Community Development Grants Training Workshop

Affordable Housing Grants - Programs Overview and Training

City of Chattanooga
Economic and Community Development

7-12-2019

Grants Training Workshop

Agenda

9:00 – 9:15	Welcome and Introductions - Sandra Gober
9:15 – 11:00	Housing Programs Overview - Sandra Gober
11:00 – 11:30	Intent to Apply: Let us know your plans - Sandra Gober
	Uniform Relocation Act (URA) - Sandra Gober
	Davis Bacon Wage Rates - Sandra Gober
	Environmental Review (ER) – Regina Partap, Jen Bissett, and Christian Tate
	Lead & Healthy Homes Grants - Dwan Austin and Doug Smith
11:30 – 12:30	Lunch - On your own
12:30 – 1:30	HUD - CDBG Landlord Renovation Program - Doug Smith
1:30 – 3:00	HUD - HOME Program, Countess Jenkins

Options for Potential Applicants

1. Sit through morning session -get quick overview/updates
    a. go online and get information,
    b. submit a complete Intent to Apply, and
    c. complete ER application, completed grant application and submit
2. Sit through morning and afternoon training,
    a. go online and get information,
    b. submit Intent to Apply and ER Application, and
    c. complete application and submit
3. Whether you do #1 or #2
    a. go online and get information,
    b. submit Intent to Apply and ER Application,
    c. Attend workshop or workshops on 7/26/19, and
    d. complete application and submit

Preservation and Production of Affordable Housing

Grant Funding Opportunities

HOME Affordable Housing Program

This program is for for-profit and nonprofit developers who wish to develop or preserve affordable housing. Maximum grant funding not to exceed $40,000 per unit.

Minor Home Repair Program

This program is designed to assist homeowners with minor home repairs.Repairs are completed through partnerships with selected non-profit organizations at no cost to the applicant.

Landlord Renovation Program

Program assists landlords with the renovation of vacant, substandard rental units. Landlords can receive a grant to cover 50% of renovation costs, up to $15,000,base number of bedrooms.

Chattanooga Lead Safe and Healthy Homes Grant

Lead-Based Paint Hazard Control Program that provides grant funding to prevent Childhood Lead Poisoning and improve health and safety conditions for low (owner occupied homes) and very-low (landlord owned/tenant occupied homes) income families residing in homes built prior to 1978. http://www.chattanooga.gov/economic-community-development/community-development

Affordable Housing

Income Limits and Fair Market Rents for Chattanooga

Income Limits (Effective June 7, 2019) 2019 Median Family Income: $70,100

Family Size	Moderate 80% of Median	Lowincome 60% of Median	Lowincome 50% of Median	Very Low Income 30% of Median
1 Person	$ 38,000	$ 28,500	$ 23,750	$ 14,250
2 Person	$ 43,400	$ 32,580	$ 27,150	$ 16,300
3 Person	$ 48,850	$ 36,660	$ 30,550	$ 18,350
4 Person	$ 54,250	$ 40,680	$ 33,900	$ 20,350
5 Person	$ 58,600	$ 43,980	$ 36,650	$ 22,000
6 Person	$ 62,950	$ 47,220	$ 39,350	$ 23,650
7 Person	$ 67,300	$ 50,460	$ 42,050	$ 25,250
8 Person	$ 71,650	$ 53,700	$ 44,750	$ 26,900

Fair Market Rents (Effective June 7, 2019)

	0 BR	1 BR	2 BR	3 BR	4 BR	
	$ 585	$ 694	$ 847	$ 1,099	$ 1,344	
Low Home R	$ 585	$ 636	$ 763	$ 881	$ 983	5 or more units
High Home F	$ 585	$ 694	$ 847	$ 1,099	$ 1,220	1 - 4 units

Major Changes

1. Applications are accepted, and reviewed on an on-going basis – first come (completed), first funded. Projects will be approved for funding as long as funds last.*

2. Applications must be complete with required accompanying documentation when received by the CD division before it will be reviewed to be considered for funding. Projects with incomplete/missing information will not be presented to City Council for approval nor will funding be committed to such a project. The quicker all information is in the quicker the project can be reviewed and approved for funding.

3. Applicants proposing activities involving renovations of units built prior to 1978 must also apply to the City's Lead Grant Program.

**City will attempt to ensure potential applicants are aware how much funding is available before they go through the trouble of submitting an application.*

Intent to Apply

- Contains summary information on proposed project used by City to conduct a preliminary feasibility analysis and quickly eliminate ineligible projects
- Must be completed for each proposed project
- Can be submitted at any time

City of Chattanooga
Community Development Division (CD)
Affordable Housing Development

Intent to Apply Questionnaire

DATE:

IS YOUR PROJECT COMPATIBLE WITH CITY GRANT FUNDING? It is the responsibility of the applicant to know and understand the regulations and requirements for the funding being requesting.

Complete and submit this questionnaire to cjenkins@chattanooga.gov and to comdev@chattanooga.gov as soon as possible. Providing responses to the following questions informs CD of your intent to apply and makes you aware of some of the critical local, state, and federal requirements. It also allows CD to preliminarily review the proposed project for feasibility and eligibility. The information can also be used by CD to initiate the required environmental review process. If CD's preliminary review indicates that the proposed project in not feasible or eligible for funding, expending unnecessary time and expenses in completing and submitting a full application can be avoided.

Organization/Owner	
Organization/Owner Address	
Organization/Owner Contact	Name (s): Phone: E-mail
Organization Type	Non Profit _____ For Profit _____ No. Years in Existence:
Project Title	
Project Address	
Project Type (includes)	_____Rental _____Homeowner _____Rehab _____New Construction _____ Acquisition
Zoning	Current Zoning: Zoning Required for Project:
Parcel Information	Parcel Number(s):
Ownership	Current Legal Owner:
Total Project Cost	$
City Grant Request	$
Other Investment	$ Source(s):
Number of Proposed Units	Total Units: City Assisted Units:
Start/Completion Dates (estimates)	Start Date: Completion Date:

Brief Description of Proposed Project:

1.	Is the proposed project within the Chattanooga City Limits? **Projects must be located within the Chattanooga City Limits**	☐Yes	☐ NO	☐ N/A
2.	Does the project meet local zoning and land use laws? (Property must be properly zoned before City funds can be committed to the project)	☐Yes	☐ NO	☐ N/A
3.	Do you have site control of the property? If no, anticipated date when this will happen: _____	☐Yes	☐ NO	☐ N/A
4.	Have all applicable property taxes, related to the project, been paid?	☐Yes	☐ NO	☐ N/A
5.	Does your targeted population meet the applicable HUD income guidelines? (See Income and Rent Limits - included on page with Questionnaire)	☐Yes	☐ NO	☐ N/A
6.	If your project includes renovation, in what year was the existing structure built?			
7.	Can you demonstrate, with documentation, staff and fiscal capacity to undertake and complete the project, maintain accurate tenant/buyer eligibility, manage project for the required period of affordability, and provide reports to City/HUD as required?	☐Yes	☐ NO	☐ N/A
8.	How will contractor be selected and project development be managed? Please explain.			
9.	Can you begin and complete project renovations/construction within stated timeframe?	☐Yes	☐ NO	☐ N/A
10.	If your City assisted project includes more than one building, is there at least one HUD affordable unit in each building?	☐Yes	☐ NO	☐ N/A
11.	If new construction, do/will your plans and specs include Section 504 and State Building Code requirements? (accessibility standards: New construction => 5 units; Rehab =>15 units)	☐Yes	☐ NO	☐ N/A
12.	Can you provide an as –built or post construction/rehabilitation Real Estate Appraisal?	☐Yes	☐ NO	☐ N/A
13.	Does your project include acquisition of property/units?	☐Yes	☐ NO	☐ N/A
14.	Do the owner or tenants occupy the subject property? If yes, to ensure proper notices are provided to seller and occupants (if applicable), CD staff must be informed prior to any sales related transaction.	☐Yes	☐ NO	☐ N/A
15.	Do you have any other projects in progress, at this time?	☐Yes	☐ NO	☐ N/A
16.	If yes, provided details: Location, type of project, cost, number of units, funding sources, expected completion date.			
17.	Do you own other (completed) units subsidized with funding through City of Chattanooga Department of Economic and Community Development?	☐Yes	☐ NO	☐ N/A
18.	If yes, are you in compliance with regards to all contractual requirements related to the units?	☐Yes	☐ NO	☐ N/A

Other information/comments relative to the project you believe Community Development needs to know:

Davis Bacon & URA

Davis Bacon Wage Rates

Applicable to Housing Projects
CDBG Funded - 8 and more units
HOME Funded - 12 and more units

Uniform Relocation Act (URA)

- Applicable to all projects using Federal funds
- If units are occupied, let us know **before** you submit your application

Environmental Reviews

July 12, 2019

When is an environmental review needed?

In a nutshell… for EVERY project, but the type will vary based on your project.

Environmental Review Application Process

- Submit Environmental Review Application and all required information and documents to environmentals@chattanooga.gov. **No other forms of submission will be accepted. Incomplete reviews will not be considered "received" until we have all information and documents in the form described on the Submission Guidelines page of the application.**
- A staff person will notify you of project viability, approximately a week after a complete submission, and that you can proceed with your application for funds and a date of expected completion*. **This is NOT your environmental review clearance. It only means that your property hasn't triggered a condition that automatically makes it ineligible for funding.**
- We will conduct your environmental review, and notify you with a clearance letter that you can proceed and any conditions that you have on the project. Please read this letter!
- *For HOME projects, your environmental review will not start until you have been approved for funding.

What You Will Need to Submit an ER Application

- Completed Application – you can find the application at http://www.chattanooga.gov/economic-community-development/community-development/home-application
- Photos of house, property, and vegetation being removed
- Site Plans
- Detailed scope of work
- Vegetation removal information
- Specifics on all required documentation are included in the ER Application

Terminology

- Project Viability – You property does not trigger conditions that automatically make it ineligible (flood, noise, airports)
- Statutory Checklist – Abbreviated checklist addressing sixteen areas
- Environmental Assessment – Extended checklist addressing thirty-four areas. Publication and 30 day comments period are also required at applicant's expense
- Phase 1 – A test for site contamination that is conducted through an external certified entity. Must be procured and paid for at applicant's expense
- NFA Letter – a letter from the Tennessee Department of Environment and Conservation that indicates that No Further Action is required at a site

Expected Review Times

- For rehabilitation projects of 4 or fewer units**, Statutory Checklist (approx. 45 days)
- For New construction projects of 4 or fewer units, Statutory Checklist (approx. 45 days)
- Rehabilitation projects and new construction projects of 5 or more units OR in other specific cases, Environmental Assessment (approx. 75 days)
- For new infrastructure where the current level will be increased by more than 20%, Environmental Assessment (approx. 75 days)
- For replacement infrastructure, Statutory Checklist (approx. 45 days)
- ****A unit is a single dwelling. For example, a duplex has two units, triplex has three. Therefore, building four duplexes is not four units, but eight units.**

Helpful Hints

- Follow the Submission Specifications. Submit all documentation up front and correctly the first time.
- If you have questions about submissions, ask.
- Don’t assume anything. The smallest detail can affect your environmental review outcome.
- Don’t touch your project until you have a clearance from us. Doing so may require us to reject your project for funding.
- If you make even the slightest changes to the project or scope of work, contact us immediately. Even the smallest change can trigger an entirely different level of review.
- Do not parse out a project over multiple years. If you are doing more than four units on a property or adjoining properties, or properties within 2000 feet of each other, you can’t avoid an environmental assessment.
- Submit early! Due to staff limitations, there is a waitlist for reviews. We will make every effort to work within your project schedule.

FAQ's

Question 1: Do I need to get a review if I have a Phase 1, NFA Letter, etc?

Answer: Yes. The Phase 1 only addresses one component of the environmental review.

Question 2: Can I charge my Publication to my Grant?

Answer: Yes, your grant will be charged the cost of the publication.

Question 3: How much does the publication cost?

Answer: It varies on the number of words and day it's published, but a typical environmental publication costs approximately $350.

Question 4: When does my environmental review start?

Answer: When you are approved for funding. If you are waitlisted, you will be moved off when space is available on the active list.

Application Review

CHATTANOOGA LEAD SAFE & HEALTHY HOMES GRANT PROGRAM

HUD OFFICE OF LEAD HAZARD CONTROL & HEALTHY HOMES

CHATTANOOGA LEAD SAFE & HEALTHY HOMES GRANT PROGRAM

About the Program
Provides forgivable grant financing and technical assistance for low and moderate-income households to reduce lead-based paint hazards & improve safety and health outcomes for families
Provide approximately 75 Lead Hazard Control Home Repairs
Could Include: Control/remediation of deteriorating lead-based paint, Replacement of windows/doors, Enclosure of fascia, gutter boards & soffits with aluminum, Installation of vinyl siding.

About the Program
Conduct approximately 40 Healthy Home interventions of the homes receiving lead hazard control
Could Include: Small plumbing/drain repair, smoke alarm installation, lighting/fan repair and installation, & small rail/grab bar installation
Provide approximately 85 Lead Based Paint Inspections & Risk Assessments which would identify the presence of hazards, the type and locations. Provides suggested ways to control the hazards identified.

CHATTANOOGA LEAD SAFE & HEALTHY HOMES GRANT PROGRAM

- **WHAT IS A LEAD HAZARD?**

IF YOUR HOME WAS BUILT PRIOR 1978, IT COULD CONTAIN LEAD-BASED PAINT. THE OLDER YOUR HOME, THE GREATER THE CHANCES OF HAVING LEAD-BASED PAINT OR HIGH LEVELS OF LEAD DUST.

LEAD-BASED PAINT THAT IS IN POOR CONDITION AND PEELING, CRACKLED, CHIPPING, CHALKING OR APPLIED TO FRICTION AND IMPACT SURFACES (SUCH AS WINDOWS AND DOORS) CAN CREATE A LEAD HAZARD.

LEAD DUST AND LEAD CONTAMINATED SOILS ARE ALSO CONSIDERED LEAD HAZARDS.

CHATTANOOGA LEAD SAFE & HEALTHY HOMES GRANT PROGRAM

- **HOW DO YOU GET LEAD POISONING?**

LEAD ENTERS YOUR BODY EACH TIME YOU INHALE LEADED FUMES OR DUST, OR SWALLOW SOMETHING THAT CONTAINS LEAD.

IF YOU ARE EXPOSED TO SMALL AMOUNTS OF LEAD OVER TIME OR ONE LARGE DOSE, YOUR BODY MAY TAKE IN MORE LEAD THAN IT CAN CLEAN OUT. LEAD POISONING IS A DISEASE THAT OCCURS WHEN TOO MUCH LEAD BUILDS UP IN THE BODY.

CHATTANOOGA LEAD SAFE & HEALTHY HOMES GRANT PROGRAM

- **WHO IS AT RISK?**

CHILDREN UNDER THE AGE OF 6 WHO SPEND TIME IN HOMES BUILT BEFORE 1978, WITH CHIPPING OR PEELING PAINT, ARE AT GREATEST RISK.

ADULTS WHO WORK WITH LEAD ON THE JOB ARE ALSO AT HIGH RISK. THIS CAN INCLUDE WORKERS, PAINTERS, OR REMODELERS. PEOPLE REMODELING THEIR HOMES MAY ALSO BE AT RISK, IF THE PAINT IN THE HOME HAS LEAD IN IT. FAMILY MEMBERS CAN ALSO BECOME LEAD POISONED WHILE THE LEAD-BASED PAINT IS BEING REMOVED FROM THE HOME, IF THE WORK IS NOT DONE PROPERLY.

CHATTANOOGA LEAD SAFE & HEALTHY HOMES GRANT PROGRAM

WHO IS ELIGIBLE FOR THE PROGRAM?

- HOMEOWNERS WHO OCCUPY THE UNIT
- LANDLORDS

PROGRAM ELIGIBILITY REQUIREMENTS: GENERAL

- THE UNIT MUST BE LOCATED WITHIN THE CITY OF CHATTANOOGA
- THE UNIT MUST BE BUILT BEFORE 1978

CHATTANOOGA LEAD SAFE & HEALTHY HOMES GRANT PROGRAM

PROGRAM ELIGIBILITY REQUIREMENTS: HOME OWNERS

- **MUST BE OWNER-OCCUPIED UNITS**
  - A CHILD UNDER THE AGE OF 6 WHO RESIDES IN THE UNIT, OR
  - A CHILD UNDER THE AGE OF 6 WHO SPENDS A "SIGNIFICANT AMOUNT OF TIME" IN THE UNIT, (2 DAYS/WK; 3 HRS/DAY; 6 HRS/WK; 60 HRS/YEAR) OR
  - A PREGNANT WOMAN WHO RESIDES IN THE UNIT
- TOTAL HOUSEHOLD INCOME MUST BE BELOW 80% OF AREA MEDIAN INCOME
- PROOF OF PAID PROPERTY TAXES
- PROPERTIES LOCATED IN THE 100-YEAR FLOODPLAIN ARE **NOT** ELIGIBLE

CHATTANOOGA LEAD SAFE & HEALTHY HOMES GRANT PROGRAM

The chart below shows 80% of the Area Median Income by household size for OWNER-OCCUPIED Units

Household Size	Income Level
1 Person	$38,000
2 Person	$43,400
3 Person	$48,850
4 Person	$54,250
5 Person	$58,600
6 Person	$62,950

Effective June 7, 2019

Income Limits are subject to change

CHATTANOOGA LEAD SAFE & HEALTHY HOMES GRANT PROGRAM

PROGRAM ELIGIBILITY REQUIREMENTS: LANDLORDS

- **LANDLORD** RENTAL UNITS DO NOT REQUIRE A QUALIFYING CHILD OCCUPANT AT THE TIME OF ASSISTANCE
- **LANDLORDS** MUST AGREE TO GIVE PRIORITY TO FAMILIES WITH CHILDREN UNDER THE AGE OF 6 WHEN RENTING FOR 3 YEARS FOLLOWING THE COMPLETION OF LEAD ABATEMENT ACTIVITIES.
- TOTAL HOUSEHOLD INCOME OF TENENT MUST BE BELOW 50% OF AREA MEDIAN INCOME
- PROPERTY SHALL BE SITE BUILT SINGLE OR MULTI-FAMILY RENTAL
- VACANT RENTAL UNITS ARE ELIGIBLE FOR ASSISTANCE AS WELL
- PROOF OF PAID PROPERTY TAXES
- PROPERTIES LOCATED IN THE 100-YEAR FLOODPLAIN ARE **NOT** ELIGIBLE

CHATTANOOGA LEAD SAFE & HEALTHY HOMES GRANT PROGRAM

The chart below shows 50% of the Area Median Income by household size for RENTERS

Household Size	Income Level
1 Person	$23,750
2 Person	$27,150
3 Person	$30,550
4 Person	$33,900
5 Person	$36,650
6 Person	$39,350
7 Person	$42,050

Effective June 7, 2019

Income Limits are subject to change

CHATTANOOGA LEAD SAFE & HEALTHY HOMES GRANT PROGRAM

HOW TO APPLY

- COMPLETE AN APPLICATION PACKAGE AVAILABLE HERE TODAY OR
- DOWNLOAD FROM WEBSITE: CHATTANOOGA.GOV/LEAD
- REQUEST VIA EMAIL: LEADSAFEHOMES@CHATTANOOGA.GOV
- SCHEDULE AN APPOINTMENT PHONE: 423-643-7311
- VISIT OUR OFFICE:

CITY OF CHATTANOOGA DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT
101 E. 11TH STREET, SUITE 200
CHATTANOOGA, TN 37402

CHATTANOOGA LEAD SAFE & HEALTHY HOMES GRANT PROGRAM

THIS PROGRAM IS MANAGED BY

THE CITY OF CHATTANOOGA DEPARTMENT OF ECONOMIC AND COMMUNITY DEVELOPMENT IN PARTNERSHIP WITH:

- HUD OFFICE OF LEAD HAZARD CONTROL AND HEALTHY HOMES
- TENNESSEE DEPARTMENT OF HEALTH
- TENNESSEE DEPARTMENT OF ENVIRONMENT & CONSERVATION
- UNIVERSITY OF TENNESSEE EXTENSION
- CHATTANOOGA FIRE DEPARTMENT
- GREEN|SPACES CHATTANOOGA
- HABITAT FOR HUMANITY OF GREATER CHATTANOOGA
- CHATTANOOGA NEIGHBORHOOD ENTERPRISE
- CHATTANOOGA COMMUNITY HOUSING DEVELOPMENT ORGANIZATION

LANDLORD RENOVATION PROGRAM

2019

TWO BIGGEST CHANGES

1) The Landlord Renovation Program is now open on a continuous basis. Apply anytime.

2) If your rental property was built before 1978, you must also apply for the Lead Grant aka *Chattanooga Lead-Safe and Healthy Homes*

First, I'll summarize the Landlord Renovation Program for units built in 1978 or later:

1) Apply to the Program. Application is on City of Chattanooga website. All units must be VACANT to be eligible.
2) If the project is approved, a Memorandum of Understanding is signed which spells out requirements of the program and the timeline.
3) The property owner must complete the project, then the City will issue a reimbursement grant to the owner. The grant is 50% of total renovation cost (up to $15,000 for a 3-bedroom unit, $12,000 for a two-bedroom unit, $10,000 for a one-bedroom unit. Two units maximum per applicant.

4) The owner must rent units to low-to-moderate income households for a 7-year period (lien expires at roughly 15% per year).
5) There are other basic requirements: contractors must be licensed, a Certificate of Occupancy must be issued at completion, City and County property taxes must be current, costs must be documented with invoices and proof of payment, etc.

For units built before 1978, to participate in the Landlord Renovation Program, the applicant must also apply to (and participate in) the Lead Grant.

As discussed earlier, each house/rental unit must first go through the Lead Grant Process: Fill out application and turn in all required documents>Lead-Based Paint Inspection and Risk Assessment (LIRA) is performed>Work specifications are prepared based on LIRA>Work specs are put out to bid>Certified abatement contractor chosen>Work is scheduled and completed>Lead clearance conducted>Close-out

Once clearance is achieved on rental unit(s), the remainder of renovation work may be completed.

The owner/applicant may choose contractor. From this point on, the same basic process for post-1978 homes is followed…

The Lead Grant requires that units must be rented to households below 50% AMI during the first 3 years (of the total 7-year affordability period).

City of Chattanooga

USING HUD HOME FUNDS FOR

Preservation & Production of Affordable Housing

OVERVIEW & TECHNICAL ASSISTANCE WORKSHOP

JULY 12, 2019

1:30 PM TO 3:00 PM

Workshop Objective

- Provide overview of the HOME Affordable Housing Development Program and review the guidelines
  - Program Overview, Guidelines and Objectives
  - Program Requirements
  - Application Requirements & Components
    - Intent to Apply Questionnaire
    - Environmental Review Application
    - Application
    - Proposal Templates
    - Checklist

Intent of the Program

- Leveraging City HOME Investment Partnership funds with local resources.
- Increase the inventory of affordable rental and homeowner housing for City of Chattanooga residents through rehabilitation and new construction activities .

Housing Priorities

For the general low/moderate income population, including special needs populations (homeless, seniors, veterans, disabled) expand inventory through:

- Reconstruction or rehabilitation of existing single and multifamily housing properties (for rental),
- New rental housing development, and
- Homeownership housing development (nonprofits, CHDOs)

All activities funded must be within the Chattanooga City limits.

Program Resources

- City is seeking to leverage HOME funds with local resources, non-profit and for-profit entities
- Available City Funds: $650,000 - $1,000,000
- City's objective is to provide "gap" financing that is not otherwise available from other sources.
- Funding amounts are determined on a case by case basis, considering the owner investment and the funding needs of a project.
- Minimum HOME investment - $1,000

Eligible Applicants

Public agencies, for-profit, and non-profit developers with documented capacity/experience to construct/rehab and operate housing that benefit low-income families and:

- At the time of application, either own the property or have a binding/viable contract to purchase the property,
- Can demonstrate financial and organizational capacity to undertake and complete project and adhere to long term compliance and management requirements,
- Must be in good standing with ECD on all previous grants, and
- Property taxes must be current

What is a Project?

- A project is one (1) or more buildings on a site or sites under common ownership, management and financing to be assisted as a single undertaking
- Project includes ALL activities associated with the site or building

It is to your advantage to separate your projects by address; when reviewing, one may not be recommended for funding, but others may.

Eligible Activities/Projects

a. Rehabilitation of existing housing units, single and multi-family
b. Development/new construction of single and multi-family rental units
c. Conversion of existing properties into affordable rental units
d. Housing for special needs populations for which open market financing is unavailable or infeasible without public investment. This category includes senior citizens, persons with disabilities, homeless (both transitional and permanent housing) homeless and chronically homeless veterans, and single room occupancy (SRO's) facilities serving those with special needs
e. Project-related soft costs may be awarded on a limited basis and will be at the recommendation of staff and based on need as determined during the underwriting review
f. Low-Income Housing Tax Credit (LIHTC) projects
g. New construction of housing for homeownership for pre-approved buyers *Speculative building is not eligible*

Eligible Properties

- No requirements on type or style of property
- Eligible types include:
  - Transitional and permanent housing
  - SROs and group homes (single room occupancy units)
  - ECHO units (elder cottages – where zoning permits)

Ineligible Properties

- **Property previously assisted with HOME during its affordability period**
- **Public housing financed under the 1937 Act**

General Program Rules

- Prohibited Activities
  - Project reserve accounts cannot be funded with HOME
  - HOME funds cannot be used for ‘nonfederal’ match for other federal programs
  - Operation or modernization of public housing
  - Project based rental assistance payments

General Program Rules

- Eligible Costs
  - Eligible cost depends on the nature of the program activity, generally the following are allowable:
    - New construction
    - Rehabilitation
    - Conversion
    - Site improvements (in keeping with surrounding properties)
    - Acquisition of property
    - Acquisition of vacant land (construction must begin with 12 months of purchase. Land banking is prohibited
    - Refinancing (refinancing for the purpose of taking out equity is not eligible)
    - Project-related soft costs

Project Feasibility Review

- City must evaluate projects to ensure that only the amount of HOME funds necessary will be invested
- Applicant must provide an after rehab/construction ***Post Appraisal*** performed by a Tennessee licensed Real Estate Appraiser
- City must insure feasibility of project (Budget, Financing, Commitment Letter & Pro Forma)
- Applicant must be fiscally sound with demonstrated experience in development (or partner with someone with experience)

General Program Rules

- The Applicant/Beneficiary
  - The HOME Program is designed to assist low/moderate income families and individuals
    - Rental projects - 100 percent of occupants must have incomes that are 60% or less than area median (AMI)
    - Homeowner Projects – 100 percent of occupants must have incomes at or below 80% AMI
    - Income eligibility is determined based on annual income of all household members

General Program Rules

Long-Term Affordability

Less than $15,000	7 years
$15,000 - $40,000	10 years
More than $40,000	15 years
New construction of rental housing	20 years
Refinancing of rental housing	15 years

Throughout the affordability period the HOME assisted housing must be occupied by income-eligible households.

General Program Rules

- Income and Rent Limits

  All HOME-assisted projects, must comply with the HUD published income and rent limits for the program.

- Property Standards

  Projects must meet minimum property standards - decent, safe and sanitary. Applicable standards vary by type of activity and range from State and local standards to handicapped accessibility standards.

More Program Rules

Mixed income Development

HOME funds must be used solely for affordable units

Income Requirements

Occupancy and affordability requirements extend to end of period of affordability

< = 60% AMI - at initial occupancy,

<= 80% AMI - long-term

General Program Rules

- Tenants must be recertified annually
- Units must be inspected <u>at least every three years</u>:
  - 1-4 units Every 3 yrs
  - 5-25 units Every 2 yrs
  - 26 or more Annually

Rent and Occupancy Requirements

- Will be legally enforced for the term of the affordability period through:
- Project Agreement/Contract
  - Land Use Restrictive Covenants
  - Deed Restrictions
  - Deed of Trust
- Grantee must repay entire amount of grant funds for units no longer affordable –
- Grantee must provide annual property/tenant reports to the City

Homeowner Housing

Only entities that have pre-approved, pre-qualified buyers for identified units may submit proposals to develop affordable housing for homeownership under this RFP. Speculative building is prohibited.

- Homeownership units must be sold to households earning at or below 80% AMI
- Applicants must have established underwriting guidelines to:
  - Determine appropriate assistance to provide homebuyer
  - Assess buyer's ability to purchase and remain in home
  - Guard homebuyer against predatory lending and subordination policies
- Homebuyers must receive housing counseling prior to occupying the HOME-assisted unit.
- No sales contract within 9 months – unit converts to rental or repay full amount of HOME award.

Other Requirements

- Licensing and Business Requirements
- Insurance
- Must Register with System for Award Management (SAM)
- @ https://www.sam.gov/SAM/
- Minority, Women & Small Business Requirements
- General Contractor Procurement Requirements
- Davis Bacon
- Lead-Based Paint
- Affirmative Marketing
- Environmental Review
- Section 3
- Site and Neighborhood Requirements
- Uniform Relocation Requirements
- Capital Reserve Account (repair and replace fund)

Environmental Reviews

- City staff will perform the HUD required review at no cost to the applicant.
- How long does it take? It depends upon the complexity of the project, when the request is received with **ALL** necessary documentation/photos, and the number of requests ahead of your project.
- In general, the timeframe for an Environmental Review ranges from 30 to 45 days. Usually it is completed within 45 days of the request.
- If your project involves multiple activities **OR** activities beyond the scope of a regular Environmental Review, an Environmental Assessment (EA) may be required. It takes approximately 2 months for the reviewer to complete an EA.

Environmental Reviews

- Applicants must submit:
  1. A completed Environmental Review Application. Fill in applicable sections and mark other sections "N/A." Sign and date.
  2. A brief narrative of what you are proposing to do, whether acquisition, demolition, new construction, rehabilitation, infrastructure, etc. Include the materials you will use in your construction or rehab project.
     - Example: New construction of a single-family home, approximately 1,100 sq. ft. on a vacant lot. One large tree on the lot will be removed.
  3. Clear, day time photos must be emailed to reviewer (varies by project type):
     - For new construction on a previously developed but cleared lot – photos of entire lot (2 at minimum)
     - For new construction on an undeveloped, vacant lot – photos of all trees, brush, shrubbery to be cleared and photos of entire lot (number of photos varies)
     - For demolition – photos showing front, back, and sides of structure (3-4 photos at minimum)
     - For rehabilitation – photos showing front, back, and sides of structure (3-4 photos minimum)
     - For **any project** that involves tree, brush, shrubbery removal or trimming – consult with reviewer for guidance on what photos are needed
  4. A site plan and construction specifications for new construction projects
  5. A work write-up (scope of work) for rehabilitation projects
- **Please note: This list is not exhaustive. The reviewer may request additional information as needed.**

BIG NO, NOs

- Prior to being awarded funding and signing contract with the City, Do Not:
  - Expend any funds on a project/program for which you want to be reimbursed
  - Expend any funds without being notified by the CD Office that an environmental review has been completed
  - Enter into any binding, contractual agreements for the use of these funds
  - Do not evict or ask tenants to move from a unit for which you are requesting funding

Application

Review Application

How To Apply

1. REVIEW/READ INFORMATION
2. COMPLETE THE “INTENT TO APPLY QUESTIONNAIRE” (Required)
3. CONTACT ECD STAFF TO PRELIMINARYLY DISCUSS PROPOSED PROJECT
4. ATTEND A TRAINING WORSHOP (Required)
5. SUBMIT A COMPLETED APPLICATION AND ALL ATTACHMENTS

Application Components & Requirements

- Intent to Apply Questionnaire
- Environmental Review Application
- Application for HOME Funds
- Proposal Development Template
- Checklist

Project Feasibility

- All projects will undergo a feasibility analysis and underwriting. ECD will review project concept and design for suitability for the targeted populations(s) and financial sustainability over its affordability period. The underwriting review evaluates cost reasonableness, market demand, developer capacity, and the commitment of other funding. The sources and uses of funds related to each project will be reviewed to determine the adequacy of the funding to complete the construction or rehabilitation and to sustain operations over a required period for rental projects. Exceptional proposals will demonstrate a significant commitment of leveraging and other resources at the time of application.

Completing Application

- Overview & Guidelines
- Intent to Apply Questionnaire
- Environmental Review Application
- Application for HOME Funds
- Development Pro Forma (development costs, operations cost and projected income)
- Rehab/Development Cost Specifications (work write-up, labor and materials cost)

Selection Criteria

Applications that meet pre-screening requirements will be reviewed by a Selection Committee. The Selection Committee will then score each application based on the point system below:

Maximum Total Score = 100 Points:

- Project Development Details (20 Points)
- Organizational/Developer Capacity (20 Points)
- Project Costs, Financing, Leverage/Match (20 Points)
- Location Information (20 Points)
- Readiness to Proceed/Project Timeline (20 Points)

Applicants may be asked to make a presentation to the Selection Committee and respond to questions. So be prepared☺

Timeline

- City Council Approval
- Next is contract signing, pre-construction meeting and authorization to proceed with construction
- First draw request within 90 days of contract signing or face contract cancellation
- Project must be completed within 18 to 24 months of grant award for construction and six months for acquisition
- Up to 20 percent (20%) of grant is retained until completion, final inspection and tenant/beneficiary data is submitted to Community Development Office

Q & A

Thank you!