



# How to Apply Workshop

## Affordable Housing and Special Needs Housing Program



# Background

- HOME Investment Partnership
  - Entitlements, Consortia, and states
  - Designed to promote private/public partnerships
- Core Virginia HOME-Funded Programs include:
  - Indoor Plumbing Program
  - Down Payment Assistance Program
  - Affordable and Special Needs Housing Program



<b>HOME Appropriation -2010-11 Uses</b>	<i>Appropriation</i>	
DHCD's 2009 HOME Allocation	\$14,170,610	
Anticipated Program Income	\$500,000	
<b>Total</b>	<b>\$14,670,610</b>	
<b>Proposed Uses</b>		<i>Carry -over</i>
Affordable and Special Needs Housing Program	\$6,203,549	
Homeownership (Down Payment Assistance)	\$2,500,000	
Indoor Plumbing and Rehabilitation	\$4,500,000	
Community Integration Pilot	\$0	\$100,000
CHDO Operating	\$0	\$200,000
State Administration	\$1,467,061	
<b>Total</b>	<b>\$14,670,610</b>	



# AHP and SNH Programs Funding Process

- Quarterly Competitive Process
- Due Dates:
  - September 30, 2010
  - December 30, 2010
  - March 31, 2011
  - June 30, 2011
- Review Panel
- Review Criteria: -**Change**
  - Need (40 points)
  - Feasibility (30 points)
  - Capacity (30 points)
- Minimum of 60 points (threshold) needed for funding





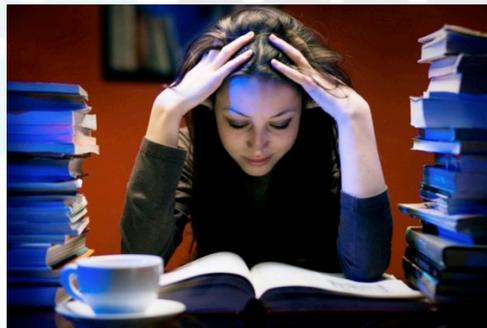
# Funding Process: Threshold Requirements

- Submitted on time
- Submitted in required format
- Complete Application
- Eligible Applicant
- Eligible Project
- No unresolved findings/issues
- Minimum of 60 points needed
- Unfunded applications may be updated and resubmitted, or held over for the next round



# Formatting & Logistics

- One Original & Four Copies (total of 5)
- Three ring binders with dividers
- 12-pitch font
- All pages numbered and attachments identified
- Received at DHCD by 5:00 PM on the date due
- Email –"acknowledgement of receipt" -Change



*Carefully READ the Program Guidelines  
and the application instructions.*



# Eligible Applicant

- Non-profit or for-profit Housing Developer
- Project Owner, Developer, or Sponsor
- State –Certified CHDOs (Community Housing Development Organizations)



For more on becoming a state-certified CHDO go to:

[http://www.dhcd.virginia.gov/CommunityCapacityBuilding/Office\\_of\\_Community\\_Capacity\\_Building.htm](http://www.dhcd.virginia.gov/CommunityCapacityBuilding/Office_of_Community_Capacity_Building.htm)



# Eligible Projects



- Rental or Homebuyer
- Targeting low income households
- Targeting low income special needs households
- Minimum of five (5) units (group home exception)
- Scattered site okay –units must be under common ownership, management, & financing
- Minimum of \$15,000 per unit (or 3 out of 5 major systems) based on total development costs -**Change**



# Income Targeting

(minimums)



- Homebuyer units:
  - ❑ All units must be at or below **80% Area Median Income (AMI) -Change**
- Rental units:
  - 20% of units **at or below 50% AMI**
  - Remaining 80% of units **at or below 60% AMI**





# Local Match Requirement

- 25 percent local match requirement
- 25% of total ASNH (HOME) program request
- Requirement applies to all HOME entitlements and any HOME consortium



**HOME Entitlements and Consortiums – 25 percent Match Required**

<b>Winchester Consortium – including:</b>	<b>Alexandria</b>
Winchester	<b>Chesapeake</b>
Fredrick County	<b>Danville</b>
Page County	<b>Hampton</b>
Clarke County	<b>Lynchburg</b>
Warren County	<b>Newport News</b>
Shenandoah County	<b>Norfolk</b>
<b>Charlottesville Consortium - including</b>	<b>Portsmouth</b>
Charlottesville	<b>Richmond</b>
Albemarle County	<b>Roanoke City</b>
Fluvanna County	<b>Virginia Beach</b>
Greene County	<b>Arlington County</b>
Louisa County	<b>Chesterfield County</b>
Nelson County	<b>Fairfax County -including</b>
<b>New River Consortium– including</b>	Fairfax City
Radford	Falls Church
Giles County	<b>Henrico County</b>
Montgomery County	<b>Prince William County –including</b>
Pulaski County	Manassas
Blacksburg	Manassas Park
Christiansburg	Bristol City (member of Tennessee consortium)
<b>Suffolk Consortium –including</b>	
Suffolk	
Isle of Wight	
Franklin City	
Southampton	



# Eligible Costs

- Hard costs including land acquisition
- Soft project costs
- Utility connections
- Relocation costs
- Up to 18 months of project reserves



# Rental Projects

- Must meet all HOME program rules
- Units are Fixed or Floating
- Rent limits are published annually by HUD
  - Low HOME Rent units are targeted to Very Low income tenants and below
  - High HOME Rent units are targeted to tenants Low income or below
- Rents and Rent Increases must be approved by DHCD



## Rental Projects (cont.)

- Maximum allowable tenant rent= HUD HOME Rent Limit (Low or High) minus applicable utility allowance
- Utility allowance approved by DHCD
- Tenant lease for at least one year or under mutual agreement between tenant and landlord



# Floating HOME units

## Floating HOME-Assisted Units -

<i>Number of Units</i>	<i># Bedrooms</i>	<i>Sq FT</i>	<i>HIGH/LOW</i>	<i>Total Rent</i>	<i>Utility Allowance</i>	<i>Project-based subsidy (Y/N)</i>
10	1 Bedroom	600	LOW	\$600	\$100	N



# Fixed HOME units

## Floating HOME-Assisted Units -

<i>Unit</i>	<i># Bedrooms</i>	<i>Sq FT</i>	<i>HIGH/LOW</i>	<i>Total Rent</i>	<i>Utility Allowance</i>	<i>Project-based subsidy (Y/N)</i>
2B	1 Bedroom	600	LOW	\$600	\$100	N
3A	2 Bedroom	800	HIGH	\$790	\$148	N



# Income Eligibility Restrictions

- Section 8 income definition
- Initial lease up and completion report
- Initial lease full source documentation and verification
- Annual recertification required –certified stated income
- Full source documentation every 6<sup>th</sup> year of service
- Over income issues



## Maximum HOME Subsidy Limits

0-Bedroom	\$120,525
1-Bedroom	\$138,161
2-Bedroom	\$168,004
3-Bedroom	\$217,341
4+-Bedroom	\$238,575



# Group Homes

- Considered one unit
- Occupied by two or more single persons or families
- Includes common space for group use
- Bedrooms may be shared
- Maximum subsidy based on number of bedrooms in the unit
- Rent based on number of clients divided by the FMR for the specific size (e.g., four-bedroom unit)
- Leases required, but may also include a program fee agreement



# Single Room Occupancy (SRO)

- Multiple (at least five) single room units with food prep and/or bathroom facilities
- Maximum subsidy (number of separate units x 0-bedroom limit)
- Rents based on 0-bedroom (efficiency) limit
- If the project has neither food prep or bathroom facilities or only one, rent is 75 percent of 0-bedroom limit
- Leases required, program fee agreement are possible



# Transitional Housing

- HOME eligible activities include both permanent supportive housing and homeless transitional housing
- NO facilities, NO emergency shelters
- Transitional housing is a program type not a housing type
- Transitional housing programs use a variety of housing types (multi-family, single family, SROs, group homes)



# Homebuyer Projects

- CHDO's only
- All units must be at 80 percent or below AMI -change
- Single family, condos, 2-4 unit attached
- Income eligibility requirements
- Must meet DHCD minimum design standards
- Sales price cannot exceed 95% of area median sales price



# Affordability Period

<b>HOME Investment per Unit</b>	<b>Length of the Affordability Period</b>
Less than \$15,000	5 years
\$15,000 - \$40,000	10 years
More than \$40,000	15 years
New construction of <i>rental</i> housing	20 years



# Monitoring and Compliance

- HOME Compliance Monitoring includes verification of:
  - Rent and Occupancy Requirements
  - Tenant Eligibility
  - Property Standards
  - Other HOME program regulations: affirmative marketing, fair housing laws, etc.
- Housing Quality Standard inspections:
  - Annually for projects with more than 25 units
  - Every 2 years for projects with 5 to 25 units



# Other Regulatory Requirements

- Environmental review
  - Required before release of HOME funds
- Labor relations
  - Including Section 3, Davis-Bacon, EEO
- Tenant participation and accessibility
  - Including Section 504 and Fair Housing
- Relocation



# Common Mistakes

- Underestimating operating expenses
- Missing details in needs statement
- No verification of site control
- No confirmation of appropriate zoning
- No documentation of other funding sources
- Projects that are not “ready”
- Incomplete submissions
- Missing documentation



# Contact Information

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