**Prince William County**

**Community Housing Development Organization (CHDO)**

**CHDO Certification & Application**



Prince William County

Office of Housing and Community Development

Attention: Joan S. Duckett, CPD Division Chief

Donald Curtis Drive, Suite 112

15941

Woodbridge, Virginia 22191

703-492-2300

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fax

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# I. Introduction

The National Affordable Housing Act of 1990 (the Act) created the HOME Investment Partnership Program (HOME). The Act’s objectives include promoting partnerships between states, local governments and nonprofit organizations and increasing the capacity of nonprofit organizations to develop and manage affordable housing. Available funds are for housing development activities that produce safe, decent and affordable housing for low-moderate income households in the Greater Prince William Area.

Participating Jurisdictions (PJs) may use HOME funds to carry out housing strategies through homebuyer assistance, acquisition, demolition, relocation, rehabilitation, new construction of rental housing and tenant-based rental assistance.

While the HOME program provides for a variety of activities; Prince William County Office of Housing and Community Development (OHCD) uses the HOME CHDO funds for Rehabilitation of affordable rental housing units and acquisition of affordable rental housing unit(s).

Home Investment Partnerships Program identifies the four purposes of the HOME Program as:

* Provision of decent affordable housing to lower-income households and;
* Expansion of the capacity of nonprofit housing providers and;
* Strengthen the ability of state and local governments to provide housing and;
* Leveraging of private sector participation

To help achieve these objectives the Act requires that participating jurisdictions set-aside at least 15% of their HOME funds for housing that is developed, owned, or sponsored by Community Development Organizations (CHDOs). CHDOs are a specific type of nonprofit organization defined in the HOME Final Rule [24 CFR Part 92]; these roles are further defined by whether the CHDO’s activity is rental or homebuyer.

* **Owner.** The CHDO holds valid legal title to or has a long-term leasehold interest in the rental property to be leased to low-income families in accordance with §92.252. The CHDO may be an owner with more than one individual, corporations, partnerships, or other legal entities
* **Sponsor.** The CHDO develops or owns a property by a subsidiary of the CHDO, a limited partnership of which the CHDO or its subsidiary is the SOLE GENERAL PARTNER, or a limited liability company of which the CHDO or its subsidiary is the SOLE MANGEMENT MEMBER
* **Developer of a Rental Housing Development.** The CHDO either owns a property and develops a project or has a contractual obligation to a property owner to develop a project that will either be constructed or exiting substandard housing that will be rehabilitated for rent to low-income families in accordance with §92.252
* **Developer of a Housing for Home Ownership.** The CHDO is the owner, holds valid legal title and developer of new housing that will be constructed or existing substandard housing that will be rehabilitated for sale to low-income families in accordance with §92.254

This application for CHDO certification covers the following topics:

1. Provides the HOME Program definition of a CHDO and Changes to HOME Rule;
2. Outlines the criteria for qualifying as a CHDO;
3. Describes the eligible use of CHDO set-aside funds;
4. Describes the Office of Housing and Community Development (OHCD) process for certifying CHDOs;
5. Provides supplemental material for organizations interested in becoming a CHDO; and
6. Provides reference materials as Appendices.

# II. Definition of a CHDO and Recent Changes to HOME Rules That Impact CHDO Certifications:

The HOME Program definition of a CHDO is found in 24 CFR 92.2 (See Appendix A of this document)

The definition outlines the criteria that an organization must meet to qualify as a CHDO. The criteria focus on the legal status of the organization, its capacity and experience, the organizational structure, and the relationship of CHDO to for-profit entities. The CHDO checklist (See Appendix B) outlines these criteria in detail. The following is a summary of some of the key criteria to qualify as a CHDO.

## Legal Status

1. The CHDO must be organized under state law.
2. One of the purposes of the organization must be the provision of decent housing that is affordable to low-income and moderate-income persons.
3. The CHDO must have nonprofit status under §501(c)(3) or (4) of the Internal Revenue Code of 1986.
4. The organization must have a clearly defined geographic service area that is not the whole state.

## Capacity and Experience

1. The CHOD must have at least one year of experience serving the community in capacity of project request.
2. The organization must show that they have paid staff assigned to the project, whose experience qualifies them to undertake CHDO set-aside activities and overall quality members have the capacity to implement housing activities.
3. The CHDO must have financial accountability standards consistent with 2 CFR 200.302 “Financial Management” and 2 CFR 200.303 “Internal Controls”. The CHDO seeking HOME funds as owners or developers of affordable housing may also be subject to the provisions of 2CFR Part 200 “Uniform Administrative Requirement, Cost Principles, and Audit Requirement for Federal Awards”.

## Organizational Structure

1. At least one-third (⅓) of the organization’s Board of Directors must be representatives of the low-income community; no more than one-third (⅓) can be representatives of the private sector.
2. The CHDO must also involve low-income program beneficiaries in affordable housing project design. (This is in addition to serving on the Board of Directors.)

## Relationship to For-Profit Entities

The CHDO cannot be controlled by for-profit organizations or individuals (See Appendix A).

The new HOME rules (effective August 23, 2013) require that organizations (even previously certified CHDOs) must be certified as a CHDO each time they apply for a HOME-funded housing development, Project-specific predevelopment loan or operating grant. Consequently, an organization can only be a CHDO if it is involved in a particular development project.

The organization will apply for CHDO certification at the time application is made for a HOME-funded development project.

To qualify as a CHDO, the organization must meet the definition as an owner, developer or sponsor of the particular project for which they are applying. The amended HOME rules have refined the definitions of owner, developer and sponsor. The development experience needed to conform to those definitions has also been clarified.

The organization can only be a certified CHDO for the type of development project (multi-family rental, single family rental, homeownership) for which it can demonstrate the on-staff capacity to own, develop or sponsor. If prior development experience is in building and selling single family homes, the applicant most likely will not be certified as a CHDO to develop rental housing.

The amended rules have the most impact on the Low-Income Housing Tax Credit program. In a limited partnership, (LP) the CHDO or its subsidiary must be the sole general partner. In a limited liability company, (LLC) the CHDO or its subsidiary must be the sole managing member. Further, if the LP or LLC agreement permits the CHDO to be removed as general partner or sole managing member, the agreement must provide that the removal must be for cause and that the CHDO must be replaced with another CHDO.

The organization must apply for certified CHDO status at the same time it applies for a Project-Specific Predevelopment loan, Capital Set-Aside funding or operating grant. To qualify for an operating grant, it must already be in the process of developing a CHDO capital project. To qualify for a Project-specific predevelopment loan or Capital Set-aside funding, the organization must be in the process of requesting certified CHDO status.

While COA certification as a CHDO is required as a condition of being awarded HOME funding, the organization must also be recertified at the time a funding agreement is signed.

### HOME Commitment

The regulations require that HOME funds must be committed to a "specific local project" and cannot be committed in anticipation of a project or on the assumption that a project will come together when additional funding sources are identified.

Prior to executing a legally binding written agreement committing HOME funds to a specific local project, OHCD must ensure the project meets all of the requirements of the definition of "commitment" at §92.2, as well as all of the project assessment requirements contained in §92.250(b), "underwriting and subsidy layering." Prior to committing HOME funds, OHCD must ensure the project has met (and document compliance with) all of the following requirements:

### Identify a specific project by address or legal description

1. Assess current market demand in the neighborhood where the project will be located
2. Complete an environmental review
3. Secure all necessary financing commitment in writing
4. Completed a budget (i.e. Sources and Uses) in sufficient detail to determine total project development costs and its funding
5. All costs are reasonable
6. Complete underwriting and subsidy layering requirements
7. Assess the experience and financial capacity of the developer
8. Construction must commence within 12 months
9. Establish a completion schedule

# III. The CHDO Set-Aside

At least 15% of Prince William County’s HOME allocation must be invested in housing development, owned, or sponsored by a CHDO (See Section IV). Other nonprofit organizations not meeting CHDO criteria can receive HOME funding for projects they develop, own, or sponsor, but these projects do not count toward the CHDO set-aside. CHDOs and other nonprofits can also receive HOME funds as a Subrecipient, but these funds also do not count toward the 15% CHDO set-aside.

## Eligible and Ineligible CHDO Set-Aside Activities

Only certain types of activities count toward the 15% set-aside. The **eligible** activities (when carried out by a CHDO acting as a developer, owner or sponsor) are:

1. Acquisition, rehabilitation or new construction of rental housing;
2. Acquisition, rehabilitation or new construction of homebuyer properties and
3. Direct financial assistance to purchasers of HOME-assisted housing sponsored or developed by a CHDO with HOME funds.

NOTE: *Currently Five-Year Consolidated Plan for FFY15-19 (FY16-20)(with one-year extension granted from HUD) only provides for increased potential for affordable Homeownership and Rental housing opportunities.*

The following activities are **not eligible** for the CHDO set-aside:

1. Tenant Based Rental Assistance (TBRA) Administering tenant-based rental assistance or downpayment assistance programs
2. Rehabilitation of owner-occupied properties;
3. Direct homebuyer assistance for existing housing (not developed, owned or sponsored by the CHDO).

## CHDO as a Subrecipient

A CHDO, as well as other organizations, may also participate in the HOME funded programs as a Subrecipient, but the use of HOME funds in this capacity is not counted toward the fifteen-percent (15%) set-aside. Basically, this occurs when a CHDO undertakes an activity that is not an eligible activity for the CHDO set-aside (e.g., housing rehabilitation for owner-occupants). In these activities the CHDO enters into a contract with the Prince William County to administer all or part of a program for Prince William County.

# IV. CHDO Role:

The 15% CHDO set-aside can only be used for a project in which a CHDO is the developer, sponsor and/or owner of the HOME-assisted housing.

## CHDO as Developer

A CHDO is a “developer” when it either owns a property and develops a project or has a contract with a property owner to develop a project. The CHDO must perform all the functions usually expected of a for-profit developer as well as assume all the risks and rewards associated with being a developer.

1. **Rental Income:** For rental projects the CHDO must obtain

financing and build or rehabilitate the project. If it owns the property, the CHDO, may maintain ownership and manage the project over the long term, or it may transfer the project to another entity for management.

1. **Homeownership:** For homeownership projects the CHDO

must obtain financing for project and be in sole charge of construction of units. Title to the property and HOME obligations must be transferred to qualified homebuyers within a specified time frame of project completion. The CHDO may provide direct downpayment assistance when it sells the

housing. However, HOME funds used for downpayment assistance cannot be greater than 1% of the amount of HOME funds used for the development.

## CHDO as Owner

A CHDO may be considered an “owner” of a rental development. The CHDO is an owner when it has valid title or a long-term leasehold interest (at least 99 years). A CHDO can own a rental property with other legal entities (including, but not limited to, individuals, corporations, and partnerships). If it owns the project in partnership, the CHDO or its wholly owned nonprofit or for-profit subsidiary must be the managing general partner with effective control (i.e., decision making authority) of the project. The CHDO may not have development capacity but must demonstrate capacity to own and operate rental housing. The CHDO may be both owner and developer or may have another entity as the developer. As a CHDO Owner it is a requirement to own the project throughout the affordability period (as well as during development if rehabilitation or construction is involved). If a property will be constructed or rehabbed, then the CHDO must hire a project manager or have a contract with a development contractor to oversee the development.

## CHDO as Sponsor

A CHDO may be a “sponsor” for either a rental or a homeownership project. When a CHDO is a sponsor it must always own the property prior to the development phase of the project.

1. **Rental Housing:**  The CHDO (or another entity) develops a project that the CHDO solely or partially owns and agrees to convey ownership to a second nonprofit organization at a predetermined time prior to or during the development or upon completion of the development of the project, or a subsidiary of a CHDO or a CHDO that is a subsidiary of another entity (such as a limited liability company) owns or develops the rental housing. The HOME funds are invested in the project owned by the CHDO. The CHDO sponsor selects prior to commitment of the HOME funds the nonprofit organization that will obtain ownership of the property.
2. **Homeownership:** The CHDO owns a property and transfers responsibility for development to another nonprofit organization at a

specified time in the development process. The second nonprofit transfers title to the property and HOME obligations to qualified homebuyers within a specified time frame.

For a more detailed description of the alternative CHDO roles, see 24 CFR §92.300.

# V. Process for CHDO Certification

The following is the process for obtaining Prince William County CHDO Certification:

1. Complete the CHDO Certification Package (Appendix B-F) and provide the required supporting documentations.
2. Submit the Application material and the CHDO Checklist to the Office of Housing and Community Development (OHCD). Generally, staff will be able to review the material within one week of receiving.
3. If the Application material submitted is complete and meets the criteria for qualifying as a CHDO (described in Section II of this Application and in CHDO Checklist) the OHCD will notify the organization in writing that it has been certified as a Prince William County CHDO.
4. If the Application is not complete or if the organization does not meet the requirements for CHDO Certification, a letter will be sent to the

organization which describes what it must do to meet the Certification criteria.

1. OHCD will maintain a list of Prince William County certified CHDOs. Periodically Prince William County certified CHDOs are required to recertify their status by providing updated information on the organization and its projects each year funding is available.

# Appendix A

**Excerpt from Home Investment Partnerships Program**

**Final Rule August 23, 2013**

## 24 CFR Subpart G CHDO Definitions

*Community Housing Development Organization* means a private nonprofit organization that:

1. Is organized under State or local laws;
2. Has no part of its net earning inuring to the benefit of any member, founder, contributor or individual;
3. Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A Community Housing Development Organization may be sponsored or created by a for-profit entity, but:
   1. The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm;
   2. The for-profit entity may not have the right to appoint more than one-third (⅓) of the membership of the organization’s governing body. Board members appointed by the for-profit entity may not appoint the remaining two-thirds (⅔) of the board members; and
   3. The Community Housing Development Organization must be free to contract for goods and services from vendors of its own choosing;
4. Has a tax exemption ruling from the Internal Revenue Service under section

501(c) (3 or (4) of the Internal Revenue Code of 1986 (26 CFR 1.501(c)(3)-1);

1. Does not include a public body (including the participating jurisdiction). An organization that is State or locally chartered may qualify as a Community Housing Development Organization; however, the State or local government may not have the right to appoint more than one-third (⅓) of the membership of the organization’s governing body and no more than one-third (⅓) of the board members may be public officials or employees of the participating jurisdiction or State recipient. Board members appointed by the State or local government may not appoint the remaining two-thirds (⅔) of the board members;
2. Has standards of financial accountability that conform to 24 CFR 84.21,

“Standards of Financial Management Systems;”

1. Has among its purpose the provision of decent housing that is affordable to low income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolution or by-laws;
2. Maintains accountability to low-income community residents by:
   1. Maintaining at least one-third (⅓) of its governing board’s membership for resident of low-income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations. For urban areas, “community” may be neighborhood, or neighborhoods, city, county or metropolitan area; and
   2. Providing a formal process for low-income program beneficiaries to advise the organization in its decisions regarding the design, site, development, and management of affordable housing;
3. Has a demonstrated capacity for carrying out activities assisted with HOME funds? An organization may satisfy this requirement by hiring experienced key staff members who have successfully completed similar projects, or a consultant with the same type of experience and a plan to train appropriate key staff members of the organization; and
4. Has a history of serving the community within which housing to be assisted with HOME funds is to be located? In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization. However, a newly created organization formed by local churches, service organizations or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least a year of serving the community.

# Appendix B

## CHDO Checklist

The information contained in this Checklist refers to a Community Housing Development

Organization (CHDO) as defined in Subpart A, Section 92.2 of the HOME Final Rule (24 CFR Part 92). Other information applicable to CHDOs is found in Subpart G of the rule. Please submit this ***completed form and all required documents as applicable to:***

**Joan S. Duckett**

**Community Planning & Development Division Chief**

**Prince William County Office of Housing and Community Development**

**15941 Donald Curtis Drive, Suite 112**

**Woodbridge, Virginia 22191**

**Email address:** jduckett@pwcgov.org

**Please include all supporting documentation as “Attachment A”. Supporting documentation should be included for each item checked off. Please label each document included with the corresponding Checklist question number.**

### I. Contact Information

Organization Name:

Phone Number:

Fax Number:

Mailing Address:

Federal Tax ID #:

DUNNS Number:

Executive Director:

E-mail Address:

Service Area:

### II. Legal Status

1. The nonprofit organization is organized under State or local laws [24 CFR 92.2], as evidenced by:

Charter or  Articles of Incorporation

1. No part of its net earnings inures to the benefit of any member, founder, contributor, or individual, [24 CFR 92.2] as evidenced by:

Charter or  Articles of Incorporation

1. The nonprofit organization has a tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c)(3) of the Internal Revenue Code of 1986, [24 CFR 92.2] as evidenced by:

501(c)(3) [charitable nonprofit corporation certificate from IRS; or

Certification from the IRS

1. The nonprofit organization has among its purposes the provision of decent housing that is affordable to low and moderate-income households, as evidenced by a statement in the organizations:

Charter  By-Laws or Resolutions  Articles of Incorporation

Resolution

### III. Capacity

1. The nonprofit organization conforms to the financial accountability standards of OMB

2 CRF 200 Subpart D, *“Standards for Financial and Program Management.”* [24 CFR 92.2]. The CHDO seeking HOME funds as owners or developers of affordable housing may also be subject to the provisions of 2CFR Part 200 “Uniform Administrative Requirement, Cost Principles, and Audit Requirement for Federal Awards” as evidenced by:

Notarized statement by the president or chief financial officer of the organization

Certification from a Certified Public Accountant

approved audit summary

1. The nonprofit organization’s paid staff has a demonstrate capacity for carrying out activities assisted with HOME funds, [24 CFR 92.2] as evidenced by:

Resumes and/or statements that describe the experience and current roles of key staff members who have successfully completed project(s) similar to those to be assisted with HOME funds;

1. The nonprofit organization has a history of serving the community where housing to be assisted with HOME funds will be used, [24 CFR 92.2] as evidenced by:

Statement that documents at least one year of experience in serving the community, OR

For newly created organizations formed by local churches, service or

community organizations, a statement that documents that its parent organization has at least one year of experience in serving the community

1. Will at least one year of service have been completed prior to receipt of HOME funds [24 CFR 92.2]

Certificate of Incorporation

Provide a narrative describing Development Project Experience, this should outline all development project experience and must be able to show one year of serving the community from the date the participating jurisdiction provides HOME funds to the organization.

1. Does the organization’s mission statement of service describe with specificity the activities that the organization provides?

Mission Statement

1. Describe all development projects completed to date, including: a description of the project(s), location(s), number of units, type of housing, population served, financing sources, and any ongoing involvement in the project (if a rental project(s); describe any project(s) that are currently under development, and any future plans for development projects. **The statement must be signed by the president of the organization or by a HUD-approved representative.**

### IV. Organization Structure

1. The nonprofit organization maintains at least one-third (⅓) of its governing board’s membership for residents of low-income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations [24 CFR 92.2] as evidenced by the organization’s:

By-Laws  Charter; or  Articles of Incorporation

*Under the HOME program, for urban areas, the term “community” is defined as one or several neighborhoods, a city, county, or metropolitan area. For rural areas, “community” is defined as one or several neighborhoods, a town, village, county, or multi-county area (but not the whole state).*

1. Provision of information on current Board of Directors [24 CFR 92.2] as evidenced by:

A Completed Board of Directors Chart (Appendix E)

Certification of Low-Income Representation (Appendix F)

1. The nonprofit organization provides a formal process for low-income, program beneficiaries to advise the organization in its decisions regarding the design, site development, and management of all HOME assisted affordable housing projects [24 CFR 92.2], as evidenced by:

By-Laws

Resolution(s) (Model in Appendix G if necessary)

Written statement of operating procedures approved by governing body

1. A CHDO may be chartered by a state government; however, the following restrictions apply: (1) The State government may not appoint more than one-third (⅓) of the membership of the organization’s governing body; (2) the board members appointed by the State government may not, in turn, appoint the remaining two-thirds (⅔) of the board members; and (3) no more than one-third (⅓) of the governing board members are public officials, as evidenced by the organization’s:

Yes  No

Charter  Articles of Incorporation or;  By-Laws

1. If the CHDO is sponsored or created by a for-profit entity, the for-profit entity may not

appoint more than one-third (⅓) of the membership of the CHDO’s governing body, and the board members appointed by the for-profit entity may not, in turn, appoint that remaining two-thirds (⅔) of the board members, as evidenced by the CHDO’s:

Yes  No  N/A

Charter  Articles of Incorporation or;  By-Laws

1. The CHDO is not controlled, nor receives directions from individuals, or entities seeking profit from the organization, as evidenced by (check appropriate category) [24 CFR 92.2]:

Yes  No  N/A

By-Laws  Memorandum of Understanding (MOU); or

Other binding agreement between the CHDO and for-profit organization

### V. Relationship with For-Profit Entities

1. The CHDO is not controlled by nor receives directions from individuals or entities seeking profit from the organization, as evidenced by:

By-Laws  Memorandum of Understanding (MOU)

1. A CHDO may be sponsored or created by a for-profit entity; however,
   1. The for-profit entity’s primary purpose does not include the development or management of housing, as evidenced:

For Profit Organization’s By-Laws

**AND;**

* 1. The CHDO is free to contract for goods and services from vendor(s) of its own choosing, as evidenced by the CHDO’s:

By-Laws  Charter  Articles of Incorporation

### VI. Administrative Audit and Legal Issues

1. Has your organization been placed under administrative restriction from federal,

state or local sources at any time in the past 5 years? Yes  No

1. Has your organization been involved in any lawsuits? Yes  No

1. Are there any outstanding judgments against your organization? Yes  No

1. Has your organization defaulted on any loans in the past 5 years?  Yes  No

1. Has your organization had any audit findings in the past 5 years? Yes  No

***If you answered “Yes” to any of the above questions, attach a complete explanation.***

### VII. Certifications

By signing below:

1. The Applicant Organization certifies that the information provided in this Application for Certification as a Prince William County Community Housing Development Organization (CHDO) is true and complete; and
2. The Applicant Organization understands that Prince William County may conduct its own independent review of the information herein and attachments, and may verify information from any source; and
3. The Applicant Organization understands that Prince William County will not be responsible for any cost incurred by the Applicant in developing and submitting this application, and that all applications submitted become the property of OHCD.

**Name of Authorized Official:**

**Signature of Authorized Official:** **Date:**

# Appendix C

**Questionnaire**

**2 CFR 200.302 “Financial Management”**

## Standards for Financial Management Systems

Name of Organization:

Address:

Phone:       Fax:

Name of Person Completing Questionnaire:

Name of Chief Financial Officer:

# Instructions

Please complete the questions below with as much detail as necessary. Please attach additional documentation when asked for and/or when the space provided is insufficient.

**1). On what basis are financial records maintained? If other than accrual, can pertinent accrual data be developed for reports on the basis of an analysis of the records on hand?**

**2). How do records identify the source and application of funds for federally sponsored activities? What is captured in the records (i.e., award amounts, grantee authorizations, obligations, outlays, etc.)?**

**3). What controls are in place to adequately account for and safeguard funds, property and other assets and to assure they are solely used for authorized purposes?**

**4). Do you have a budget system? If not, what procedures do you have in place to provide for a comparison of outlays with budget amounts for each award?**

**5) What procedures do you have in place to relate financial information to performance and unit cost data?**

**6). What accounting systems do you have in place to ensure that all accounting records are supported by source documentation (i.e. accounting software)?**

**7). Does your organization have an annual audit? Is the most recent audit current?**

**8) Does the organization have a conflict of interest policy governing employees and development activities, particularly in the procurement of contract services and the award of housing units for occupancy?**

**9). Does the current balance sheet and budget indicate sufficient funds to support essential operations? Does the organization have a diversified and stable funding base for operations? What revenue sources are predicted year to year?**

**10). Does the organization have liquid assets available to cover current expenses?**

**I hereby certify that the responses to the above questions are true and accurate.**

**Name of Authorized Official:**

**Signature of Authorized Official:** **Date:**

## Appendix D

### Board of Directors

Please insert the following information for each of the organization’s board members. Please indicate if they are either representative of the low-income community or state employee. Additional copies may be attached if necessary.

|  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Name** | **Address** | **City** | **State** | **Phone Number** | **Employer** | **Low Income Representative** | | | | | **State**  **Employee** | | | | |
|  |  |  |  |  |  |  |  | Yes |  | No |  |  | Yes |  | No |
|  |  |  |  |  |  |  |  | Yes |  | No |  |  | Yes |  | No |
|  |  |  |  |  |  |  |  | Yes |  | No |  |  | Yes |  | No |
|  |  |  |  |  |  |  |  | Yes |  | No |  |  | Yes |  | No |
|  |  |  |  |  |  |  |  | Yes |  | No |  |  | Yes |  | No |
|  |  |  |  |  |  |  |  | Yes |  | No |  |  | Yes |  | No |
|  |  |  |  |  |  |  |  | Yes |  | No |  |  | Yes |  | No |
|  |  |  |  |  |  |  |  | Yes |  | No |  |  | Yes |  | No |
|  |  |  |  |  |  |  |  | Yes |  | No |  |  | Yes |  | No |
|  |  |  |  |  |  |  |  | Yes |  | No |  |  | Yes |  | No |
|  |  |  |  |  |  |  |  | Yes |  | No |  |  | Yes |  | No |
|  |  |  |  |  |  |  |  | Yes |  | No |  |  | Yes |  | No |
|  |  |  |  |  |  |  |  | Yes |  | No |  |  | Yes |  | No |
|  |  |  |  |  |  |  |  | Yes |  | No |  |  | Yes |  | No |
|  |  |  |  |  |  |  |  | Yes |  | No |  |  | Yes |  | No |
|  |  |  |  |  |  |  |  | Yes |  | No |  |  | Yes |  | No |
|  |  |  |  |  |  |  |  | Yes |  | No |  |  | Yes |  | No |
|  |  |  |  |  |  |  |  | Yes |  | No |  |  | Yes |  | No |
|  |  |  |  |  |  |  |  | Yes |  | No |  |  | Yes |  | No |
|  |  |  |  |  |  |  |  | Yes |  | No |  |  | Yes |  | No |
|  |  |  |  |  |  |  |  | Yes |  | No |  |  | Yes |  | No |
|  |  |  |  |  |  |  |  | Yes |  | No |  |  | Yes |  | No |

## Appendix E

### Certification of Low-Income Representation

Each board member representing the interest of low-income households in the

Applicant’s Service Area must complete this Certification. Please maintain a copy of this Certification in your files and send the original to OHCD. Note: The board member needs to check at least one of the three criteria listed below but does not need to indicate the specific way in which he or she represents low-income community interest.

Board Member Name:

I certify that I am a current member in good standing of the governing board for       (name of CHDO Organization seeking Certification) and that I represent the interest of low-income households in the Applicant’s Service Area.

Board Member Signature: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_Date Completed:

Please check and complete one of the following:

I am a low-income resident of \_\_\_\_\_\_\_\_\_\_\_\_\_, a community in the Applicant’s Service Area.

*In order to qualify under this criterion, the board member must be a low-income resident of a community that the CHDO is planning to serve or is currently serving. Low-income is defined as 80% or less of Area Median Household Income.*

**OR**

I am a resident of a low-income neighborhood in \_\_\_\_\_\_\_\_\_\_\_ a community in the Applicant’s Service Area.

*In order to qualify under this criterion, the board member must live in a low-income neighborhood where 51% or more of the residents are low-income. The members do not have to be low-income.*

**OR**

I am an elected representative of \_\_\_\_\_\_\_\_\_\_, a low-income neighborhood organization within \_\_\_\_\_\_\_\_\_, a community in the Applicant’s Service Area.

*In order to qualify under the third criteria, the person must be elected by a low-income neighborhood organization to serve on the CHDO Board. The organization must be composed primarily of residents of a low-income neighborhood and its primary purpose must be to serve the interest of the neighborhood residents. Such organizations might include block groups, neighborhood associations, and neighborhood watch groups. The group must be a neighborhood organization and IT MAY NOT BE THE CHDO ITSELF. If the applicant is representing a low-income neighborhood organization, please attach a copy of the signed resolution from the neighborhood organization naming the individual as their representative on the CHDO.*

## Appendix F

**Description of Process for Obtaining Low-Income Input and**

### Sample Public Input Resolution

**Questions to Ask for Obtaining Low-Income Input:**

How have the low-income residents and program beneficiaries in your Service Area been involved with the CHDO to advise on policies and procedures, program design, site location(s), and the development and management of affordable housing?

*Having low-income representatives on the Board of Directors does not satisfy the low-income requirements. The low-income designation is designed to report the outreach efforts made by the CHDO to the low-income community.*

**Sample Public Input Resolution**

The following is hereby resolved by the Board of Directors of \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ at a duly called meeting on \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_ at which a quorum was present:

The following provision is hereby added to the By-laws and shall be designated as Article \_\_\_\_\_\_\_\_\_\_\_\_.

For any housing project undertaken by this organization there shall be formal process by which we gather input from intended beneficiaries, low-income residents of the proposed area, and other community members. The process will include:

Holding a widely publicized open meeting;

Creating ad hoc committees of neighbors of a proposed development site(s);

Forming a neighborhood advisory council;

Temporarily expanding our governing board to include neighbors during the period of planning and development of housing project(s);

Other:

Input will be sought on project design, location of sites, development, management, and any other relevant issues.

**Name of Authorized Official:** **\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

**Signature of Authorized Official:**

**Title of Authorized Official: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_** **Date: \_\_\_\_\_\_\_\_\_\_\_\_\_\_\_\_**

|  |  |  |
| --- | --- | --- |
|  | |  | | --- | | **Competitive Application Guidelines**  **&**  **CHDO Funding Application** | |

#### I. Projects and Funding

The Prince William County Office of Housing and Community Development (OHCD) is soliciting applications from Prince William County certified Community Housing Development Organizations (CHDO) for the development, improvement or preservation of affordable housing for households with incomes at or below 80% of Area Median Income (AMI) in the Prince William Area. The Prince William Area consists of Prince William County, and the Cities of Manassas and Manassas Park.

Total **anticipated** funding available is:

**$99,208** Federal Fiscal Year 17, Prince William County Fiscal Year FY18

**$137,992** Federal Fiscal Year 18, Prince William County Fiscal Year FY19

**$133,415** Federal Fiscal Year 19, Prince William County Fiscal Year FY20

**Applications for funding under this announcement shall not *initially* exceed $370,615.**

II. Timeline and Review Process

##### Deadline Date

One original and two copies (2) of the application are due in the Prince William County Office of Housing and Community Development, Attn: Joan Duckett, 15941 Donald Curtis Drive, Suite 112, Woodbridge, VA 22191 by **5:00 p.m. on March 30, 2020.**

##### Review Process

A Review Committee will score applications and make funding recommendations to the Director of the Office of Housing and Community Development.

#### III. HOME Program Overview

The Home Investment Partnerships Program (HOME) was created as a part of the 1990 National Affordable Housing Act. Through the HOME Program, funds are made available through the U.S. Department of Housing and Urban Development (HUD) to expand the supply of decent and affordable rental housing and homeownership opportunities for low and very low-income households. CHDO set aside funds which represent 15% of the HOME allocation must be used for HOME eligible activities that will be developed, sponsored or owned by certified Community Housing Development Organizations (CHDO);

* **Owner.** The CHDO holds valid legal title to or has a long-term leasehold interest in the rental property to be leased to low-income families in accordance with §92.252. The CHDO may be an owner with more than one individual, corporations, partnerships, or other legal entities
* **Sponsor.** The CHDO develops or owns a property by a subsidiary of the CHDO, a limited partnership of which the CHDO or its subsidiary is the SOLE GENERAL PARTNER, or a limited liability company of which the CHDO or its subsidiary is the SOLE MANGEMENT MEMBER
* **Developer of a Rental Housing Development.** The CHDO either owns a property and develops a project or has a contractual obligation to a property owner to develop a project that will either be constructed or exiting substandard housing that will be rehabilitated for rent to low-income families in accordance with §92.252
* **Developer of a Housing for Home Ownership.** The CHDO is the owner, holds valid legal title and developer of new housing that will be constructed or existing substandard housing that will be rehabilitated for sale to low-income families in accordance with §92.254

**Eligible Activities Set in Five (5) Year Consolidated Plan:**

Development of affordable rental housing and homeownership affordability through acquisition, new construction, and rehabilitation of non-luxury housing, site improvements, conversion, and demolition for development of new housing, financing costs, and relocation expenses of persons or businesses displaced as a result of the HOME project. CHDO set-aside funds may also be used for downpayment and closing cost assistance to a homebuyer provided the assistance is used toward the purchase of a residence owned, developed or sponsored by the CHDO using HOME assistance.

The Office of Housing and Community Development (OHCD) current Five-Year Consolidated Plan for Federal Fiscal Years 2015-2019 (FY16-20) only provides for increased potential for affordable Homeownership and Rental housing opportunities. OHCD was provided a one-year extension for submission of it’s Five-Year Consolidated Plan.

##### Eligible Project Hard Costs

Cost of constructing or rehabilitating housing, acquisition of land and structures, site preparation, construction material and labor.

##### Eligible Project Soft Costs

Architectural, engineering, related professional services required to prepare plans, specifications, or work write-ups. Costs to process and settle the financing for a project, such as financing fees, credit reports, title binder fees, recordation fees, filing fees for legal documents, building permits, attorney fees, appraisal fees, builders’ or developers’ fees. Costs associated with fair housing and affirmative marketing to prospective homeowners and tenants. For new construction or rehabilitation, the cost of funding an initial operating deficit reserve, not to exceed 18 months, which may only be used to pay project operating expenses, scheduled payments to a replacement reserve, and debt service.

## B. Ineligible Activities

CHDO set aside funds may not be used for homeowner occupied rehabilitation, tenant based rental assistance, or any other activity that is not owned, sponsored or developed by the CHDO. HOME funds cannot be used in projects requiring less than $1,000 in HOME funds per unit, or to assist projects previously funded with HOME funds during the period of affordability. HOME funds may not be used for emergency shelters. HOME funds may not be used to provide project reserve accounts or operating subsidies, provide non-federal matching contribution required under any other Federal program, public housing modernization, or provide assistance to prepay Low Income Housing Mortgages under 24 CFR part 248.

### C. Matching Requirements

Projects must provide a minimum of 25% HOME Program eligible match for each $1 of HOME funds in the project. All match contributions must be a permanent contribution to the project and made from non-federal sources. Match for the HOME Program is very specific, and not all sources of project leveraging may qualify as HOME match. All matches must be properly documented, verified in writing from the match source, reviewed and approved by OHCD to be considered as fulfilling the match requirement.

#### Eligible Forms of Match

Cash from a non-federal source, County General Fund source, the grant equivalent of a below-market interest rate loan, value of waived taxes, fees or other charges, donated land or real property, on-site and off-site infrastructure costs, donated site preparations and construction materials, donated use of site preparation or construction equipment, donated or voluntary labor and professional services, sweat equity provided to a homeownership project up to the time HOME funds are expended on the project, cost of supportive services provided for independent living, or as part of a self-sufficiency program, homebuyer counseling services to families that acquire properties with HOME funds (both pre purchase and ongoing during the period of affordability).

#### Ineligible Forms of Match

Contributions made with or derived from Federal sources, the interest rate subsidy attributable to the Federal tax-exemption on financing, or the value attributable to Federal tax credits, owner equity or investment in the project, cash or other forms of contributions from applicants for or recipients of HOME assistance or contracts, or investors who own, are working on, or are proposing to apply for assistance for a HOME-assisted project.

### D. HOME Program Limitations and Restrictions

#### Project Development

OHCD must administer its HOME program in a manner that provides housing that is suitable for promoting greater choice of housing opportunities and facilitating and furthering full compliance with Title VI of the Civil Rights Act of 1964, the Fair Housing

Act, Executive Order 11063, and HUD regulations. HUD requires its participating

jurisdictions to establish site and neighborhood requirements to new construction of rental housing. The determined requirements must meet the requirements stated in 24 CFR 983.6(b).

To be considered for HOME funding, all applicants submitting proposals must assure that the property selected meets all local codes and standards following completion. All properties must meet and/or exceed the HUD Housing Quality Standards (HQS) and will be inspected prior to final close-out of the project.

#### Serving Low-income Households

Housing which is developed with HOME funds must serve low- and very low-income households with incomes less than 80% of Area Median Income. Income limits are shown in Exhibit A.

#### Other Limitations and Restrictions

HUD regulations establish a limit on the amount of HOME funds that may be invested on a per-unit basis in affordable housing.

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **HOME Program**  **Maximum Per-Unit Subsidy Limit**  **Prince William County**  **Effective May 9, 2019** | | | | |
| **0 Bedroom** | **1 Bedroom** | **2 Bedroom** | **3 Bedroom** | **4 + Bedrooms** |
| $150,209 | $166,438 | $204,084 | $255,605 | $289,018 |

#### Rental Housing

HOME funds may be used to acquire land or existing rental housing and/or rehabilitate or construct affordable rental housing. HOME funds may be used to acquire and/or rehabilitate or construct affordable permanent or transitional rental housing. Unlike other federal grant programs, HOME distinguishes between the units in a project that have been assisted with HOME funds and those that have not. “HOME assisted units” is a term that refers to the units within a HOME project for which rent, and occupancy restrictions apply. The number of units designated as Home assisted affects the maximum HOME subsidies that may be provided to a project.

###### Rents

Every HOME assisted rental unit is subject to rent limits designed to help make rents affordable to low-income households. These maximum rents are referred to as “HOME rents”. HUD publishes the rent schedule each year based on changes in area income levels or market conditions (Exhibit B). There are two HOME rents used in the HOME program:

High HOME Rents are the lesser of

* The Section 8 Fair Market Rents (FMRs) for existing housing; OR
* Thirty (30) % of the adjusted income of a household whose income equals 65% of AMI.

Low HOME Rents:

For properties with five (5) or more HOME assisted units, at least 20% of HOME assisted units must have rents which are no greater than: • Thirty (30) % of the household’s monthly adjusted income; OR

* Thirty (30) % of the annual household income whose income equals 50% of AMI.

Rents are strictly controlled in HOME-assisted units (HOME unit). See Exhibit B for HOME Rent Limits. The number of HOME units in a project is based on the amount of HOME funds spent on a per-unit basis, as illustrated below:

HOME assisted rental projects carry rent and occupancy restrictions for varying lengths of time, known as the “Affordability Period”. The HOME Program requires a minimum affordability period for all rental projects receiving HOME funds, depending on the average amount of HOME funds invested in each unit and the type of activity performed using HOME funds. The chart below shows how the activity and subsidy determine the HOME required “Affordability Period”.

##### Affordability Periods

##### \* for Rental Housing Activities

|  |  |  |  |
| --- | --- | --- | --- |
| **Activity** | **HOME Subsidy** | **Affordability Period** | |
| Rehabilitation or acquisition of existing housing | Less than $15,000/unit | | 5 years |
| $15,000 - $40,000/unit | | 10 years |
| Greater than $40,000 | | 30 years |
| Rehabilitation with refinancing | Any Amount | | 30 years |
| New construction or acquisition of new housing | Any Amount | | 30 years |

\* The “Affordability Period” represents the minimum length of time (beginning upon project completion) a recipient of HOME assistance for rental housing projects must be in compliance with HOME rules and regulations to include maximum HOME rent limits, tenant income, and other applicable requirements. HOME rent limits include both rent and utilities or utility allowances. The period is based on the amount of HOME funds provided per HOME assisted unit. When the recipient fails to comply with the HOME regulations during the designated “Affordability Period”, the action triggers repayment of the direct HOME subsidy to Prince William County.

Deed restrictions and restrictive covenants will be in place and filed as a lien against the property to ensure that occupancy and rental requirements are maintained and monitored during the required period of affordability depending on the amount of HOME funds provided.

###### Local Restrictions - Rental of HOME Units to Section 8 Housing Choice Voucher Holders

Projects resulting in investment of 50% or more HOME funds per unit cost will be prohibited from renting the unit to a (Section 8) Housing Choice Voucher holder. This is a local restriction designed to maximize affordable housing opportunities developed through the use of public funds.

The non-HOME units in the project do not have any rent restrictions unless required by other financing (e.g., tax credits). Applicants proposing rental housing may request assistance in calculating the correct HOME rents for the project.

#### Homeownership

Homeownership opportunities that are developed, sponsored or owned by the CHDO, and sold to a household with income less than 80% of area median income as established by HUD are eligible CHDO activities. The price of the home must not exceed the area’s affordable sales price limit of $323,000. The housing must be the principal residence of the family throughout the period of affordability enforced through deed restriction as, described below:

##### Affordability Periods \* for Homeownership Activities

|  |  |
| --- | --- |
| **HOME Benefit to Homebuyer** | **Affordability Period** |
| Under $15,000 | 5 years |
| $15,000 to $40,000 | 30 years |
| Over $40,000 | 30 years |

\* The “Affordability Period” represents the minimum length of time a recipient (beginning upon project completion) of homeownership assistance must maintain and reside in the property as his/her primary residence. When the homebuyer sells or fails to reside in the property as his/her primary residence during the “Affordability Period”, the action triggers repayment of the direct HOME subsidy to the County.

Projects are permitted and strongly encouraged to use longer periods of affordability than the minimum required. Prince William County guidelines require that all HOME funds invested be recaptured from a homeowner who does not maintain the property as their principal residence during the period of affordability. Therefore, for

homeownership projects, deed restrictions regarding repayment of HOME funds during the period of affordability must be included in the Deed of Trust and filed as a lien against the property with the Clerk of the Court among the land records.

No lien will be subordinated at any time during the affordability period to a Home Equity Loan, other loan, or refinances of the first loan that result in removal of equity from the property for any reason (i.e. cash, loan consolidation, debt repayment, home improvements, education expenses, etc.)

**IV. Project Assessment Criteria**

## A. Threshold Requirements

***Compliance Goals Outlined in Prince William Area’s Five Year Consolidated***

***Housing and Community Development Plan for Federal Fiscal Years 2015-2019.***

[For Goals and Objectives see attachment of Strategic Plan Table (i)]

The project must demonstrate that it meets one of the Goals and Objectives in the

Prince William Area’s Five-Year Consolidated Housing and Community Development Plan for Federal Fiscal Years 2015-2019 (FY16-20). OHCD was granted a one-year extension of its Five-Year Consolidated Plan. If the project does not address a goal and objective, it will not be considered for funding.

*Currently Five-Year Consolidated Plan for FFY15-19 (FY16-20) only provides for increased potential for affordable Homeownership and Rental housing opportunities.*

***Provide 25% HOME Program Eligible Match***

Projects must provide a minimum HOME Program eligible match of 25% for each $1 of HOME funds in the project. All match contributions must be a permanent contribution to the project and must be made from non-federal sources. Projects that do not identify a minimum of 25% HOME Program eligible match will not be considered for funding.

***Previously Funded Non-Compliant Applicants***

Previously funded organizations not in compliance with HOME regulations or procedures for existing or previously funded HOME projects will not be considered for funding.

## B. Scoring Criteria

Applications will be ranked competitively by the Review Committee based on criteria outlined below. A total of 200 points will be available.

**Sponsor Capacity (50 Points)**

* Current or previous experience with related program or project activity
* Adequacy of existing or proposed staff to carry out the project
* Commitment of Project Development Team
* Appropriateness and adequacy of financial management system

**Content and Soundness of the Project Description (70 Points)**

* Overall soundness and content of project design in addressing issues relevant to project implementation and management
* Soundness of the management plan and cash flow analysis to ensure the project is implemented as proposed during the period of affordability *Rental Projects must submit a 15-year pro forma to document reasonable and realistic cash flow demonstrating the financial soundness of the ongoing project operation*
* Adequate market justification that the project will rent up or sell, in the current market and economic environment
* Adequacy of marketing plan to reach targeted population and promote equal housing opportunities and ensure compliance with Federal Fair Housing regulations
* Reasonable cost estimates

**Number of Units for extremely-low, low- and moderate-income households, elderly (62+), handicapped, disabled (Social Security/SSI qualified) (50 Points Maximum).**

*Points awarded for this section are only applicable for households in these income ranges not benefiting from the Section 8 Housing Choice Voucher Program.*

Affordability Definition: Unit(s) will be affordable to households when rents charged, or for homeownership projects where the Principal, Interest, Taxes and Insurance (PITI) do not exceed 30% of the Area Median Income (AMI) range targeted for the household size.

50 Points Project will result in unit(s) targeted to and affordable for the

0-30% AMI range -or-

Project will result in unit(s) targeted to elderly (62+), handicapped, disabled (Social Security/SSI qualified) 80% AMI or less

40 Points Project will result in unit(s) targeted to and affordable for the 31-50% AMI range

20 Points Project will result in unit(s) targeted to and affordable for the 51-60% AMI range

**Readiness of the project and development schedule (30 Points)**

* Major milestones have been adequately identified and reasonably targeted for completion date
* Project location has been determined
* Project will be completed with beneficiaries in place by **September 30, 2019**

**EXHIBIT A**

**PRINCE WILLIAM AREA**

**2019 MEDIAN INCOME TABLES**

**Effective April 24, 2019**

**Extremely Low Income -** Gross household income 30% area median income (AMI), adjusted for household size per the following table:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6 Person | 7 Person | 8 Person |
| $25,500 | $29,150 | $32,800 | $36,400 | $39,350 | $42,250 | $45,150 | $48,050 |

**Very Low Income** - Gross household income 50% area median income (AMI), adjusted for household size per the following table:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6 Person | 7 Person | 8 Person |
| $42,500 | $48,550 | $54,600 | $60,650 | $65,550 | $70,400 | $75,250 | $80,100 |

**60% Income** - Gross household income **60%** area median income (AMI), adjusted for household size per the following table (**effective 6-28-19**):

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6 Person | 7 Person | 8 Person |
| $51,000 | $58,260 | $65,520 | $72,780 | $78,660 | $84,480 | $90,300 | $96,120 |

**Moderate Income -** Gross household income 80% area median income (AMI), adjusted for household size per the following table:

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| 1 Person | 2 Person | 3 Person | 4 Person | 5 Person | 6 Person | 7 Person | 8 Person |
| $54,350 | $62,100 | $69,850 | $77,600 | $83,850 | $90,050 | $96,250 | $102,450 |

NOTE: Prince William County is part of the **Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area**, so all information presented here applies to all of the **Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area**. The **Washington-Arlington-Alexandria, DC-VA-MD HUD Metro FMR Area** contains the following areas: District of Columbia, DC; Calvert County, MD; Charles County, MD; Frederick County, MD; Montgomery County, MD; Prince George's County, MD; Arlington County, VA; Clarke County, VA; Fairfax County, VA; Fauquier County, VA; Loudoun County, VA; Prince William County, VA; Spotsylvania County, VA; Stafford County, VA; Alexandria city, VA; Fairfax City, VA; Falls Church City, VA; Fredericksburg City, VA; Manassas City, VA; and Manassas Park City, VA.

Median family income estimates are available at HUD’s internet site: <https://www.huduser.gov/portal/datasets/il/il2019/2019summary.odn>

**Median Family Income for Washington Metropolitan Area is $121,300**

\* The FY 2014 Consolidated Appropriations Act changed the definition of extremely low-income to be the greater of 30/50ths (60 percent) of the Section 8 very low-income limit or the poverty guideline as [established by the Department of Health and Human Services (HHS)](https://www.federalregister.gov/documents/2018/01/18/2018-00814/annual-update-of-the-hhs-poverty-guidelines), provided that this amount is not greater than the Section 8 50% very low-income limit. Consequently, the extremely low-income limits may equal the very low (50%) income limits.

.

Income Levels

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **EXHIBIT B**  **Prince William Area**  **HOME Program Rents**  **Fair Market, 65% and 50% Rent**  **Limits Effective 6/28/2019** | | | | | | | |
| **HOME Program Rents** | **Efficiency** | **1**  **Bedroom** | **2**  **Bedroom** | **3**  **Bedroom** | **4**  **Bedroom** | **5**  **Bedroom** | **6**  **Bedroom** |
| Low HOME Rent | $1,062 | $1,138 | $1,365 | $1,577 | $1,760 | $1,941 | $2,122 |
| High HOME Rent | $1,310 | $1,405 | $1,688 | $1,942 | $2,148 | $2,351 | $2,554 |
| Fair Market Rent | $1,415 | $1,454 | $1,665 | $2,276 | $2,678 | $3,080 | $3,481 |
| 65% Rent Limit | $1,310 | $1,405 | $1,365 | $1,577 | $1760 | $1941 | $2122 |
| 50% Rent Limit | $1,062 | $1,138 | $1,318 | $1,523 | $1,700 | $1,876 | $2,051 |

* The rents include all utilities paid by landlord.

# EXHIBIT C

**FIVE (5) YEAR CONSOLIDATED PLAN PERFORMANCE MEASUREMENT OBJECTIVES**

**I. Suitable Living Environment**

**Goal: Improve the condition and availability for potential Homeownership and Rental Housing Opportunities;**

**Objective 2: Increase the viability for potential Homeownership and Rental Housing Opportunities.**

**Strategy 2.1: Provide funding to CHDO organization for operating funds and development fees to develop Affordable Housing for low-moderate income Homeownership and Rental Housing.**

**Performance Goal: HOME CHDO Funds allocated 1st Year to support one (1) CHDO organization and one (1) CHDO organization to be assisted annually for the remaining annual plan years.**

**PROJECT INFORMATION**

**CHDO FUNDING APPLICATION**

**I. Applicant/Organization Name and Address**

|  |  |
| --- | --- |
| Organization Name: |  |
| Address: |  |
| City, State & Zip: |  |
| Federal Tax ID: |  |
| DUNS #: |  |

**II. Contact Information**

|  |  |
| --- | --- |
| Name: |  |
| Title: |  |
| Phone: |  |
| Fax: |  |
| E-Mail: |  |
| Signature: |  |

**III. Project Type (check all that apply)**

Acquisition Rental Property  Rehabilitation Rental Property

Homeownership

**IV. Project Description (Brief) Including How Project will Benefit the Community:**

**V.**

|  |  |
| --- | --- |
| **Project Cost Overview** | |
| HOME Funds Requested: | $ |
| Other Public Funds: | $ |
| Private Financing: | $ |
| Total Project Cost: | $ |

**VI. Income and Rent of Population to Be Served**

Please answer the following questions pertaining to your project:

**Rental**

***Fixed***  ***Floating Units***

For properties with both assisted and non-assisted units, the program administrator must select “fixed” or “floating” units at the time of project commitment. When HOME assisted units are “fixed”, the specific units that are HOME assisted are designated and never change. When HOME assisted units are “floating”, the units that are designated as HOME assisted may change over time as long as the total number of HOME assisted units in the project remains constant.

The HOME Program restricts the rents for HOME units and incomes of the tenants in HOME units throughout the HOME affordability period. HOME Program Rents and HOME Program Income Limits are published by HUD each year based on changes in area income levels or market conditions. Prince William County Utility Allowances are provided through the Office of Housing and Community Development and revisions are reviewed and adjusted annually as required.

***Rent Limits for Rental Projects:***

HOME units are considered to be either High HOME units or Low HOME units and rents may not exceed HUD’s published High or Low HOME rents accordingly. Every HOME assisted rental unit is subject to rent limits designed to help make rents affordable to low-income households. These maximum rents are referred to as “HOME rents”. Rents for High HOME units are restricted to the lessor of HUD’s Fair Market Rent (FMR) or the High HOME Rent. In projects with five or more HOME units, the rents for 20% of the HOME units are restricted to the lessor of the HUD FMR or the Low HOME Rent. These are gross rents and must include allowances for any tenant paid utilities other than telephone or cable television charges. If utilities are not included in the rent, please consult OHCD Utility Allowance Chart.

The High HOME Rent is calculated at 30% of adjusted income for households at 65% of the area median income (AMI) and the Low HOME Rent at 30% of adjusted income for households at 50% of the AMI.

When units receive Federal or State project-based rental subsidies and are occupied by very low-income households, the HOME rent limits do not apply. Rents on units occupied by tenants holding Section 8 Vouchers must remain within HOME limits.

The program funds rule requires that at least 90% of HOME assisted units must be reserved for residents whose income does not exceed 60% of the Area Median Income (AMI). For rental properties of which five (5) or more units will be HOME assisted, at least 20% of the units must be reserved for households who meet the threshold as very-low income (at or below 50% AMI). The balance of rental units must assist households with incomes that do not exceed 80% of AMI.

**Homeownership**

Homeownership opportunities that are developed, sponsored or owned by the CHDO, and sold to a household with income less than 80% of area median income as established by HUD are eligible CHDO activities. HOME has limits regarding the amount of federal dollars that can be used in an individual project. Before a project can be approved, staff must determine compliance with the distinct rules applicable to the federal funding source(s) which will be used for funding. Section 215(b) of NAHA requires that the initial purchase price or after-rehabilitation value of homeownership units assisted with HOME funds not exceed 95% percent of the area median purchase price for single family housing, as determined by HUD. Historically, HUD used the FHA Single Family Mortgage Limit (known as the 203(b) limits) as a surrogate for 95 percent of area median purchase price. However, statutory changes require the 203(b) limits to be set at 125 percent of area median purchase price. Consequently, PJs can no longer use the 203(b) limits as the HOME Program homeownership value limits (i.e., initial purchase price or after rehabilitation value).

**VII.** **Development Team Information**

**General Partner/Managing Organization**

|  |  |
| --- | --- |
| Name: |  |
| Address: |  |
| City, State & Zip: |  |
| Contact Person: |  |
| Phone: |  |
| Fax: |  |

**Rental Management Entity (if applicable)**

|  |  |
| --- | --- |
| Name: |  |
| Address: |  |
| City, State & Zip: |  |
| Contact Person: |  |
| Phone: |  |
| Fax: |  |
| Years of Experience |  |
| # of Total Projects Under Management |  |

**Real Estate Agent (if applicable)**

|  |  |
| --- | --- |
| Name: |  |
| Address: |  |
| City, State & Zip: |  |
| Contact Person: |  |
| Phone: |  |
| Fax: |  |
| Years of Experience |  |

**Attorney and/or Settlement Agency (if applicable)**

|  |  |
| --- | --- |
| Name: |  |
| Address: |  |
| City, State & Zip: |  |
| Contact Person: |  |
| Phone: |  |
| Fax: |  |
| Does an identity of interest or business associated exist between the Applicant, Applicant’s Board, Developer, Developer’s Board or Owner, Owner’s Board and any other member of the Development Team? If members of the Development Team are related or associated in any way, please indicate the nature of the relationship. Examples of such overlapping interests or relationships include: family relationships; acting as a director, officer or owning stock in corporations; being partners (general or limited) or principals in a partnership; members in a limited liability company; or managing, advising or directing other corporate or business entities.  If there is an identity of interest, please describe.  Please provide the names of those Development Team members which have been determined, including sponsoring organization, consultant, tax account, and others involved in the Development Team.  List any direct or indirect, financial or other interest a member of the above team may have with another member of the team for this development? List “none” if there are no identities of interest. | |

**Staffing for Proposed Project (List all employees involved in the project)**

|  |  |  |  |
| --- | --- | --- | --- |
| **Job Title** | **Responsibilities** | **Name** | **Hrs./Week & Hrly. Rate of Pay** |
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# VIII. Development Team Information

|  |  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- | --- |
| **Identify all previous HOME or CDBG grants the applicant has been awarded since 2013:** | | | | | | | | |
| Project Funds | | | | | | | | |
| Year That Contract Began | 2017 | 2016 | 2015 | 2014 | | 2013 | | |
| HOME or CDBG |  |  |  |  | |  | | |
| Contract Amount |  |  |  |  | |  | | |
| Date Contract Completed |  |  |  |  | |  | | |
| Status of Project |  |  |  |  | |  | | |
| Remaining Balance on Contract |  |  |  |  | |  | | |
| 1. Does the CHDO have any outstanding compliance issues and concerns with other funding entities? | | | | | Yes | | No |
| 2. If yes, please explain. | | | | | | | |

**IX. Benefit to Extremely Low, Low & Moderate-Income Households**

Indicate % of Area Median Income (AMI) targeted in column (h) in the following ranges: 0-30%,   
31-50%, 51-60%, 61-80%, Above 80%

**FOR RENTAL PROJECTS COMPLETE THE FOLLOWING:**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| **UNITS DESIGNATED FOR EXTREMELY LOW, LOW- & MODERATE-INCOME OCCUPANCY** | | | | | | | |
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) \*\* |
| # Bedrooms | Total # Units | # of HOME units in total (b) | Unit Size  (Sq. Ft.) | Monthly Resident Paid Rent | Monthly Utility Allowance | Monthly Rent Plus Utility Allowance | % of AMI Targeted |
|  |  |  |  | $ | $ | $ |  |
|  |  |  |  | $ | $ | $ |  |
|  |  |  |  | $ | $ | $ |  |
|  |  |  |  | $ | $ | $ |  |
|  |  |  |  | $ | $ | $ |  |

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **MARKET RATE UNITS** | | | | |
| (a) | (b) |  | (d) | (e) |
| # Bedrooms | Total # Units |  | Unit Size (Sq. Ft.) | Monthly Resident Paid Rent |
|  |  |  |  | $ |
|  |  |  |  | $ |
|  |  |  |  | $ |
|  |  |  |  | $ |
|  |  |  |  | $ |

**FOR HOMEOWNERSHIP PROJECTS COMPLETE THE FOLLOWING:**

|  |  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- | --- |
| (a) | (b) | (c) | (d) | (e) | (f) | (g) | (h) \*\* |
| # Bedrooms | Total # Units | # of HOME units in total (b) | Unit Size  (Sq. Ft.) | Structure Type (TH, SF, Condo) | Construction Cost/Unit | Sales Price | % of AMI Targeted |
|  |  |  |  |  |  | $ |  |
|  |  |  |  |  |  | $ |  |
|  |  |  |  |  |  | $ |  |
|  |  |  |  |  |  | $ |  |
|  |  |  |  |  |  | $ |  |
| Describe sales price for HOME assisted units, down payment and closing cost assistance that will be available for purchasers, including sources of funds, amounts, terms of loan (primary loan and secondary loan). | | | | | | | |

**X. Readiness of the Project and Development Schedule**

Do you have site control?  Yes  No

Do you have a ratified purchase contract?  Yes  No

Do you have a purchase option?  Yes  No

Does the property require rezoning/special use permit?  Yes  No

Are utilities available at the site?  Yes  No

Do you have a schematic and a preliminary site plan for the project?  Yes  No

Do you have an engineering report detailing property condition?  Yes  No

Do you have detailed cost estimates for the rehabilitation work?  Yes  No

Do you have any financial commitments?  Yes  No

Has an environmental audit of the site been undertaken?  Yes  No

Has an appraisal been completed on the project?  Yes  No

If yes, what is the appraised value of the property? $

*Attach contacts or other documentation to show evidence of* ***YES*** *answered questions*

**Project Time Line**

|  |  |  |  |  |
| --- | --- | --- | --- | --- |
| **Implementation/Milestone** | **Responsible Person** | **Indicate Staff, Board, Volunteer, etc.** | **Start Date**  **00/00/00** | **Comp. Date**  **00/00/00** |
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**XI. Match Requirement**

Describe how the Project will meet the HOME requirements for a minimum of 25% match of HOME funds from non-federal HOME allowable match sources. (See HOME Match Program Match Guidance for description of eligible match on Page 3)

HOME Funds Requested $

X .25

Minimum Match $

|  |  |
| --- | --- |
| **Describe Match Source** | **Amount of Match** |
|  | $ |
|  | $ |
|  | $ |
|  | $ |
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|  | $ |
|  | $ |
|  | $ |
| **Total Match** | **$** |

**XII. Source of Financing & Degree of Commitment from Other Project Financing**

**A. Permanent Financing:** List individually the sources of all permanent financing in order of lien position:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Source of Funds** | **Date of Application** | **Date of Commitment** | **Amount of Funds** | **Annual Debt Service Cost** | **Interest Rate of Loan** | **Term of Loan** |
|  |  |  | $ | $ |  |  |
|  |  |  | $ | $ |  |  |
|  |  |  | $ | $ |  |  |
|  |  | **Totals:** | **$** | **$** |  |  |

Commitment letter(s) attached

**B. Grants:** List all grants provided for the project:

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Source of Funds** | **Date of Application** | **Date of Commitment** | **Amount of Funds** | **Last Name of Contact Person**  **& Phone #** | | |
|  |  |  | $ | , | | |
|  |  |  | $ | , | | |
|  |  |  | $ | , | | |
|  |  | **Totals:** | **$** |  |  |  | |

Commitment letter(s) attached

C. Low Income Housing Tax Credit (LIHTC)

|  |  |  |  |  |  |  |
| --- | --- | --- | --- | --- | --- | --- |
| **Source of Funds** | **Date of Application** | **Date of Commitment** | **Amount of Funds** | **Last Name of Contact Person**  **& Phone #** | | |
| LIHTC |  |  | $ | , | | |
|  |  | **Totals:** | **$** |  |  |  | |

Commitment letter(s) attached

**D. Total Sources of Funding:**

|  |  |
| --- | --- |
| **Add Totals from A. Permanent Financing, B. Grants and C. Low Income Housing Tax Credit** | **$** |

**XIII. Pro Forma**

**Required Submission for ALL Rental Project Proposals.** Attach 15 Year Pro Forma and complete the Summarize Project Cash Flow for the first year of stabilized occupancy.

**YEAR**

**REVENUE**

A. Annual Gross Rents $

B. Less 5% Vacancy -$(     )

C. Net Rental Income $

D. Other Income:

Source:       $

Source:       $

E. (C + D) Net Income $

**EXPENSES**

F. Operating Expenses $

**DEBT SERVICE**

First Trust $

$      at      % for       months

Lender:

Second Trust $

$      at      % for       months

Lender:

Third Trust $

$      at      % for       months

Lender:

G. Debt Total $

H. Cash Flow Available for Distribution (E minus F+G) $

**XIV. Detailed Annual Operating Expense Budget**

**Required Submission for ALL Rental Project Proposals.**

|  |  |  |
| --- | --- | --- |
| **Advertising and Marketing** |  | **$** |
| **Management (Salaries, fees, etc.)** |  | **$** |
| **Insurance** |  | **$** |
| **Administrative, Legal, Audit** |  | **$** |
| **Operations** |  |  |
| Elevator | $ |  |
| Heating | $ |  |
| Lighting | $ |  |
| Water & Sewer | $ |  |
| Trash Removal | $ |  |
| Employee Payroll | $ |  |
| Decorating | $ |  |
| Repairs | $ |  |
| Exterminating | $ |  |
| Insurance | $ |  |
| Grounds maintenance | $ |  |
| General maintenance | $ |  |
| Other: | $ |  |
|  | $ |  |
|  | **Total Operations** | **$** |
| **Taxes** |  |  |
| Real Estate | $ |  |
| Personal Property | $ |  |
| Employee Payroll | $ |  |
| Other | $ |  |
|  | **Total Taxes** | **$** |
| **Replacement Reserves** |  | **$** |
| **Other Fees and Expenses** |  | **$** |
| **Total Operating Expenses** |  | **$** |
|  |  |  |
| **Average Expense per Unit** | **$** |

**XV. Displacement Assistance Summary**

**A. Temporarily Households Displaced**

Number of Households Anticipated Displaced Temporarily?

Indicate % of Area Median Income (AMI) for those Temporarily Displaced in the following ranges: 0-30%, 31-50%, 51-60%, 61-80%, Above 80%

**B. Permanently Households Displaced**

Number of Households Anticipated Displaced Permanently?

Indicate % of Area Median Income (AMI) for those Temporarily Displaced in the following ranges: 0-30%, 31-50%, 51-60%, 61-80%, Above 80%

**Borrower’s Certification:**

Applicant hereby certifies that it has read and understands the CHDO Program Requirements outlined in this application, that it agrees to abide by these requirements, and that violation of these requirements shall constitute grounds for cancellation of any commitment. Applicant thereby certifies that the information submitted in the Program Application and any supporting materials is true, accurate, and complete to the best of its knowledge. Applicant acknowledges and understands that if facts and/or information herein are found to be misrepresented, it shall constitute grounds for the default of the CHDO Program Funds for which application is being made.

Executive Director Signature Date

**Please provide with Application a Board Resolution authoring the submission of the CHDO Application for HOME funding.**

**[Example Board Resolution]**

On the day of , 20 , at a meeting of the Board of Directors of a corporation, with a quorum of the directors’ present, the following business was conducted:

It was duly moved and seconded that the following resolution be adopted:

BE IT RESOLVED that the Board of Directors of the above corporation do hereby authorize (Name and Title) to apply for HOME CHDO Program Assistance from Prince William County, Office of Housing and Community Development in the amount of $\_\_\_\_\_\_\_\_\_ for the following project (describe project, repayment terms and Match):

The above resolution was passed by a majority of those present and voting in accordance with the by-laws and articles of incorporation.

I certify that the above and foregoing constitutes a true and correct copy of a part of the minutes of a meeting of the Board of Directors of which meeting was held on \_\_\_\_\_\_ day of \_\_\_\_\_\_\_\_, 20\_\_.

Board Secretary

CORPORATE SEAL

Subscribed and sworn before me, a Notary Public, for the County of , State of Georgia, on the day of , 20 .

Notary Public

NOTARY SEAL