOME funds may be used for acquisition and/or rehabilitation of affordable rental housing and homes for homebuyers. HOME funds may also be used for new construction of affordable rental housing and homes for homebuyers. For existing owner-occupied housing, HOME funds may be used to assist with the repair, rehabilitation or reconstruction of existing owner-occupied units and other project costs of merit that meet the requirements established under 24 CFR Part 92 (HOME Investment Partnership Program) and the Athens-Clarke County Consolidated Plan.

The HOME program is designed to promote partnerships among the US Department of Housing and Urban Development (HUD) and various federal entities, state and local governments, and those in the non-profit and for-profit sectors who build, own, manage, finance, and support low-income housing initiatives. HOME provides the flexibility needed to fund a wide range of low-income housing initiatives through creative and unique housing partnerships. The HOME Program was created under Title II of the Cranston-Gonzales National Affordable Housing Act of 1990.

All projects must be located within the geographic boundaries of Athens-Clarke County, Georgia. If you have any questions regarding this application, or the HOME Program in general, please contact the Affordable Housing Division at (706) 613-3155, email the HCD Director, Deborah Lonon, at deborah.lonon@athensclarkecounty.com or email the HCD Coordinator, Marqueta Swain, at marqueta.swain@athensclarkecounty.com.

Application Timeline

Applications are accepted on an annual funding cycle, with a clearly defined application period and application due date. Applications are currently accepted year-round on a first come, funds availability basis. Available funds will be announced publicly through newspaper postings, radio ads, and website posting. Awards are based on fund availability and will be granted to the applicant or applicants that receive the highest score based on published scoring criteria found on the Housing and Community Development Department's website.

Application Submission Format

All applications **MUST** be submitted in the following manner:

- ❖ Applicants must submit one (1) original bound copy *with* application tabs, and one (1) unbound copy *without* application tabs in a package labeled **HOME Program Application**.
- ❖ An optional digital copy may be submitted
- ❖ Applications must be submitted via certified mail or by hand delivery. Applicants who hand deliver applications must obtain a receipt from HCD staff.
- ❖ **Submit to:**
Athens-Clarke County

Housing and Community Development Department
375 Satula Avenue
Athens, GA 30601

- ❖ Applications will not be accepted via electronic mail (email) or telefax.
- ❖ The application must contain complete information, including all applicable required attachments from the checklist.
- ❖ **Incomplete applications (applications that fail to include all required project scope checklist items) will be rejected.**
- ❖ Applications that do not meet the threshold criteria, or do not meet federal or state compliance requirements, will be automatically disqualified.
- ❖ Applications must be on single-sided 8.5 x 11 paper

Eligible Applicants

1. Nonprofit 501(c)(3) status for at least one (1) full year, **or**
2. Two (2) full years of operating experience under another non-profit entity which meets all criteria, **or**
3. For-profit entity proposing to use funds for an eligible activity, **and**
4. Entity demonstrates successful experience in undertaking comparable programs or projects.

Preference will be given to applicants who can demonstrate, and have demonstrated, the capacity to successfully manage and complete HOME assisted housing developments.

Gap Financing

HOME funds are to be used as a **gap** financing subsidy that is necessary to help make a project or development cost effective for the intended low-to-moderate income beneficiary. HOME funds may not be used to replace other available city, state or federal funds.

Threshold Requirements

- ❖ Applicants proposing a project must provide sufficient non-HOME funding to ensure the project is financially viable and sustainable. Proof of a permanent executed commitment of funds can be provided by other federal and/or private funds. This must be submitted with the proposal.
- ❖ Any organization, participating developer, general partner, or managing member that submits an application which demonstrates the following outstanding noncompliance issues will be automatically disqualified:
 - Unaddressed non-compliance violations with HUD
 - Not in good standing with other HCD administered programs or with other County Departments
 - Barred from participation in other federal programs (CDBG, CoC, ESG, etc.)
- ❖ HOME applicants must have a designated Program Administrator on staff that will be responsible for the development coordination from implementation through successful project completion.
- ❖ HCD will not accept applications proposing a development that will be subdivided into two or more developments or multiple phases of the same development during the same funding cycle.
- ❖ All HOME-funded activities must comply with the Environmental Review process. Environmental Review requirements must be satisfied before HOME funds are committed and expended.
- ❖ Applicants must provide a Relocation/Displacement Plan (if applicable). No HOME funds may be used for relocation assistance.

- ❖ Development costs must be HOME-eligible, reasonable and necessary.
- ❖ All applications must detail the developer's experience and financial capacity to undertake the project.
- ❖ All HOME-funded programs must follow affirmative marketing procedures.
- ❖ All applicants must submit a well-documented pro forma supporting the financing and ongoing maintenance of the project. As applicable, the following information should be included:
 - all sources of secured financing and a description of the financing
 - documentation of all projected expenses
 - total project budget (including required 25% HOME funds match)
 - eligible costs
 - HOME-assisted units
 - sources and uses funds statement
 - projected sales price limits for homeownership programs (new or existing)

Eligible Homeownership Housing Activities

- ❖ Applicants applying for HOME funds that have related entities, principles, and/or individuals will not receive HOME funds in excess of one (1) homeownership award in the Department's HOME fund allocation cycle.
- ❖ Applicants must provide a detailed market analysis for the area of work and provide approval letters for potential homebuyers.
- ❖ As applicable, the following information should be included:
 - Identified eligible homebuyers
 - Ratified sales contract with nine months of construction completion for homebuyer unit
 - Proof that homebuyers received housing counseling before receiving HOME assistance or purchasing a HOME-assisted unit

Eligible Rental Housing Activities

- ❖ The HOME maximum per-unit subsidy limits apply to rental units.
- ❖ The project must be evaluated in accordance with its subsidy layering and underwriting guidelines.
- ❖ Regarding projects with a mix of HOME-assisted and non-assisted units, HOME costs must be allocated using the HOME cost allocation methods.
- ❖ The project's administrator must determine whether the units are "fixed" or "floating" prior to the subsidy layering and underwriting analysis and cost allocation.
- ❖ Applicants must assess the current market demand in the neighborhood where the project will be located to determine that the proposed housing is marketable.
- ❖ Site and neighborhood standards (new construction of Rental housing only)
- ❖ As applicable, the following information should be included:
 - Development proposed costs
 - Number of HOME-assisted units
 - HOME program rents
 - Tenant selection procedures
 - HOME-assisted rental units must be occupied by income-eligible households within 18 months of project completion

Additional Information

1. Revisions to the HOME applications will be posted on the Housing and Community Development Department's web site. It is the applicant's responsibility to monitor for any revisions made to these documents.

2. The Housing and Community Development Department reserves the right to:
 - ❖ Award applicants less than their funding request
 - ❖ Reject any and all proposals received
 - ❖ Waive or modify minor irregularities in proposals upon notification to the applicant
 - ❖ Adjust or correct any arithmetical errors in the proposal
 - ❖ Receive clarification from the applicant to ensure understanding of the project scope
 - ❖ Adopt or utilize all or any part of the proposal unless covered by legal copyright, patent, or property rights
 - ❖ Negotiate with the applicant to serve the best interest of the community
 - ❖ Upon submission to HCD, all proposals shall become property of HCD for use as deemed appropriate
3. HOME Program operates under specific time constraints. Applicants must respond quickly to HCD's requests for supplemental/additional information.
4. HOME awards are subject to contract terms.
5. HOME recipients must submit monthly performance reports through project completion.
6. All financial commitments must be submitted with the proposal.
7. Any changes after the notice of award must be approved by HCD.
8. Any architectural, engineering and other professional services costs that are incurred before HCD has made a commitment of HOME funds may be eligible for reimbursement if the application is approved. Such costs must be approved by HCD Director and may be considered part of the approved budget. Otherwise, all costs associated with the HOME application are the sole responsibility of the applicant, including consultant fees or other services utilized to complete any component of the application.

Review Process

The Housing and Community Development Department staff will review each complete application.

- ❖ Applications that do not meet the threshold criteria or federal and state compliance requirements will be automatically disqualified.
A formal letter from HCD will be sent to Applicant explaining the reason/s for ineligibility.
- ❖ Applications deemed financially feasible, consistent with the Department's approved Consolidated Plan, and meeting all HOME policies and procedures will be recommended to the HCD Director for funding based on scoring and available funding.
- ❖ HCD staff will render a decision and inform Applicants within approximately 90 days of application submission.
- ❖ All projects recommended for HOME funding by HCD staff and Director will be submitted to the Athens-Clarke County Mayor and Commissioners for final funding approval.
- ❖ HCD staff will utilize the HOME Project Rating Tool to determine qualified applications. Applications must earn a minimum score of 75 to be considered. Applications may earn up to 100 total points for the following categories:
Project Narrative Description= 10 potential points
Project Need= 15 potential points
Organizational Capacity= 25 potential points
Financial Feasibility= 20 potential points
Project Budget= 15 potential points
Program/Project Management= 15 potential points

DEFINITIONS

Adjusted Income is annual (gross) income reduced by deductions for dependents, elderly households, medical expenses, handicap assistance expenses and childcare (these are the same adjustment factors used by the Section 8 Program). Adjusted income is used in HOME to compute the low HOME rent in rental projects in which rents are based on 30% of a family's adjusted gross income.

Annual Income means the gross amount of income of all adult household members, including non-related individuals, that is anticipated in the coming twelve (12) month period.

Applicant means any eligible person or entity, public or private, nonprofit and for-profit, proposing to acquire, rehabilitate, and/or build housing utilizing HOME program funds.

Application Tabs means the tabs and form dividers provided which must be used when submitting an application.

Appraisal means an estimated value of a piece of property by a licensed real estate appraiser. The three appraisal techniques employed by an appraiser (for the project) to estimate the value of the real estate are: market data, income, and the cost approach. For appraisals of vacant land, the tool used will be the market data approach.

Audit means a complete and current financial statement that has been audited by a certified public accountant (CPA) licensed by the State of Georgia. Current means not more than twelve (12) months from the date the audit was performed.

Community Housing Development Organization (CHDOs) means a private nonprofit, community-based service organization that has obtained or intends to obtain staff with the capacity to develop affordable housing for the community it serves. CHDO must meet a series of qualifications prescribed in the HOME regulations at 24 CFR Part 92.2.

Consolidated Plan prepared in accordance with the requirements set forth in 24 CFR Part 91 which describes community needs, resources, priorities and proposed activities to be undertaken under certain HUD programs, including HOME.

Contact Person means a person with the decision making authority for the application, with whom the Department will correspond with concerning the application.

Conversion means transforming/rehabilitating an existing structure (that is not currently used for housing) into affordable housing.

Department means the Athens-Clarke County Housing and Community Development Department.

Developer means any individual, association, corporation, joint venture, or partnership which possesses the requisite skills and experience to successfully produce affordable multifamily and/or single family affordable housing.

Disabled Person means a household composed of one or more persons, at least one of who is an adult, who has a disability. A person is considered to have a disability if the person has a physical, mental, or emotional impairment that: 1. is expected to be of long-continued and indefinite duration; 2. substantially impedes his or her ability to live independently; 3. is of such a nature that such ability could be improved by more suitable housing conditions.

Draw means the disbursement of funds to a HOME Project.

Elderly means a person sixty-two (62) years of age or older.

Elderly Household means a household of one or more persons wherein at least one-half of the residents are elderly.

Eligible Person means one or more persons, determined to be of low or very low income, irrespective of race, creed, religion, national origin or sex.

Family or **Family Household** means a household composed of one or more related persons.

Financial Statements means balance sheets, income statements, and expense statements for the last quarter ending immediately preceding the application deadline. Financial statements may be internally prepared, but must include year-to-date and annual information.

General Contractor means a duly licensed entity or individual licensed by the State of Georgia who agrees, for a specific period, to furnish all materials, labor and services relation to the renovation or new construction of a building or buildings.

Household: One or more persons occupying a housing unit.

HOME or **HOME Program** means the HOME Investment Partnership Program pursuant to the HUD regulations.

HOME Assisted Unit means the specific unit(s) funded with HOME funds.

HOME Note means a unilateral agreement containing an express and absolute promise to pay to the Department a principle sum of money for the HOME Program loan. The note will be secured by a security deed.

HOME Project means any project, which receives financial assistance from the Department under the HOME Program. A project is a site or sites together with any building or building located on the site(s) that are under common ownership, management and financing and are to be assisted with HOME funds as a single undertaking under this part. The project includes all the activities associated with the site and building.

HUD means the US Department of Housing and Urban Development.

HUD Regulations means the regulation of HUD in 24 CFR Part 92 issued under the authority of Title II of the National Affordable Housing Act of 1990.

Income Certification means all households that receive HOME assistance must be income eligible as defined in 24 CFR Part 5. HOME income certifications may be dated not earlier than six (6) months prior to eligibility. Certification involves types of income that can be counted, evaluating the income and verifying the income through third parties. Two months of source documentation should be obtained for verification of income. (Also see Annual Income definition)

Income Definition means IRS Form 1040 adjusted gross income for HOME-assisted homebuyer programs or gross income less adjustment factors. For rental housing, an income definition will be determine by PJ on a project-by-project basis.

Infill Housing means the insertion of additional housing units into an already established subdivision or neighborhood. These can be provided as additional units built on the same lot, by dividing existing homes into multiple units, or by creating new residential lots by further subdivision or lot line adjustment. Units may also be built on vacant lots. Infill housing does not include creating housing in large vacant areas where housing, public facilities or businesses do not already exist.

Letter of Commitment means an executed letter or contract from the funding sources verifying that the applicant has a commitment of funds for the project. This letter must include the amount of funds, any conditions and their expiration, whether funds will be provided as loans or grants, loan to value ratios, term and interest rate of loans. This letter may not be provided until all necessary financing has been secured, a budget and a schedule for the construction or rehabilitation have been established, and the underwriting and subsidy layering requirements have been met.

Leveraged Resources means cash, waivers, land equity, confirmed loan commitments, or project specific donations that, at a minimum, are equal to ten (10%) percent of the HOME funds provided for down payment and closing costs.

Low Income means income which does not exceed 80% of the median income for that area, as determined by HUD, with adjustments for family size.

Needs Analysis means research done to review market conditions in a specific area and a study of the economic forces of supply and demand and their impact on real estate returns, risks, and values.

Marketing Plan means a document that consists of actions to provide information and attract eligible persons from all racial, ethnic and gender groups in the housing area to the available housing.

Match is contribution to the HOME Program -- the local, non-Federal contribution to the partnership. The match contribution must equal not less than 25 percent of the HOME funds drawn down for projects in that fiscal year.

New Construction is the creation of new dwelling units. Any project which includes the creation of new or additional dwelling units in an existing structure is considered new construction.

Nonprofit means a corporation exempt from income tax under section 501(c)(3) or 501(c)(4) of the Internal Revenue Code of 1986, as amended, and registered with the Georgia Secretary of State.

Participant means any applicant that has been awarded HOME Program funds.

Pre-Qualified Homebuyers means an individual or family who has completed a housing counseling course and whose income the applicant has certified according to the federal guidelines for income qualifications and has received preliminary approval from a lending institution for the primary mortgage.

Principle means any applicant, owner, developer, guarantor, financial guarantor, or any other person, corporation, partnership, joint venture, or other entity, including any affiliate thereof, or any other person, firm, corporation, or entity of any kind whatsoever that is involved directly or indirectly with a project that receives a HOME award.

Project Completion means all necessary title transfer requirements and construction work has been performed; the final draw down has been disbursed for the project, and the project completion information has been submitted to and received by the Department, and the activity has been closed out in the Integrated Disbursement Information System (IDIS). The project completion date must be within four (4) years of the commitment of HOME funds.

Project Costs means the sum total of all costs incurred in the development of a project. All costs shall be subject to the approval by the Department as reasonable and necessary.

Project Start Date means the rehabilitation or new construction activities must be started by the developer within twelve (12) months of the commitment of HOME funds.

Vacant Properties include both vacant structures and vacant land that are unoccupied and not in use (free from any activity).

Very Low-Income means income which does not exceed 50% of the median income for the area, as determined by HUD with adjustments for family size.

ATHENS-CLARKE COUNTY CONSOLIDATED PLAN GOALS - HUD FISCAL YEARS 2015-2018

Affordable Housing Goals

Objective A: Construct Affordable Residential Housing

Objective B: Rehabilitate Dilapidated Vacant Residential Properties

Objective C: Repair Homes Owned By Low Income Elderly or Disabled Homeowners

HUD Income Limits

HUD is required by law to set income limits that determine the eligibility of applicants for HUD's assisted programs. Per HUD, Household Income is the sum of money income received in the previous calendar year by all household members who are 15 years old and older, including household members not related to the householder, people living alone, and others in non-relative households. Under HUD's income policies, low-income families are defined as families whose incomes do not exceed 80 percent of the median family income for the area. Very low-income families are defined as families whose incomes do not exceed 50 percent of the median family income for the area. Extremely low-income families are defined as families whose incomes do not exceed 30 percent of the median family income.

Fiscal Year 2018 HUD Adjusted HOME Income Limits for Athens-Clarke County (Effective June 1, 2018)

FY 2018 Income Limit Area	FY 2018 Income Limit Category	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Athens- Clarke County, GA MSA	<u>30%</u>	\$12,400	\$14,150	\$15,900	\$17,650	\$19,100	\$20,500	\$21,900	\$23,300
	<u>50%</u>	\$20,650	\$23,600	\$26,550	\$29,450	\$31,850	\$34,200	\$36,550	\$38,900
	<u>60%</u>	\$24,780	\$28,320	\$31,860	\$35,340	\$38,220	\$41,040	\$43,860	\$46,680
	<u>80%</u>	\$33,000	\$37,700	\$42,400	\$47,100	\$50,900	\$54,650	\$58,450	\$62,200