

# HOME Program Funding Application For FY 2020-2021 Funds



## Orange County HOME Investment Partnerships Program

# HOME PROGRAM FUNDING APPLICATION FOR FY 2020-2021 GENERAL INFORMATION AND APPLICATION INSTRUCTIONS

## OVERVIEW

Thank you for your interest in applying for funds for affordable housing through the Orange County HOME Consortium. This application has been developed to streamline the funding process and simplify the application for agencies seeking support for affordable housing projects.

### **HOME Investment Partnership Program (HOME):**

The U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnerships Program (HOME) provides formula grants to states and local communities that (often in partnership with local nonprofit groups) fund a wide range of activities including construction, acquisition, and/or rehabilitating affordable housing for rent or homeownership, or to provide direct rental assistance to low-income people. It is the largest Federal Block Grant to state and local governments designed exclusively to create affordable housing for low-income households. HOME funds are awarded annually as formula grants to participating jurisdictions (PJs). The program's flexibility allows States and local governments to use HOME funds for grants, direct loans, loan guarantees or other forms of credit enhancements, rental assistance or security deposits.

Orange County's HOME funding applications are accepted once a year and are reviewed by the Orange County Home Consortium Committee, known as the Local Government Affordable Housing Collaborative. The Collaborative is comprised of staff and elected officials from the Towns of Chapel Hill, Carrboro, Hillsborough, and Orange County. A recommended funding plan is reviewed for approval by each jurisdiction in the spring of every year.

## INCOME ELIGIBILITY

In general, all projects must benefit persons whose household income is at or below 80% of the Area Median Income (AMI) adjusted for family size. The most current HUD HOME Income Limits can be found at: [https://files.hudexchange.info/reports/published/HOME\\_IncomeLmts\\_State\\_NC\\_2019.pdf](https://files.hudexchange.info/reports/published/HOME_IncomeLmts_State_NC_2019.pdf)

## PROJECT REPORTING AND MONITORING

Subrecipients of HOME funds are required to submit quarterly written progress reports to monitor progress and performance, financial and administrative management, and compliance with the terms of their HOME agreements. Reporting information may include: progress toward achieving performance goals, description of activities/challenges, and revisions of proposed project timelines/budgets.

Subrecipients of HOME funds are also subject to annual monitoring requirements, as specified in their HOME agreements.

## SUBMISSION INSTRUCTIONS

Applications will **not** be considered for the following reasons:

1. Project does not align with the eligibility criteria for this funding source
2. Applicant has demonstrated poor past performance in carrying out projects or complying with funding guidelines
3. Applicant fails to provide all required information
4. Incomplete or late submission of applications

The application deadline is **February 17, 2020 at 4:00 pm**. In the event of inclement weather, check the County's website for further instructions on submittal dates and times for applications.

Please submit the following:

1. Two (2) paper copies of the application with original signatures; and
2. One (1) flash drive with electronic files.  
Electronic files to include on flash drive are:
  - Completed application in Microsoft Word format (.doc/.docx)
  - Completed and signed application in scanned format (.pdf)
  - Budget files (Microsoft Excel files are preferred)
  - All attachments (clearly labeled with year, agency, and name of document)
3. Applications may be hand delivered or mailed in time to be received by the due date.

HOME Applications To Be Submitted To:
Orange County Department of Housing and Community Development 300 West Tryon Street - 3 <sup>rd</sup> floor Hillsborough, NC 27278
Attn: Emila Sutton, Director
Questions? Email: <a href="mailto:esutton@orangecountync.gov">esutton@orangecountync.gov</a>

## CHECKLIST OF REQUIRED DOCUMENTATION

### Application:

- Section 1: Applicant and Project Overview
- Section 2: Project Description
- Section 3: Performance Measurements
- Section 4: Project Budget and Pro forma
- Section 5: Agency Description
- Section 6: Disclosure of Potential Conflicts of Interest

**Agency Attachments:**

- Current list of Board of Directors, including addresses, phone numbers, terms, and relevant affiliations
- Current Bylaws and Articles of Incorporation
- IRS Tax Determination Letter [501(c)(3)] (if applicable)
- Most recent independent audit (if applicable)
- NC Solicitation License
- Experience of agency/organization

**Project Attachments:**

- Project Timeline
- Site map showing lot boundaries, locations of structure(s), and other site features
- General location map (at least ½ mile radius)
- Floor plan(s)
- Elevation(s)
- List of Energy Efficiency measures included in the project (if applicable)
- List of Universal Design features included in the project (if applicable)
- Detailed Project Budget
- Pro forma (For Rental Property Only)

**CHDO CHECKLIST**

- Application for CHDO Project Funds**

If your agency or organization is applying for HOME funds under the 15% set aside for CHDO Reserve Funds, the following additional information is also required for submission with the application:

**CHDO Application for Certification or Recertification:**

- Legal Status
- Capacity and Experience
- Organizational Structure
- Relationship with a For-Profit Entity

**Note:** See attached **Appendix A** – CHDO Qualifying Criteria for Designation under the HOME Investment Partnerships Program.

**ORANGE COUNTY HOME CONSORTIUM FUNDING APPLICATION  
FOR FY 2020-2021 HOME FUNDS**

**Section 1: APPLICANT AND PROJECT OVERVIEW**

**A. Applicant Information**

Applicant Organization's Full Legal Name: \_\_\_\_\_

DUNS Number (Required for Federal Funding): \_\_\_\_\_

Applicant Organization's Physical Address: \_\_\_\_\_

Applicant Organization's Mailing Address: \_\_\_\_\_

Applicant Organization's Web Address: \_\_\_\_\_

Executive Director: \_\_\_\_\_

Telephone Number: \_\_\_\_\_

Fax Number: \_\_\_\_\_

Email Address: \_\_\_\_\_

**B. Project Information**

Project Name: \_\_\_\_\_

Primary Project Contact Person and Title: \_\_\_\_\_

Total Project Cost: \_\_\_\_\_

Total Amount of Funds Requested: \_\_\_\_\_

Please specify the **type** and **amount** of funding requested:

Federal HOME Program: \$\_\_\_\_\_

Grant

Loan

Proposed Use of Funds Requested (*provide a concise description of proposed project*): \_\_\_\_\_

**To the best of my knowledge, all information and data in this application are true and current. The document has been duly authorized by the governing board of the applicant.**

Signature: \_\_\_\_\_

Board Chairperson

\_\_\_\_\_

Date

Signature: \_\_\_\_\_

Executive Director

\_\_\_\_\_

Date

## Section 2: PROJECT DESCRIPTION

Please provide a thorough description of the project (by answering the “who,” “what,” “when,” and “where” questions about your project). **Do not assume the reader knows anything about the project.**

### A. Project Name:

### B. “Who” – Beneficiaries and Project Staff

**1. Target Population.** Who is the target population to be served and how will their needs be addressed through this project?

\_\_\_\_\_

**2. Incomes.** Please indicate the income of the beneficiaries (households) to be served through the proposed project. The most current HUD HOME Income Limits are listed below:

Income Level	1 person	2 people	3 people	4 people	5 people	6 people	7 people	8 people
30% AMI	\$17,850	\$20,400	\$22,950	\$25,450	\$27,500	\$29,550	\$31,600	\$33,600
50% AMI	\$29,700	\$33,950	\$38,200	\$42,400	\$45,800	\$49,200	\$52,600	\$56,000
80% AMI	\$47,500	\$54,300	\$61,100	\$67,850	\$73,300	\$78,750	\$84,150	\$89,600

Income Group (Area Median Income)	Number of Beneficiaries	% of Total Beneficiaries
<30% of AMI		
31%-50% of AMI		
51-80% of AMI		
>80% of AMI		
TOTAL		

**3. Project Staff.** Please provide names of all persons and/or consultants, etc., that will be involved with the project. Describe their responsibilities with the project and track record in successful completion of similar projects in the past. \_\_\_\_\_

### C. “What” and “Where” – Project Description and Location

**4. Type of Activity.** Please check all the categories that apply to your project.

- |  |  |
|--|--|
| <input type="checkbox"/> Acquisition                                     | <input type="checkbox"/> Rental rehabilitation                                       |
| <input type="checkbox"/> Predevelopment costs                            | <input type="checkbox"/> Emergency shelter   |
| <input type="checkbox"/> Infrastructure/site improvements                | <input type="checkbox"/> Transitional housing  |
| <input type="checkbox"/> Rental subsidy                                  | <input type="checkbox"/> Supportive housing  |
| <input type="checkbox"/> New construction for homeownership              | <input type="checkbox"/> Rental/utility assistance                                   |
| <input type="checkbox"/> New construction for rental                     | <input type="checkbox"/> Redeveloped rental housing                                  |
| <input type="checkbox"/> Commercial property construction/rehabilitation | <input type="checkbox"/> Second mortgage assistance                                  |
| <input type="checkbox"/> Owner-occupied rehabilitation                   | <input type="checkbox"/> Community engagement to support future development planning |
|  | <input type="checkbox"/> Other (specify): _____                                      |

**5. Project Description.** Please provide a general overview of your project, including what you are planning to produce and how you are planning to carrying out the project.

\_\_\_\_\_

**6. Project Location.** Please be as specific as possible. \_\_\_\_\_

**7. Project Size (if applicable).** Please provide the size of development site: \_\_\_\_\_ acres

Please attach the following:

- Site map showing lot boundaries, locations of structure(s), and other site features
- General location map (at least ½ mile radius)
- Photographs of site

**D. “When” – Time Schedule**

- Attach a **detailed** timetable showing when each work task will be completed (e.g., planning; obtaining financial commitments; design; environmental review; bidding; loan closing; key milestones in construction; marketing; final inspection; occupancy; etc.)

**E. Other Project Details**

If the questions below are not applicable or the requested information is not currently available, please insert N/A.

**Property Acquisition**

- Has your agency acquired real property in order to carry out the project, or is property acquisition planned? \_\_\_\_\_
- Is the property currently occupied? If so, attach a description of your plan to relocate. \_\_\_\_\_

**Construction Detail**

- How many units will be newly constructed? \_\_\_\_\_
- How many units will be rehabilitated? \_\_\_\_\_
- What is the square footage of each unit? \_\_\_\_\_
- What is the number of bedrooms in each unit? \_\_\_\_\_
- What is the number of bathrooms in each unit? \_\_\_\_\_
- How many units will be fully ADA accessibility? \_\_\_\_\_
- Is the proposed project located in a Neighborhood Conservation District? (Neighborhood Conservation Districts apply only to projects located in Chapel Hill) \_\_\_\_\_
- Please attach the following:
  - Floor plan(s)
  - Elevation(s)
  - List of Energy Efficiency measures included in the project (if applicable)
  - List of Universal Design features included in the project (if applicable)

**Affordability, Marketing, and Supportive Services**

- Describe any methods to ensure long-term affordability of housing units, including subsidy recapture, equity sharing, deed restrictions, etc. (Note: Subrecipients of HOME program funding must agree to the terms and conditions of the HOME Program Development/Written Agreement, the Declaration of Restrictive Covenants, and Orange County’s ninety-nine (99) Year Period of Affordability): \_\_\_\_\_
- What are the proposed rents (including utility costs) or sales prices for completed units? \_\_
- Describe your agency’s process for marketing to ensure an adequate pool of income-eligible renters to buyers: \_\_\_\_\_
- What supportive services, if any, will be provided through this project? \_\_\_\_\_
- Describe your affirmative marketing plan to attract minorities, female heads of household, and the disabled: \_\_\_\_\_
- Describe any specific targeting of the following vulnerable populations either through services provided, locations, design features, etc.
  - Low Income Seniors Persons with Disabilities Veterans
  - Individuals or families experiencing homelessness
  - Housing Choice Voucher holders
  - Victims of domestic violence

### Section 3: PERFORMANCE MEASUREMENTS

#### A. Goals and Objectives

Please complete the following chart with information about the project's goals and objectives.

Goal/Objective	Measurement
<i>Ex: Provide housing for low- to moderate- income households.</i>	<i>Ex: By 2016, build ten units that are affordable to low- to moderate-income households.</i>

#### B. Alignment with Goals and Adopted Affordable Housing Policy.

Please explain how the proposed project aligns with the local goals and adopted affordable housing strategies and policies, and the Orange County Five Year Consolidated Plan. \_\_\_\_\_

### Section 4: PROJECT BUDGET AND PRO-FORMA

#### A. Project Budget

- Attach a **detailed project budget** showing all sources and **uses of funds**. Attach funding commitment letters where available or a list of funding applications to other sources previously submitted.
- HOME is the sole funding source for this project.

#### B. Pro forma (for rental property only)

- If you are developing a property for rent, please attach a 20-year pro forma showing estimated income, expenses, net operating income, debt service, and cash flow.

#### C. Cost per Unit

- Include the cost per dwelling unit (or per square foot for new construction)

### Section 5: AGENCY DESCRIPTION

#### A. Organization

What is your organization's:

1. Mission statement? \_\_\_\_\_
2. Incorporation date (Month and Year)? \_\_\_\_\_
3. Estimated total agency budget for this fiscal year? \$ \_\_\_\_\_
4. Please include a copy of your last two (2) year's operating budget and a copy of your most

recent audit.

5. Does your agency budget show a surplus or deficit? Please explain.
6. Is there a significant change in your budget from the previous year? Please explain.
7. Total number of agency staff (full time equivalents): \_\_\_\_\_

### **B. Agency Track Record and Community Support**

Please describe your agency's experience and ability to carry out the proposed project, including:

1. Evidence of coordination of this application with other organizations to complement and/or support the proposed project.
2. Involvement of intended beneficiaries of the project in the planning process.
3. Past achievements in carrying out similar projects and evidence of successful record of meeting proposed budgets and timetables.
4. Collaborative relationships with other agencies.
5. Plans to develop linkages with other programs and projects to coordinate activities so solutions are holistic and comprehensive.
6. Any other features relating to organizational capacity that you consider relevant, (i.e. property management experience, including accepting Housing Choice Vouchers, etc.).

### **Section 6: DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST**

Are any of the Board Members or employees of the agency which will be carrying out this project, or members of their immediate families, or their business associates?

- a) Employees of/or closely related to employees of the Towns of Carrboro, Chapel Hill, Hillsborough, or Orange County?  
 YES  
 NO
- b) Members of/or closely related to members of the governing bodies of the Towns of Carrboro, Chapel Hill, Hillsborough, or Orange County?  
 YES  
 NO
- c) Potential beneficiaries of the project/program for which funds are requested?  
 YES  
 NO
- d) Paid providers of goods or services to the program or having other financial interest in the program?  
 YES  
 NO

If you have answered YES to any of the preceding questions, **please explain below**. The existence of a potential conflict of interest does not necessarily make the project ineligible for funding, but the existence of an **undisclosed** conflict may result in the termination of any grant awarded.

## APPENDIX A

### CHDO CERTIFICATION AND QUALIFYING CRITERIA FOR DESIGNATION UNDER ORANGE COUNTY'S HOME INVESTMENT PARTNERSHIPS PROGRAM

A Community Housing Development Organization (CHDO) is a specific type of non-profit organization as defined in 24 CFR 92.2 of the HOME regulations. Each participating jurisdiction (PJ) under the HOME Program must reserve no less than 15% of their HOME allocation for CHDOs. The PJ must identify CHDOs that are capable, or can reasonably be expected to become capable, of carrying out projects and activities that are part of the PJ's housing strategy. This checklist is used to certify or recertify an organization as a CHDO under the HOME Program.

There are four (4) criteria that must be satisfied for an organization to be certified or recertified as a CHDO:

- ◆ Legal Status
- ◆ Capacity and Experience
- ◆ Organizational Structure
- ◆ Relationship with For-Profit Entity

CHDO NAME: \_\_\_\_\_

#### 1. Legal Status

- a. The non-profit organization is organized under State or local laws, as evidenced by:
  - a Charter, or
  - Articles of Incorporation
- b. No part of its net earnings inure to the benefit of any member, founder, contributor, or individual, as evidenced by a statement in the organization's:
  - Charter, or
  - Articles of Incorporation
- c. Has a tax exemption ruling from the Internal Revenue Service (IRS) under the Internal Revenue Code's Section 501(c)(3) for a charitable non-profit or Section 501(c)(4) for a community or civic organization, as evidenced by:
  - a 501(c)(3) or 501(c)(4) letter or certificate from the IRS, or
  - is classified as a subordinate of a central organization non-profit under Section 905 of the Internal Revenue Code, as evidenced by a group exemption letter from the IRS that includes the CHDO

- d. Has among its purposes the provision of decent housing that is affordable to low- and moderate-income people, as evidenced by a statement in the organization's:
- Charter, or
  - Articles of Incorporation, or
  - By-Laws, or
  - Resolution of its Governing Board
- e. The organization has a clearly defined geographic service area, as evidenced by a statement in the organization's:
- Charter, or
  - Articles-of-Incorporation, or
  - By-Laws

## **2. Capacity & Experience**

- a. Conforms to the financial accountability standards of 24 CFR 84.21 "Standards for Financial Management Systems", as evidenced by:
- a notarized statement by the President or Chief Financial Officer of the organization, or
  - a certification from a Certified Public Accountant (CPA), or
  - a HUD-approved audit summary.
- b. Has a demonstrated capacity for carrying out activities assisted with HOME funds, as evidenced by:
- resumes and/or statements that describe the experience of key staff members who have successfully completed projects similar to those to be assisted with HOME funds, or
  - contract(s) with consulting firms or individuals who have housing experience similar to projects to be assisted with HOME funds, and who will train appropriate key staff of the organization.
- c. Has a history of serving the community within which housing to be assisted with HOME funds is to be located, as evidenced by:
- a statement that documents at least one (1) 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.

The CHDO or its parent organization must be able to show one (1) year of serving the community prior to the date the PJ provides HOME funds to the organization. In the statement, the organization must describe its history (or its parent organization's history) of serving the community by describing activities it provided (or its parent organization provided), such as

developing new housing, rehabilitating existing housing and managing housing stock, or delivering non-housing services that have had lasting benefits for the community, such as counseling, food relief, or childcare facilities. The statement must be signed by the President or other authorized official of the organization.

### 3. Organizational Structure

a. Maintains at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community\* residents, or elected representatives of low income neighborhood organizations as evidenced by the organization's:

- By-Laws, or
- 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).*

b. Provides a formal process for low-income, program beneficiaries to advise the organization in all of its decisions regarding the design, siting, development, and management of affordable housing projects, as evidenced by:

- The organization's By-Laws, or
- resolution of its governing body, or
- a written statement of operating procedures approved by the governing body.

c. A CHDO may be chartered by a State or local government, but the following restrictions apply: (1) the State or local government may not appoint more than one-third of the membership of the organization's governing body; (2) the board members appointed by the State or local government may not, in turn, appoint the remaining two-thirds of the board members; and (3) no more than one-third of the governing board members are public officials including any employees of the PJ), as evidenced by the organization's:

- By-Laws, or
- Charter, or
- Articles of Incorporation.

**4. Relationship with For-Profit Entities (If Applicable)**

- a. The CHDO is not controlled by, nor receives directions from individuals, or entities seeking profit from the organization, as evidenced by:
- the organization's By-laws, or
  - a Memorandum of Understanding (MOU).
- b. A CHDO may be sponsored or created by a for-profit entity, however; the for-profit entity's primary purpose does not include the development or management of housing, as evidenced:
- in the for-profit organization's By-Laws, and

The CHDO is free to contract for goods and services from vendor(s) of its own choosing, as evidenced in the CHDO's:

- By-Laws, or
- Charter, or
- Articles of Incorporation





## THE CURRENT ORGANIZATION’S BOARD COMPOSITION TABLE WITH QUALIFYING CRITERIA FOR DESIGNATION AS A CHDO UNDER THE HUD GUIDELINES FOR THE ORANGE COUNTY HOME CONSORTIUM

1. Community Representatives – At least one-third of all the Board Members must meet the following criteria:

- Be a resident living in a low income neighborhood (based on the latest [U.S. Census](#)).
- Have a total household income that is less than 80% of the Area Median Income based on family size.
- Be an elected representative of a low-income neighborhood organization appointed to the CHDO Board.

2. Public Officials – No more than one-third of all Board Members can be a public official, which includes:

- Elected officials
- Appointed public officials
- Public employees
- Board members appointed by a public official

3. Qualifying Income – The following total household income is based on the most current HUD HOME Income Limits:

<i>Income Level</i>	<b>1 person</b>	<b>2 people</b>	<b>3 people</b>	<b>4 people</b>	<b>5 people</b>	<b>6 people</b>	<b>7 people</b>	<b>8 people</b>
<b>30% AMI</b>	\$17,850	\$20,400	\$22,950	\$25,450	\$27,500	\$29,550	\$31,600	\$33,600
<b>50% AMI</b>	\$29,700	\$33,950	\$38,200	\$42,400	\$45,800	\$49,200	\$52,600	\$56,000
<b>80% AMI</b>	\$47,500	\$54,300	\$61,100	\$67,850	\$73,300	\$78,750	\$84,150	\$89,600