Affordable and Special Needs Housing – Consolidated Application

Virginia Department of Housing and Community Development

Affordable and Special Needs (ASNH) Funding Sources

2018 – 2019 ASNH	
Source	Amount
HOME	$5,784,768
State Housing Trust Fund	$3,312,000
National Housing Trust Fund	$4,205,306
State PSH	$500,000
TOTAL	**$13,802,074**

Affordable & Special Needs Housing (ASNH):

- One application but three funding opportunities
- Plan year: July 1, 2017 – June 30, 2018
- To create and preserve affordable housing in Virginia
- To increase the number of affordable units for special needs populations
- Rehabilitation or New Construction
- Typical type of Assistance
  - Deferred principal loans (interest-only)
  - 3% interest
  - Must pay loans
- Application due dates:
  - October 31, 2018
  - March 29, 2019

Affordable & Special Needs Housing (ASNH):

- One application but three funding opportunities
- Total Request Cap: $1,200,000
- Total Request (including NHTF): $2,000,000
- Project must have at least five units
- If 100% special needs then less than five is allowable
- Project/request caps include funding from all (past/future) DHCD funding rounds

Affordable and Special Needs (ASNH) Funding Sources

	HOME	VA -HTF	NHTF	PSH
Total Amount	$5,784,768	$3,312,000	$4,205,306	$500,000
Project limits	$700,000/$800,000	$700,000/$800,000	$700,000/$800,000	$500,000
Geographic Targeting	Preference for non-entitlement	Statewide	Statewide	Statewide
Match	25% entitlements	NA	NA	NA
Mix-Income Projects	√	√	√	√
Homebuyer Projects	√	√	**NA**	**NA**
Assisted Units (income)	60% or below AMI 80% or below (homebuyer)	80% or below AMI	30% or below AMI	30% or below AMI
Assisted Units (rent limits)	HOME	To be determined	NHTF	To be determined
Affordability	15/20 yrs.	20 yrs.	30 yrs.	20 yrs.

Affordable & Special Needs Housing (ASNH)

- Rental or Homebuyer (exception NHTF)
- Rehabilitation or New Construction
- Typical type of Assistance
  - Deferred principal loans (interest-only)
  - 3% interest
  - MUST pay loan
- Application due dates:
  - October 31, 2018
  - March 29, 2019

Eligible Applicant

- Non-profit or for-profit Housing Developer
- Project Owner, Developer, or Sponsor
- State –Certified CHDOs (Community Housing Development Organizations)
  - HOME preference given
  - NOT required for homebuyer development

For more information please see state-certified CHDO on DHCD's website.

Eligible Applicant

- Owner –holds valid title to, or long term leasehold interest in the property

- Developer –owns the property and is developing the project, or has a contractual obligation to develop the project

- Sponsor –is the owner or partial owner and agrees to convey ownership to a second nonprofit at a predetermined time prior to development or upon completion (*requires consultation with DHCD prior to application*)

Eligible Applicant

- Must be registered in CAMS
- Must be the primary partner in the project
- Must <u>not</u> be the project L.L.C.
- Must be the entity responsible for long-term operations and compliance
- Must be free of outstanding audit or compliance issues

Applicant Eligibility

Applications will <u>not</u> be accepted from the project legal entity or limited liability Corporation.

Developer Capacity

- DHCD must certify developer capacity prior to the commitment of HOME or NHTF resources
- Developer must have prior experience developing similar projects
- Developer must have staff with development experience (staff excludes consultants, contract positions, and partners)
- Developers must have current financial soundness

CHDOs

- Community Housing Development Organization
- Nonprofit community based housing developers meeting specific board, mission, and capacity requirements
- Must be state-approved
- Given scoring preference for HOME funds
- Documentation MUST be maintained in CAMS

CHDO Requirements

- Applicable to HOME funds
- Nonprofit status
- Primary mission is provision of affordable housing
- Board composition meets HUD requirements
- Independence in decision making authority
- Community-based organization
- Conformance to accounting standards
- No individual benefit
- Demonstrated capacity to develop affordable housing

CHDO Projects

- Must include residents in management and decision-making
  - Tenant Council
  - Management Liaison
- Projects funded as CHDO projects must remain under the ownership/management of a CHDO for the duration of the affordability period

Eligible Projects

- Rental <u>or</u> Homebuyer (not NHTF)
- Targeting low, very low, and extremely low-income households
- Targeting low-income special needs households
- 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

Special Needs

- Projects with special needs units receive scoring preference
- Higher maximum assistance ($800,000) if least 20 percent of units are targeted to special needs households
- Projects are encouraged that will help the state meet the DOJ settlement agreement
  - Include a few units targeted to individuals with intellectual/developmental disabilities
  - Choice in services and service provider

Special Needs

- Special needs households include at least one individual with a disability (physical, mental, developmental, intellectual)
- Elderly housing not necessarily special needs (must have at least 20 percent of units targeting individuals with disabilities)
- Vacancy must be listed for 60 days on Virginia Housing Search

Special Needs

- While a special need household may require a 504 unit, 504 units are NOT considered special needs targeted units for the purpose of scoring preference
- Special needs units must be reflected in tenant select plan
- Special needs units will be reflected in the rent and occupancy reports
- Special needs units will be included reflected in the program agreement (number and type (e.g., chronic homeless))

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Property providers can list apartments or homes for rent any time, which means that our list is always current.

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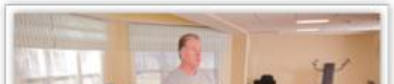


Single Room Occupancy (SRO)

- Multiple (at least five) single room units with food prep and/or bathroom facilities (if not in unit must be accessible in building)
- Maximum subsidy (number of separate units x 0-bedroom limit)
- Rents based on 0-bedroom (efficiency) HOME rent limits
- Leases required, program fee agreements are possible

Note: There is a preference for community integration and choice of service provider.

Income Targeting

(minimums)

Income Targeting –assisted units	
Source	**Income (AMI)**
Homebuyer (HOME and VA HTF)	80 percent or below
State Housing Trust Fund	80 percent or below
HOME Rental	60 percent or below
National Housing Trust Fund	30 percent or below

Income Targeting

- Minimums
- Applies to "assisted units"
- Assisted unit may be a subset of total project units
- Assisted units must be at least proportionate number of units related to amount of assistance
- Preference for community integration, de-concentration, and choice of service provider.

Local Match Requirement

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

Local Match Sources

- Local CDBG or HOME
- Other federal, state or local funds
- Must be funding administered by the local government
- Projects involving local CDBG or HOME require state/local coordination

HOME Entitlements and Consortiums – 25 percent Match Required	
Winchester Consortium – including:	**Alexandria**
Winchester	**Chesapeake**
Fredrick County	**Danville**
Page County	**Hampton**
Clarke County	**Lynchburg**
Warren County	**Newport News**
Shenandoah County	**Norfolk**
Charlottesville Consortium - including	**Portsmouth**
Charlottesville	**Richmond**
Albemarle County	**Roanoke City**
Fluvanna County	**Virginia Beach**
Greene County	**Arlington County**
Louisa County	**Chesterfield County**
Nelson County	**Fairfax County** -including
New River Consortium– including	Fairfax City
Radford	Falls Church
Giles County	**Henrico County**
Montgomery County	**Prince William County** –including
Pulaski County	Manassas
Blacksburg	Manassas Park
Christiansburg	Bristol City (member of Tennessee consortium)
Suffolk Consortium –including	
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

Maximum ASNH Subsidy Limits*	
0-Bedroom	$165,458
1-Bedroom	$189,675
2-Bedroom	$230,644
3-Bedroom	$298,382
4+-Bedroom	$327,528

**Effective June 4, 2018*

Rental Projects

- DHCD will determine the number of assisted units
- Assisted units must meet all program rules
- Rent limits are published annually by HUD (HOME and NHTF)
- Rents and Rent Increases must be approved by DHCD

Rental Projects

- Project utility allowances must be determined by using the HUD Utility Schedule Model
- The HUD Utility Schedule Model is available here: http://www.huduser.org/portal/resources/utilallowance.html
- DHCD will assist in the initial development of project utility allowances

Rental Projects (cont.)

- Maximum allowable tenant rent = HUD HOME or NHTF Rent Limit (Low or High) minus applicable utility allowance
- Tenant lease for at least one year or under mutual agreement between tenant and landlord
- Lease cannot be conditional upon receiving services
- Project-based vouchers could allow a project to exceed HOME/NHTF rents

Income Eligibility Restrictions (Assisted Units)

- Part 5 (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 6th year of service
- Over income issues

Homebuyer Projects

- Limit to HOME and State HTF
- ANY eligible applicant
- All HOME units must be at 80 percent or below AMI
- Single family, condos, 2-4 unit attached
- Minimum occupancy & affordability requirements

Homebuyer Projects

- Must meet DHCD minimum design standards
- Sales price cannot exceed 95% of area median sales price
- Must be sold (ratified sales contract) within nine months of Certificate of Occupancy
- Units not meeting the nine month deadline automatically convert to rental units (with rental requirements applied)

Affordability Period

Affordability Periods by source/activity	
Source/Activity	**Years**
National HTF	
National HTF (only rental eligible)	30 years
HOME	
HOME Rental New Construction	20 years
HOME Rental Rehabilitation	15 years
HOME Homebuyer (less than $15,000)*	5 years
HOME Homebuyer ($15,000 - $40,000)*	10 years
HOME Homebuyer (more than $40,000)*	15 years
State HTF/PSH	
State HTF/PSH Rental	20 years
State HTF Homebuyer	5 years

**If only homebuyer developer subsidy resale applies. If DHCD DPA is included in a unit then a recapture provision applies and affordability is based on the amount of DPA only.*

Underwriting Template

- Six sheets – five required for completion
- Instructions
- Project Overview
- Income
- Expenses
- Sources and Uses
- Operating

Underwriting

- Must be completed for all projects
- Must reflect all requests as applicable (NHTF, State HTF, ASNH)
- For lines that are not appropriate for your project, leave blank
- Scoring will be negatively affected if underwriting template is not completed

Rental Monitoring and Compliance

- Rental Compliance Monitoring includes verification of:
  - Rent and Occupancy Requirements
  - Tenant Eligibility
  - Property Standards (onsite monitoring)
  - Other program regulations: affirmative marketing, fair housing laws, etc.

Environmental Review

- Applies to all projects
- Requires public notices for federal funds
- Requires a "release of funds" from HUD For federal funds
- <u>No development activity can occur prior to the "release of funds"</u>
- Proceeding with development prior to "release of funds" will jeopardize funding

Fair Housing

- Applies to all assisted projects
- Prohibits discrimination in the sale or rental of housing based on race, color, religion, sex, national origin, handicap or familial status
- Rental projects are monitored throughout the affordability period for compliance

Furthering Fair Housing

- Site and Neighborhood Standards form required for all projects
- Must be completed and signed by local government official
- Must be submitted with project application in CAMS

Lead Safe

- Some projects may be exempt
- If applicable projects must assure that:
  - Rehab or demolition activities meet lead safe requirements
  - Development costs include associated costs
  - Homebuyer or tenants will receive notification
  - Rental operating costs include costs associated with ongoing maintenance
  - Records are maintained to document all measures taken including ongoing maintenance

Uniform Relocation Act

- All projects must submit a completed URA Supplement with application
- Applies to all projects where development activities will cause temporary or permanent displacement
- Applies to displacement of households, businesses, farms, and nonprofits
- Notice of intent and survey of occupants must be completed prior to application
- Costs must be reflected in the development costs

Section 3

- Applies to all federally assisted projects
- Virginia HTF-only projects doesn't trigger requirement
- Development activity must be designed to benefit to the greatest degree possible low and very low income persons in the project's service area and the businesses that employ them.
- Impacts developer hiring, contracting, and subcontracting
- Requires notices, documentation of efforts, and reporting
- Developer will sign a Section 3 plan at project management conference
- Reporting in CAMS

504 Requirements

- All new construction and most rehab
- Common areas must be accessible
- At least 5% (not less than one unit) accessible for individuals with mobility impairments
- At least 2% (not less than one unit) for individuals with sensory impairment
- Must be distributed throughout the building (s) and unit type/size

504 Requirements

- While a special need household may require a 504 unit, 504 units are NOT considered special needs targeted units for the purpose of scoring preference
- Scoring preference for exceed the minimum requirement
- 504 units must be reflected in tenant select plan
- DHCD will monitor initial construction and long-term compliance (that they are built, maintained, and made available)
- 504 units will be included reflected in the program agreement (number and type)

Violence Against Women Act

- Designed to provide housing protections to survivors pf domestic and dating violence, sexual assault, and stalking
- Must provide notice of rights to all tenants
- Protection against denials, terminations, and evictions resulting from being a victim of domestic or dating violence or sexual assault
  - Allowing to bifurcate a lease
  - Allowing an emergency move to a difference unit
  - Other examples…
- Low-barrier certification process

ASNH Program Funding Process

- Due Dates:
  - October 31, 2018
  - March 29, 2019
- Review Panel
- Review Criteria:
  - Need (40 points)
  - Feasibility (30 points)
  - Capacity (30 points)

- Minimum of 60 points (threshold) needed for funding

Funding Process: Threshold Requirements

- Submitted by deadline
- Submitted in DHCD's Centralized Application and Management System (CAMS)
- Complete Application
- Eligible Applicant
- Eligible Project
- No unresolved findings/issues
- Minimum of 60 points needed

Need (40 points):

- Market study or needs assessment supports need
- Low vacancy rates in similar projects
- Match between project unit numbers and types and demonstrated need
- Local government, service provider support of need (unit shortage and demand)
- Pipeline of qualified homebuyers
- Meeting priority need (special need units/ extremely low-income/accessible units/green built)
- Preference for non-entitlement projects (For HOME funds)

Feasibility (30 points):

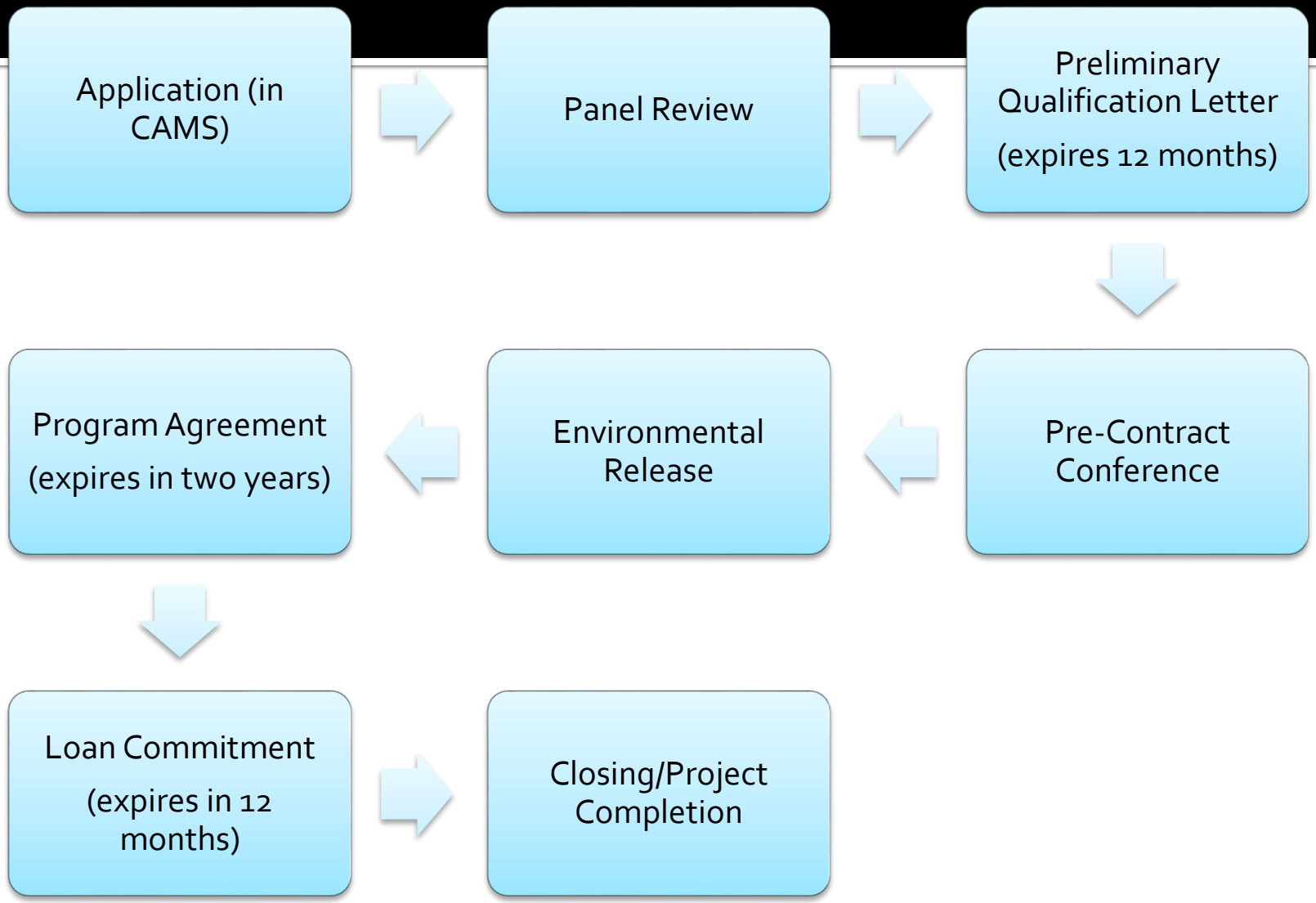
- Other funding committed and documented
- Recent costs estimates
- Appropriate design
- Location near jobs, schools, transportation services
- Reasonable operational costs with cash flow to meet expenses
- Reasonable timeline
- No logistical impediments

Capacity (30 points):

- Development team experience with similar projects
- Financial soundness of key partners
- Property management experienced with similar projects
- Lack of or limited/resolved prior issues (performance or compliance)

Funding Process

- Application submission and review
- Preliminary qualification letter (expires in 12 months)
- ASNH pre-contract conference
- Program agreement (once conditions are met – expires in two years)
- Loan commitment (expires in 12 months)


Application (in CAMS)
Panel Review
Preliminary Qualification Letter
(expires 12 months)
Pre-Contract Conference
Environmental Release
Program Agreement
(expires in two years)
Loan Commitment
(expires in 12 months)
Closing/Project Completion

ASNH Technical Assistance

- Application Questions

Kevin Hobbs
Kevin.hobbs@dhcd.virginia.gov
804-371-7120

Julienne Joseph
Julienne.joseph@dhcd.virginia.gov
804-371-7112

- Technical CAMS Questions

CAMS Help Desk
CamsHelp@dhcd.virginia.gov

CAMS Tips

- All work in CAMS should be frequently saved
- Please note that Chrome is the recommended browser
- Work in Word and copy and paste into the CAMS text boxes
  - Chrome option of "Paste as Plain Text" is a best practice
- Use the "Print" tab at the top of the page and review them for completeness and accuracy
- The text box will only accommodate text responses. Graphic, tables, charts should not be pasted into the narrative section; instead, include the information in a separate attachment

Project Information

DHCDCAMS

Welcome Lyndsi Austin

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Application Submission

Print

Application ID: 34305292012094938
Application Start Date: 05/01/2012
Project Name: HPP Test kld 5/29
Application End Date: 07/31/2012
Program Name: HPP

Project Information | Project Budget | Narrative Information | Attachments | Additional Information

Project Information **You must click the "Save" button below to save the info you enter in the page!**

Organization Name*: DHCD

Project Primary Contact

First Name*:
Last Name*:
Title*:
Email*:
Work Phone*: - -

Place of Primary Performance

Address*:
Zip Code*: - Whats my +4?
City/County*:

Primary Service Area*

Please select ALL localities that will be in your project's primary service area. Only one County, City or Town must be selected to save this page. Select the Add/Edit link to make changes. Selections will display below the County, City and Town sections. When selecting a County, it is not necessary to also select a Town that lies within that county. Consult the application information for this program for additional information.

County: **Add/Edit County**
No County Selected.

City: **Add/Edit City**
No City Selected.

Town: **Add/Edit Town**
No Town Selected.

Save

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Project Budget

VIRGINIA DEPARTMENT OF HOUSING AND COMMUNITY DEVELOPMENT
Partners for Better Communities

Project Management
Admin Management
Glossary

CLOSE

Cost/Activity Category	DHCD Request	Other Funding	Total
Tenant-based Rental Assistance	**$0.00**	**$0.00**	**$0.00**
Tenant-based Rental Assistance	$ 0.00	$ 0.00	$0.00
Housing Relocation and Stabilization Services	**$0.00**	**$0.00**	**$0.00**
Housing Relocation and Stabilization Services	$ 0.00	$ 0.00	$0.00
Pre-Development	**$0.00**	**$0.00**	**$0.00**
Pre-Development	$ 0.00	$ 0.00	$0.00
TOTAL	**$0.00**	**$0.00**	**$0.00**

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Attachments

Title 1: Implementation Timeline (required) Temp.: Implementaion Timeline

Title 2: Certifications and Assurances (required) Temp.: Housing Trust Fund Certificates and Assurances

Title 3: Applicant Financials (required) Temp.:

CLOSE

Project Information | Project Budget | Narrative Information | Attachments | Additional Information

According to the program requirement, you must submit/upload following required documents:

UPLOAD ATTACHMENTS INSTRUCTION:
Please see the application instructions for details.

Implementation Timeline (required)
(to get the template file by clicking **HERE**)
Browse...

Certifications and Assurances (required)
(to get the template file by clicking **HERE**)
Browse...

Applicant Financials (required)
Browse...

Outcome Logic Model
Browse...

CoC Letter of Support
Browse...

Addition Attachments
Browse...

Preview Save

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Additional Information

http://10.192.101.140/CAMSPortal/Applications/Application.aspx?App=356

Favorites | Free Hotmail | Get more Add-ons

DHCD CAMS Portal

Page | Safety | Tools

Profile | Search Programs | Downloads | Apply | Application Status | View And Manage Projects | User Guide

Application Submission

Print

Application ID: 8805152012161518
Application Start Date: 12/01/2011
Project Name: Test Budget webform kld 5/15/12
Application End Date: 10/31/2012
Program Name: Urgent Need

Project Information | Project Budget | Narrative Information | Attachments | Additional Information

Enter optional comments regarding your application in the space below:
You must click the "Save" button below to save the info you enter in the page!

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Application Status

- Multiple users can work on, edit and review application materials.
- CAMS will save the application as Incomplete. Applicant may return repeatedly to CAMS to work on application.
- Please be sure all work on the application is saved in CAMS.
- Once the application is submitted the status will change from Incomplete to Pending.

Vibrant Community Initiative

- Funding Opportunity
- Transformational Projects
- Housing and Community/Economic Development
- Pre-applications due January 31, 2018
- Price's Fork VCI Project

Dates to Remember

- CDBG Input Sessions – October 24 and October 26, 2017
- Appalachian Regional Commission applications due – October 18, 2017
- ASNH Property Management Training- March 2018
- Vibrant Community Initiative pre-applications due, January 31, 2018

Dates to Remember

- Best Practices in CDBG Grant Management November 14 – 15
- Governor's Housing Conference – visit www.dhcd.virginia.gov November 15-17.
- Affordable and Special Needs Housing (ASNH) competitions, applications due -November 30th and March 30th