Jefferson Parish

Department of Community Development

HOME Developer Program
Policies and Procedures

Stephanie Brumfield, Director
1221 Elmwood Park Blvd., Suite 605
Jefferson, LA 70123
(504) 736-6262

Jefferson Parish Department of Community Development

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VERSION HISTORY

Clarifications, additions, or deletions may be needed during the course of the program to more precisely define the rules by which the HOME Developer Program will operate. Program staff will document change requests that will be tracked in the program files. Requests are compiled and brought before JPDCD leadership. Decisions will be documented and will result in the revision of the HOME Developer Program Policies and Procedures.

DATE	VERSION	SUMMARY OF CHANGE
August 2020	1.0	Original
June 2023	2.0	Updates

OVERVIEW

1. Introduction to HOME Program

The mission of the Jefferson Parish Department of Community Development (JPDCD) is to make Jefferson Parish a better place to live by supporting community efforts to preserve and expand affordable housing, home ownership and economic opportunities, and to provide equal access to safe, decent and affordable housing.

JPDCD receives funding from the U. S. Department of Housing and Urban Development (HUD) HOME Investment Partnerships Program (HOME) to establish and support affordable housing for low-income Americans. JPDCD uses HOME funds for multiple programs, including First Time Homebuyer Assistance, Owner-Occupied Housing Rehabilitation, and Single-family and Multi-family Housing Development. HOME funds under the Development Program are intended for supporting new construction or rehabilitation of units that will be provided to low-income renters or homebuyers.

a. HOME Eligible Activities

HOME funds may be used for a variety of housing activities, according to local housing needs. A full list of HOME eligible activities is available at https://www.ecfr.gov/current/title-24/section-92.206. All HOME activities must benefit persons at or below 80 percent of the Area Median Income. Eligible uses of funds include but are not limited to the following activities:

- Tenant-based rental assistance,
- Housing rehabilitation,
- Assistance to homebuyers,
- New construction of housing,
- Acquisition, site improvements, demolition, relocation,
- Professional services, such as construction management, architect, or engineer,
- Other necessary and reasonable activities related to the development of non-luxury housing.

b. HOME Ineligible Activities

HOME funds cannot be used for the following activities:

- Public housing development,
- Public housing operating costs,
- Section 8 tenant-based assistance

HOME funds cannot be used to provide the following:

- Non-federal matching contributions for other federal programs,
- Operating subsidies for rental housing,
- Activities under the Low-Income Housing Preservation Act, or
- Pay for any cost that is not eligible under eCFR : 24 CFR 92.214 -- Prohibited activities and fees.

2. JPDCD Developer Funding Focus

HOME Developer projects may be one or more buildings on a single site, or multiple sites that are under common ownership, management, and financing. The project must be assisted with HOME funds under a single undertaking. The project includes all activities associated with the site or building. HOME funds may be used to assist mixed-income projects but only HOME eligible tenants may occupy HOME-assisted units.

To meet the needs of the community, JPDCD prioritizes multifamily units. Specifically, to maintain neighborhood character, JPDCD prioritizes multifamily developments with less than 15 units per building.

Currently, there is no maximum project size.

Currently, there is no restriction on scattered site development.

Currently, JPDCD is accepting applications for new construction multifamily and single-family development.

3. Award Type & Range

a. Deferred Forgivable Loans – Rental Projects

JPDCD provides HOME funds through deferred forgivable loans for rental projects. The loan conditions are laid out in the written agreement. So long as the property and developer stay in compliance with the terms in the agreement, the loan is fully forgiven at the end of the affordability period.

At the discretion of the Review Committee, grants or repayable loans may be awarded.

b. Construction Subsidy Grants – Homeownership

JPDCD provides HOME funds through a grant to homeownership development projects. The conditions are laid out in the written agreement.

c. Conditional Awards

All HOME funds awarded by JPDCD to an applicant or for a project are subject to all applicable federal, state and local laws, regulations, ordinances, policies, procedures and other assurances. Following the approval and selection of a project application for funding, a written conditional award letter is issued by the JPDCD Director. The letter includes the award amount and the items needed to clear the conditions and execute the HOME Written Agreement.

After a conditional award of funds is made by JPDCD, JPDCD works with the Parish Attorney’s Office to negotiate revisions requested by the project to the HOME Written Agreement and other formal contract documents to ensure final terms are acceptable to the Parish. All contracts must be approved by the Parish Council before execution.

The JPDCD Director has the discretion to cancel an award of funds when the department determines that an award of funds may cause the Parish to be in non-compliance with any applicable legal authority including the policies contained herein and the appendices attached hereto. An award may be cancelled, terminated or rescinded by the Parish at any time prior to the execution of formal contract documents (e.g., program agreement, loan documents, covenants) by the Parish and approved as to form by the Parish Attorney's Office. The Parish is not liable for any loss incurred as a result of a reduction, cancellation, termination or rescission of an award and is under no obligation to fund the applicant or project under such circumstances.

d. Award Range

Due to limited funds, JPDCD HOME funds are intended as gap funds. JPDCD has set the following thresholds for subsidy amounts:

- Developers may request up to 40 percent of their Total Development Costs in HOME funds.
- Developers must request a minimum of $100,000 in HOME funds, in consideration of cost and effort associated with application review and required HOME project compliance.
- CHDOs can request up to $50,000 to be used for CHDO capacity building and operating expenses related to the awarded project (HOME CHDO Operating Funds).

The actual subsidy provided is subject to cost allocation, subsidy layering analysis, the financial need of the project and the number of affordable units. Awards are also subject to the HOME per-unit maximum subsidy limits.

Per federal regulations, the minimum amount of HOME funds that must be invested in a project involving rental housing is $1,000 times the number of HOME-assisted units in the project. For example, for a rental project with 10 units, 4 of which are HOME-assisted units, the required minimum award amount is 4 x $1,000 = $4,000.

NOTICE OF FUND AVAILABILITY AND APPLICATION

1. Competitive NOFA and CHDO Set-Aside

Annually, Jefferson Parish receives federal funding from the U.S Department of Housing and Urban Development, which includes funds for the Parish's HOME Investment Partnerships Program. Each year, JPDCD determines how much of its HOME funding is made available for development and publishes a rolling Notice of Funding Availability (NOFA) indicating how much funding is available and the requirements for applying for funds. CHDO set-aside funds are also included in the HOME Developer NOFA, although maintained and tracked separately.

The NOFA is a competitive procurement and developers should treat it similar to how they would treat a Request for Proposals (RFP). The NOFA will contain all the instructions needed by developers to complete an application, including Parish goals and objectives, as well as specific HUD requirements. Developers are expected to apply with a team already in place and if there are changes to the development team, the developer is the responsible party and must meet the cost parameters of the application or find additional funds.

2. Application

The JPDCD HOME Developer Application is designed so the Developer can provide evidence of their experience, financial capacity, and how the proposed project supports JPDCD's housing goals. Developers are expected to submit a completed application packet, with all supporting document, in order to demonstrate the project is feasible, able to be constructed within the required time, and will be viable for the duration of the affordability period. Applications should also demonstrate that projects are eligible for HOME awards and able to meet HOME requirements.

The application has three primary sections – project, financials, and developer team – and each section details key requirements of the HOME Developer program.

a. Project

The application should provide a summary and identify the type of development, building and construction. It should be clear who the project aims to serve and how many HOME units will be provided. This section also requires the Developer to identify the current status of the pre-development work, intended property management, and their marketing and tenant selection plans.

b. Financials

Developers should be ready and able to complete this section for the proposed project. The financial section of the application provides the sources and uses of the project and where the developer will make their funding request. The Developer will be required to complete the HOME developer workbook and to submit this in Excel for review. The workbook should provide all sources and uses (complete budget) for the proposed project and be able to demonstrate the long-term revenues and expenses to show it will be financially viable for the full affordability period.

c. Developer Team

The Developer should be able to provide JPDCD with details on the selected developer team, their collective experience and qualifications, and a project history. This section should allow the Developer to demonstrate they have the experience necessary to successfully manage and complete a housing development project, and that they understand the requirements for projects that use HOME funds.

d. CHDO Application

CHDOs can complete this application in the same manner as all other Developers, providing the same details on project, financial and team experience. The application provides space for CHDOs to identify the project as eligible for the CHDO Set-aside and provide information on their organizational structure and service area, as well as the required documents for certification.

The application will be posted on the JPDCD website for the duration of the rolling application period: https://www.jeffparish.net/departments/community-development/home-developer-program. See Appendix C for Application Submittal Guidelines. Additional policies and procedures for CHDOs and CHDO certification are also available from JPDCD.

3. Application Period

a. Rolling Submissions

JPDCD will accept applications on an ongoing basis during each Fiscal Year until all funds are awarded. Applications will be reviewed collectively every sixty (60) days. All applications must be complete by the time of the review period to be included in the round for consideration. Scheduled review periods will be provided on the JPDCD website (https://www.jeffparish.net/departments/community-development/home-developer-program).

b. Trainings and Submitted Questions

Prepared instructions will be included with the application on the website to assist Developers in completing each section. Developers may submit questions on the application, submission, or the review process to (homedevelopers@jeffparish.net). JPDCD will provide a response to all questions received and maintain a log of submitted questions and responses on the website along with the application materials.

Trainings may be provided by JPDCD to provide assistance on the application. Trainings will be announced and schedules provided with a minimum of 14 days advanced notice on the website and through other means of outreach and/or publication.

c. Incomplete Applications

Incomplete applications will not be reviewed. JPDCD is not obligated to pursue missing information or to consider supplemental materials that are provided after the application submission. Applicants should ensure that their applications are complete and ready for review and scoring at time of submittal.

4. Review of Applications

a. Review Schedule

Applications are reviewed every sixty (60) days on an ongoing basis from the time of the NOFA release. Review dates will be posted on the website. Applications are not reviewed at the time of submission. Applications will be included in the next review round based on the submission date and the review schedule.

b. Review Team

The JPDCD application review team is composed of three JPDCD program staff, including the HOME Program Manager.

c. Application Criteria

Application scoring is based on the overall application. Reviewers will pay special attention to the Project Summary. Points are awarded to projects that serves a specific population (e.g. elderly), serve a large population, include large numbers of affordable units and of total units, and is in line with the Parish's Consolidated Plan and Annual Action Plan.

JPDCD reviews Developer Applications based on the following criteria:

1) Does the project address a Parish priority outlined in the Parish's current Action Plan?
2) Is the developer in good standing with the Parish?
    a. Has the developer been debarred by State of Federal government?
    b. Does developer have a DUNS number or Unique Entity ID (generated by SAM.gov)?
3) Does the proposal contain adequate information for the Parish to determine whether the project is financially feasible?
    a. Is the project financially feasible?
    b. Are there risks in the financing that need to be addressed by the Developer?
4) Does the developer have the capacity and experience to perform the project?
5) Has the Developer had prior experience working with JPDCD? Were they successful with prior JPDCD project(s)?
6) Is the project feasible based on the size and complexity of the proposed project?
7) Does the project consider and provide funding for ongoing maintenance and operations costs? (rental only)
8) Does the developer have the ability to meet the project's maintenance period? (rental only)

9) Does the developer intend to sell off or refinance the property during the affordability period? (rental only)

Another strong factor in the application is the development team's experience and qualifications, including: years of operation, completed projects, experience with Federal or HUD funds. Addition points are given for projects that are shovel ready and those that align closely with aspects of the Parish's Consolidated Plan. Reviewers will closely look at the proposed Affirmative Marketing Plan, as it is vital that the project demonstrates future long-term success.

Finally, the application is reviewed for its project financials. Strong proposals provide steady financial returns and safeguard the Parish and federal investment.

d. Scoring

Reviewers will use a scoring matrix to award points based off a number of factors. Each project is reviewed by three independent reviewers and the average of these scores is used to rank competing proposals. Proposals that provide incomplete information for any section of the application or that score less than 95 may not be considered for funding.

Section/Element	**Total Points Possible**
Project Summary	15
Population	5
Number of affordable units	10
Alignment with Parish's Consolidated Plan	10
Development team's experience and qualifications	20
If project is shovel ready	15
Affirmative Marketing Plan	10
Project Financials	40
Total	**125**

e. Award of projects

Award letters are sent to top scoring proposals within 30 days of the scoring phase. Awards for projects will be based on the project need, the number and type of applications received and scored, and the availability of HOME funding.

PROGRAM REQUIREMENTS

1. Eligible Applicants

a. Non-Profit Affordable Housing Entities

Non-profit organizations that engage in affordable housing activities may apply for HOME funds through this NOFA. Non-profits must have their 501(c)3 designation, Board of Directors, and Articles of Incorporation. Organizations are required to demonstrate capacity and experience with HOME or other federal funds and successes in housing development through prior completed projects, and financial stability.

b. For-Profit Housing Developers

Private developers in good standing with the Parish are eligible to apply for HOME funds for affordable housing projects. All developers that apply are required to demonstrate capacity and experience with HOME or other federal funds and successes in housing development through prior completed projects, and financial stability.

c. LIHTC Partnerships

Limited Liability Corporations and limited partnerships receiving Low Income Housing Tax Credits (LIHTC) from the state are eligible to apply for HOME funds to support their affordable housing project as well. LIHTC-approved projects for new construction or acquisition and rehabilitation of rental housing are considered along with input from the state. Projects applying for LIHTC at the same time as HOME funds may be considered for a conditional award dependent on securing the LIHTC award within a defined time frame that meets program requirements and Parish expenditure deadlines. Applicants submitting for HOME and LIHTC awards need to show prior LIHTC developer experience in the application. Developments built using LIHTC and HOME funds are subject to the requirements and regulations of both programs and will have to meet the reporting requirements of the state and Jefferson Parish.

d. Community Housing Development Organizations

Jefferson Parish is required to reserve not less than 15 percent of its HOME allocations for investments in housing to be developed, sponsored, or owned by Community Housing Development Organizations (CHDOs). Only nonprofit organizations that have been certified by the Parish as CHDOs can receive funds from the Parish's minimum 15 percent set-aside. Additional details on CHDOs and CHDO management can be found in the JPDCD CHDO Policies and Procedures.

e. Conflicts of Interest

HOME funding regulations require recipients of awards to comply with the conflict of interest provisions of 2 CFR 200.112 as well as other provisions set in the HOME regulations at [24 CFR 92.356](). Applicants must have conflict of interest standards for the organization that comply with the regulations. No employee, officer, or agent of an organization seeking HOME funds may seek to influence the award selection. In addition, any person having a financial interest or benefit in an applicant receiving an award may not participate in the selection process.

HOME regulations also state that any person with responsibilities for HOME-funded activities may not seek to benefit directly from the HOME activity (i.e. occupy or assist an immediate family-member to occupy a HOME-assisted unit or have a financial or family interest in any contract or agreement made to complete the activity).

For more details on the regulations regarding conflicts of interest, see 24 CFR 92.356.

f. Applicant Responsibilities

The HOME Developer NOFA process and HOME Developer Program are voluntary. As such, the Applicant Developer is responsible for all costs incurred by the Developer as a result of the Developer applying for or securing an award with the Parish.

Applicants are also responsible adhering to these policies and procedures. Each entity that chooses to apply to this program MUST sign a Statement of Understanding as a part of the application, thereby indicating that the applicant entity has read and understand these policies and procedures and agrees to abide by it.

2. Threshold Criteria

a. Debarment

JPDCD must not make any award (subgrant or contract) to any organization which is debarred or suspended or is otherwise excluded from or ineligible for participation in Federal assistance programs under Executive Order 12549, ''Debarment and Suspension.'' Any application that has been prepared by a developer that is involved in a pending debarment or suspension proceeding before a state or federal agent shall not be reviewed until such time as the debarment proceeding has been finally resolved. No person who is involved in a suspension or debarment proceeding shall be allowed to undertake a HOME project until such time as the suspension or debarment process finding is resolved. JPDCD will determine if a proposed developer is debarred by checking the federal SAM database.

Active registration in SAM is required to apply for an award. Developers should include website printouts verifying the contracting firm's status during the application period and this information will be placed in each applicant's file. In addition to checking the name of the contracting firm, JPDCD will check the name of the president and owner of the firm and any associated development partners, such as construction contractors. JPDCD will also review any state and local debarment lists.

b. Unique Entity ID (UEI)

Along with Sam.gov registration, developers must have a UEI number, and must be eligible to receive funds from the United States government. Developers without a UEI number are ineligible to receive funding. Registration is available at SAM.GOV. In December of 2020 DUNS numbers will be phased out and replaced by Unique Entity Identifier (UEI). Additional information on the new requirements can be found at [GSA.GOV](GSA.GOV).

On **April 4, 2022**, the unique entity identifier used across the federal government changed from the DUNS Number to the Unique Entity ID (generated by SAM.gov). They no longer have to go to a third-party website to obtain their identifier.

c. Good Standing

Developers must be in good standing with respect to audit findings related to the use of federal funds or public funds for the development of housing and have a track record of completing projects on time, submitting accurate and complete quarterly progress reports, and addressing all monitoring findings. Developers are required to disclose any non-compliance as part of the application and/or any unresolved audit or monitoring findings. Developers must also provide a list of completed projects, active projects that are using parish/state/federal funds, and references as part of the application. A developer can be denied consideration for funding if the applicant or its related parties have a history of default or non-performance under any agreement, payment delinquencies, bankruptcy, foreclosure or activities determined to be unsound or unlawful.

d. Secured Funding and Financing

HOME funds are intended to fund gaps in project funding. Since these funds are only intended to address funding gaps, other sources of funding identified in the application must firmly be in place and committed to ensure the successful completion of the project. Documentation must be provided with the application to verify the availability and commitment of funds.

- Pre-award expenditures are documented through receipts or affidavit.
- Private funds must be supported by recent financial statements.
- Other grant funds and private financing must be supported by an award letter or letter of commitment.

e. Other requirements

Along with the criteria listed above, all applicants must meet the following minimum requirements:

- Private developers must have 10 percent of total development costs in net assets to ensure capacity and reduce risk.
- Non-profits seeking to be considered as CHDOs must meet all certification requirements at the time of application.
- Have experience with state or federal funds for the development of affordable housing. At a minimum, one member of the development team must have direct experience implementing or managing a HOME funded project. This role may be fulfilled by a consultant.

3. Developer Capacity

The development team, including the developer, property manager, builder and other members, must demonstrate their experience, knowledge, and capacity for successfully completing and operating the proposed project. In addition to skill sets and prior experience of the developer team, it is also important to show financial viability over the life of the loan period for the project. JPDCD uses all details provided to determine if the proposed project is a worthwhile and secure investment of HOME funds.

The development team must have a combined minimum experience with managing at least one federally-funded affordable housing project to be qualified for JPDCD HOME funds. The following factors are used to assess capacity:

- Number of housing projects constructed,
- Number of federally-funded housing projects constructed,
- Number of housing projects under management and in operation,
- Number of federally-funded housing projects under management and in operation,
- Past, pending, active or resolved litigation on any housing development,
- Incomplete developments, included cause for incompletion,
- Financial capacity, and/or
- Trainings completed on HOME housing development.

Incomplete developments, litigation or other issues are considered in evaluating the ability of the development team to complete a successful project, but do not automatically disqualify the application. Additional experience may be considered if the team has received HUD- or Parish-supported training on managing HOME-funded rental developments. Copies of certificates or other support showing the training received must be provided.

a. CHDO Role

CHDOs may act as the developer, project sponsor, and/or owner of a development project to be considered for the CHDO set-aside. CHDOs must include the above details on the development team and provide a description on its role for the project. Refer to definitions for CHDO roles under https://www.ecfr.gov/current/title-24/subtitle-A/part-92/subpart-G/section-92.300 for further detail.

4. Project Requirements

The following section outlines the project parameters that developers must adhere to in order to be considered for a HOME award. All parameters, unless otherwise noted, continue through the construction of the project, into the operations and maintenance of the development, and apply until the completion of the affordability period.

a. Minimum Project Size

Rental Projects

JPDCD only accepts applications for developments of 10 or more units. The project must also provide at minimum of 50 percent of affordable units, or meet a special need identified in the JP Consolidated Plan[1].

[1] JP Consolidated Plan 2018-2022 (azureedge.net)

Homeownership Projects
JPDCD only accepts applications for developments of 4 or more homeownership units. All units must be affordable units.

b. Number of HOME Units

Projects must propose a minimum of four HOME units to be considered for HOME funds. The total number of High HOME and Low HOME units required is determined through the Subsidy Layering and Underwriting Review. Project can propose a maximum of 11 HOME units.

c. Maximum HOME Subsidy

The amount of HOME funds available per unit is determined by the maximum limits for elevator-type projects set by HUD for Jefferson Parish, see the chart below. The minimum amount of HOME funds that must be invested in a project involving rental housing or homeownership is $1,000 times the number of HOME-assisted units in the project. The amount of HOME funds that can be invested on a per-unit basis in affordable housing may never exceed the per unit dollar limits for elevator-type projects that apply to the area in which the housing is located.

Maximum HOME Investment Per Unit – 2023 LOUISIANA HOUSING CORPORATION[2]			
Bedrooms	Base Limit	HUB Percentage (From HOME Fire Vol 12 No.1)	LHC Statewide Limit (For All Areas except the cities of New Orleans and Shreveport)
0	$72,088.00	270.00%	$194,638.00
1	$82,638.00	270.00%	$223,123.00
2	$100,490.00	270.00%	$271,323.00
3	$130,002.00	270.00%	$351,005.00
4 or More	$142,701.00	270.00%	$385,293.00
Effective April 7, 2023			

Maximum HOME Investment Per Unit – 2022 LOUISIANA HOUSING CORPORATION[3]			
Bedrooms	Base Limit	HUB Percentage (From HOME Fire Vol 12 No.1)	Jefferson Parish
0	$66,564.00	270.00%	$179,722.00
1	$76,305.00	270.00%	$206,023.00

[2] 2023 234 Limits for Louisiana.xlsx (la.gov)
[3] 2022 234 Limits for Louisiana.pdf (la.gov)

2	$92,789.00	270.00%	$250,530.00
3	$120,039.00	270.00%	$324,105.00
4 or More	$131,765.00	270.00%	$355,765.00
Effective March 17, 2022			

For information on maximum per-unit subsidy limits, see CPD Notice 15-003, HOMEfires Vol. 12, No. 1, and the HOME Maximum Per-Unit Subsidy Limits on the HUD Resource Exchange.

d. HOME Cost Allocation

The amount of HOME funds invested in any affordable housing project is decided by a number of program rules. Cost allocation determines the per unit investment of HOME funds based on the total project cost that is eligible and the proposed number of HOME-assisted units. HOME funds may only be allocated to pay for the proportional share of HOME units. The calculation for cost allocation is made using one of three methods: *the Standard method, the Proration method,* or *the Hybrid method*, depending on how HOME-assisted and non-affordable units in a development compare (size, quality, and amenities) and based on the eligible costs for development.

- The *Standard method* is the most common and can be used for all projects where the HOME-units are fixed and the cost of developing each of those units can be determined. The number of units is determined based on the HOME investment and eligible development cost.

$$\text{HOME share of development costs: } \frac{HOME\ Investment}{Total\ Eligible\ Costs} = Percentage\ of\ HOME\ share$$

  Multiply the percentage found by the total number of units to determine the number of HOME-units. This gives a development value for each HOME-assisted unit in the property.

- The *Proration method* can be used when units are comparable and the number of HOME units are an equal proportion to non-HOME units across all unit sizes (i.e. 8 of 15 one bed-room units, and 8 of 15 two bedroom units are HOME-assisted). The ratio of HOME-assisted units is equal to the percentage of HOME funds that may be used for the project.

$$\frac{HOME\ UNITS}{TOTAL\ UNITS} = \frac{HOME\ INVESTMENT}{TOTAL\ ELIGIBLE\ DEVELOPMENT\ COSTS}$$

- The *Hybrid method* is used when the allocation of HOME-assisted units is not equal across all unit sizes (i.e. 8 of 15 one bed-room units, and 5 of 15 two bedroom units are HOME-assisted). The cost allocation is determined by assessing the construction costs for the HOME-assisted units by square footage, and a fair portion of common costs, such as acquisition, eligible soft costs, or common areas such as lobbies, elevators, or roof.

$$Total\ eligible\ costs\ for\ HOME\ units + \frac{HOME\ unit\ square\ foot}{Total\ unit\ square\ foot} x\ Eligible\ common\ costs$$

For further details on how each method is calculated, refer to the CPD Notice 16-15 section V.

e. Consolidated Plan Alignment

JPDCD's use of HOME funds is guided by its Consolidated Plan, an analysis of the Parish's housing and community needs and proposed use of funding that is submitted to HUD every five years for approval. HUD requires JPDCD to provide progress reports and outline how funded projects and activities meet the intended outcomes of the Consolidated Plan. Applications for projects that align with the goals and objectives of JPDCD's 2018-2022 Consolidated Plan will have a competitive advantage. The Consolidated Plan is available to the public on the https://www.jeffparish.net/departments/community-development/community-development-planning-program.

f. Market Assessment

JPDCD requires a comprehensive market assessment be submitted with the application for funds for 15 or more units. The market assessment provides an analysis of the neighborhood surrounding the project to quantify potential demand. It is also an evaluation of market factors to determine if the project will be successful in the selected location.

The market assessment is completed by a third party for the developer to be submitted during the subsidy layering and underwriting review. Jefferson Parish will then review the third-party's analysis for reasonableness and program compliance.

These market assessment guidelines apply to all applicants seeking to use HOME funds for housing developments in Jefferson Parish.

Required Market Assessment Components

A market assessment must include the following attributes:

- Definition of the market area through a defined boundary (neighborhood blocks, census tract, Council district),
- Demographics of the defined area, including age, race, average household size, median income,
- Rate of renters and homeowners in the area,
- New construction and types and sizes of current housing in the area,
- Details on comparable properties to the proposed project, including rental and vacancy rates, or recent sales prices,
- Other current details, such as vacancy rates or days on market, rental or housing values, and any events that have affected supply or demand for the area, and
- Calculation for an estimated capture rate for rental units, or purchase time period for home sale.

JPDCD requires the Market Assessment be completed on the form provided in the NOFA, along with completing HUD Form 92273 on comparable properties. The HUD form can be found at https://www.hud.gov/sites/documents/92273.PDF.

Waiver Request

If a new third-party market assessment is too costly or would cause delays, it is within the Parish's purview to provide a waiver of this requirement and fulfill the market assessment by other means.

The waiver must be requested before the application deadline. The waiver is approved by the HOME program manager in consultation with the JPDCD Director.

If a waiver is granted for the full market assessment, the following is the minimum required for submission by the developer:

- Rents from three comparable projects based on the following:
  - Size and scale of project,
  - Location of project,
  - Comparable unit types, and
  - Comparable finishes.
- The minority concentration of the project areas, per the neighborhood standard requirement.

Complete Market Study

Prior to final underwriting and award selection, proposed projects with a total of 15 units or more must include a comprehensive market study. Market studies must be less than six months old and preferably be completed by a member of the National Council of Housing Market Analysts. Proposed rent levels or housing list price must be supported by the market study and within HOME regulatory limits.

The market study should include a precise statement of key conclusions reached by the analyst, supported by the data contained in the market assessment and any further research required.

These conclusions must provide:

a. A summary of positive and negative attributes and issues that will affect the property's performance and lease-up, points that will mitigate or reduce any negative attributes, and any recommendations and/or suggested modifications to the proposed project.
b. An evaluation of the proposed development, given the target population and market conditions. This evaluation should include market justification for the proposed development, including the proposed rents by unit and population type, estimated absorption rate, and should further evaluate the proposed unit, development, and locational amenities given the market.
c. An objective review of past, present, and future demographic and economic trends in the defined market area and include an estimate of how the proposed development will be integrated into the market area based on existing rental or home sales comparables and anticipated pipeline additions to the rental base.

g. Program Rule – Rental Units and TBRA

The program rule specifies that 90 percent of the total households assisted through the rental or TBRA program (counted together) have incomes that do not exceed 60 percent of the area median income. The balance of rental units and TBRA assistance must assist tenants with incomes that do not exceed 80 percent of the area median income. This rule applies to all funds expended from each fiscal year allocation; it is not project specific. Additionally, in the first year and on a project by project basis, JPDCD requires that 90 percent of the HOME assisted units are rented to households below 60 percent AMI.

h. HOME Maximum Rents and Project Rule

The rent limits for HOME-assisted units are calculated to reduce or eliminate a housing burden so that the monthly costs for housing are no greater than 30 percent of the household's income. This is for all expenses related to housing, including utilities whether paid by the landlord or the tenant. Gross rent limits are determined annually by HUD.

The project rule specifies the occupancy of units in each rental project. In projects of five or more HOME assisted units, at least 20 percent (or one unit out of every five units) of the HOME assisted rental units must be occupied by families who have annual incomes that are 50 percent or less of median income. These very-low-income tenants must occupy units at or below the Low HOME Rent level. Projects with fewer than five HOME-assisted units do not have to restrict any units to the Low HOME rents or limit occupancy to tenants at 50 percent or below of the area median income.

2023 HOME Program Rent Limits							
Rent Limit	EFFICIENCY	1 BED	2 BED	3 BED	4 BED	5 BED	6 BED
Low HOME Rent Limit	$717	$768	$922	$1,066	$1,190	$1,312	$1,435
High HOME Rent Limit	$848	$980	$1,178	$1,352	$1,489	$1,624	$1,760
50% RENT LIMIT	$717	$768	$922	$1,066	$1,190	$1,312	$1,435
65% RENT LIMIT	$914	$980	$1,178	$1,352	$1,489	$1,624	$1,760
"2023 HOME Rent Limits, effective June 15, 2023," HUD[4]							

2022 HOME Program Rent Limits							
Rent Limit	EFFICIENCY	1 BED	2 BED	3 BED	4 BED	5 BED	6 BED
Low HOME Rent Limit	$686	$735	$882	$1,019	$1,137	$1,255	$1,372
High HOME Rent Limit	$786	$927	$1,089	$1,291	$1,421	$1,549	$1,677
50% RENT LIMIT	$686	$735	$882	$1,019	$1,137	$1,255	$1,372
65% RENT LIMIT	$873	$936	$1,126	$1,291	$1,421	$1,549	$1,677
"2022 HOME Rent Limits, effective June 15, 2022," HUD[5]							

[4] HUD HOME Rent Limits 2023, HOME RentLimits State LA 2023 (huduser.gov)

[5] HUD HOME Rent Limits 2022, HOME_RentLimits_State_LA_2022 (huduser.gov)

i. Rent Limits and Utility Allowance

When determining the rents for HOME-assisted units at the High- or Low-HOME levels, utilities must be included as part of the cost of rent. The developer calculates the allowance for each tenant-paid utility (electric, sewer, water, gas, garbage, etc.) and by unit size and provides the allowance calculations to JPDCD with an appropriate supporting documentation. Projects that are proposing to use LIHTC should use the LHC allowance. JPDCD verifies the utility allowances provided against other projects in its portfolio. The utility allowance is deducted from the maximum allowable rent to determine the effective tenant rent.

HUD-acceptable calculation methods are found in the HOME Fires Guidance, Volume 13, No. 2:

https://files.hudexchange.info/resources/documents/HOMEfires-Vol13-No2-Guidance-on-How-to-Establish-Utility-Allowances-for-HOME-Assisted-Rental-Units.pdf

j. HOME Site and Neighborhood Standards – Rental Units

HOME requires all new construction rentals to meet site and neighborhood standards. The site must be adequate in size, exposure, and contour to accommodate the number and type of units proposed. Adequate utilities (water, sewer, gas, and electricity) and streets must be available to service the site.

Jefferson Parish Code Enforcement and Planning reviews all proposed project designs for adherence to local code and design standards.

k. Maximum Appraised Value of Single-Family Homeownership Units

HUD sets appraisal and price limits at 95 percent of the median purchase price for the area for new construction and existing housing. New construction for homeownership cannot appraise for more than the limits set by HUD annually.[6] These values are based on Federal Housing Administration (FHA) single family mortgage program data and U.S. Census Bureau data for newly constructed housing. Parish-supported development projects that include homeownership units must abide by the following sales price limits according to the number of units included in a sale.

FY2023 HOME New Homes Purchase Price Limit Jefferson Parish – New Orleans Metro Area			
1-Unit	**2-unit**	**3-unit**	**4-unit**
$271,000	$347,000	$420,000	$520,000

l. HOME Match

Jurisdictions drawing HOME funds are required to provide a 25 percent local funding match for eligible HOME projects as a permanent contribution to support affordable housing. Match obligations are based on the amount of HOME funds drawn down across projects within the federal fiscal year

[6] HUD HOME and HTF Homeownership Value Limits, FY 2023 HOME and HTF Homeownership Value Limits Effective July 1, 2023 - HUD Exchange

(October 1 – September 30). The matching contribution does not have to be invested in the same project, or the same activity, but does have to be spent within the same fiscal year.

JPDCD meets the match requirement at the Parish level and does not require individual projects to contribute to the HOME match. Applications that can contribute to the match requirement within the eligible HOME activities of the proposed project may receive a competitive advantage in scoring based on providing a means to help the Parish meet the HOME match requirement. JPDCD includes the match contribution obligations in the written agreement and deed restriction.

Match Contribution Activities

Investments in the following activities are eligible to meet the match contribution requirement:

- **HOME-assisted projects:** Projects that receive assistance under the HOME Program.
- **HOME-eligible projects:** Projects that are not assisted with HOME funds, but that meet HOME requirements related to income, rent, quality standards and other HOME rules.
- **Partially-assisted HOME projects and mixed-use projects:** Projects where some units are HOME-assisted and some are not, projects that are mixed-use (with HOME-assisted and commercial), and projects that are a mix of HOME-assisted and non-HOME residential and commercial are eligible for match contributions as long as 50 percent or more of the residential units are HOME-assisted.
- **Assistance to tenants:** Match credit can be earned by providing non-Federal funds to tenants receiving HOME tenant-based rental assistance (TBRA).

Match Contribution Sources

The match obligation may be met with any of the following specific sources:

- Cash or cash equivalents from a non-Federal source,
- Value of waived taxes, fees or charges associated with HOME projects,
- Value of donated land or real property,
- Cost of infrastructure improvements associated with HOME projects,
- A percentage of the proceeds of single- or multifamily housing bonds issued by state, state instrumentality, or local government,
- Value of donated materials, equipment, labor, and professional services,
- Sweat equity,
- Direct costs of supportive services to residents of HOME projects, and
- Direct cost of homebuyer counseling to families purchasing homes with HOME assistance.

HUD provides specific guidance to ensure that match contributions to homebuyer projects are permanent contributions to affordable housing. See the applicable section below.

Additionally, match counted for other federal programs cannot be counted as HOME match. HOME can be counted as match for McKinney-Vento Act programs.

HOME Activities that do not require match include:

- HOME administrative and planning funds,
- CHDO operating expenses,

- CHDO project-specific assistance (site control, technical assistance, and seed money loans) for projects that do not go forward, and
- Amounts provided from sources other than state HOME funds to make up the shortfall between a local PJ's allocation and the threshold amount.

m. Affirmative Marketing Plan (post-award, pre-construction)

Developers for housing projects that will have five or more HOME-assisted units must create an affirmative marketing plan. These plans should be designed to implement marketing efforts that provide information to and attempt to attract eligible persons within the market area to the affordable housing units without regard to race, color, national origin, sex, religion, familial status, or disability. The affirmative marketing plan can be within a current marketing strategy, as long as it meets the following requirements. Plans must align with the Jefferson Parish Fair Housing Plan.

Affirmative Marketing Requirements

Affirmative marketing plans must include the following:

- Compliance with federal and state fair housing laws, including the use of the Fair Housing logo, and equal opportunity language, and other JPDCD policies.
- Methods for informing the public and potential tenants about fair housing laws.
- A description of the overall efforts the developer will take to affirmatively market the HOME-assisted housing project, including types and sources of advertising and outreach.
- A description of efforts the developer will take to market to and inform persons not likely to apply for affordable housing without outreach.
- An explanation if a residency preference is made (*rental only*). A residency preference is a preference for selection of persons who reside or work in a specified geographic area (24 CFR 5.655(c)(1)(ii)).
- A list of community contacts to be used for marketing and outreach.
- How outreach will be evaluated, including a description of corrective measures to be taken if the assessment shows outreach has not been effective.
- A summary of staff responsible for marketing and tenant selection, and any Affirmative Marketing or Fair Housing trainings they have attended.
- Records that document affirmative marketing outreach, assessments of efforts made and the outcomes, and the effectiveness of the outreach and any corrective measures that were necessary.

The Developer completes the Affirmative Fair Housing Marketing Plan form (See Appendix D) for JPDCD review. This form should be completed based on the Developer's market assessment and the lease-up marketing plan. Plans are verified by JPDCD for compliance.

For developers with less than five units, the form is not required, however, JPDCD recommends having a marketing plan in line with the requirements and details outreach efforts for proposed units. Developers with less than five units can use the HUD form as an outline for establishing a marketing plan.

Affirmative marketing plans must be updated annually, concurrent with the publication of updated HOME rent limits. JPDCD will monitor and review marketing and outreach efforts of all developers that receive HOME awards.

n. Lease-Up Marketing Plan (post-award, pre-construction)

HOME funds require HOME units to be placed into service quickly. For rental units, units are expected to be leased within 18 months of construction. For homeownership units, units must be sold within 9 months of construction completion, after which time they are converted to rental units.

To ensure this deadline is met, JPDCD requires developers to submit a lease-up marketing plan that describes the developer's marketing activities during construction and in the year following construction. A template plan is included in Appendix E. The lease-up plan and affirmative marketing plan have overlapping content. JPDCD may allow these documents to be combined on a case-by-case basis.

o. Property Management Plan (post-award, pre-construction)

All projects must have a property management plan on record with JPDCD before lease-up. In the following cases, the property management plan should be submitted before the HOME Written Agreement is executed:

- Projects with 15 or more units,
- Projects with 5 or more scattered sites, and
- Developers who are also acting as property managers and have 30 or more units under management in total.

At a minimum, a management plan should consider:

- Using HOME income limits, including verifying and recertifying tenant income
- Determining maximum HOME rents, including using HOME rent limits and PJ utility allowances
- Procedures for maintaining correct occupancy and unit mix
- Fair housing and affirmative marketing
- Maintenance and repair, including applicable property standards
- Utilities and services
- Tenant selection
- Lease terms
- Rent collection
- Lease enforcement
- Record-keeping
- Compliance with required reporting to JPDCD

p. Capital Needs Assessment (Rehabs only) (post-award, pre-construction)

In the event a rehabilitation housing project is provided HOME funds, an independent, experienced third party must perform the Capital Needs Assessment. This party cannot have a financial interest in ownership of the development (i.e. not a member of the development team). It is required that a licensed professional, such as an engineer/ architect, perform the assessment and supply JPDCD with their professional opinion of a property's current overall physical condition. This includes the identification of significant deferred maintenance, existing deficiencies, and material building code violations that affect the property's use and its structural or mechanical integrity.

The assessment shall include a site visit and physical inspection of the interior and exterior of units and structures, as well as an interview with available on-site property management and maintenance personnel to inquire about past repairs/improvements, pending repairs and existing or chronic physical deficiencies. The assessment should include an opinion as to the proposed budget for recommended improvements and should identify critical building systems or components that have reached or exceeded their expected useful lifespans. The assessment should also include recurring probable expenditures for significant systems and components impacting use and tenancy, which are not considered operation or maintenance expenses, in order to determine the appropriate replacement reserve deposits on a per unit per year basis.

The following components should be specifically examined in the Capital Needs Assessment:

1. Site, including topography, drainage, pavement, curbing, sidewalks, parking, landscaping, amenities, water, sewer, storm drainage, gas, and electric utilities and lines;
2. Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system, and drainage;
3. Interiors, including unit and common area finishes (carpeting, vinyl tile, plaster walls, paint condition, etc.), unit kitchen finishes and appliances, unit bathroom finishes and fixtures; and common area lobbies and corridors;
4. Mechanical systems, including plumbing and domestic hot water, HVAC, electrical, and fire protection; and
5. Elevators and/or stair wells (if applicable).

5. Subsidy Layering and Underwriting Review

For purposes of the HOME program, underwriting involves the analysis of project assumptions and risks to determine if the public investment is reasonable and the project can be expected to meet all applicable program requirements during the period of affordability. Subsidy layering is a component of project underwriting, which involves assessing whether the proposed level of HOME assistance is appropriate given the level of project investment by other financing sources. This analysis is completed before JPDCD commits any funds to a project. This review determines the appropriate amount of HOME funds required to "fill the gap" in order to make the project feasible, while ensuring the project is not over-subsidized and that HOME funds are used only for HOME-eligible expenses. The Subsidy Layering process evaluates the following:

- *Total Development Costs:* Eligible costs should be estimated and classified to include costs for Site Acquisition and Preparation, Construction/Rehabilitation, Soft Costs, and Developer Fees. Ensure all costs eligible under [24 CFR part 92.206].
- *Sources and Uses:* Sources are the funds that will be used to pay for costs. Uses are the one-time costs associated with the project. Sources should be verified with documentation of a firm commitment from each source. Once the HOME funds request is included, the total sources should equal or exceed the total development costs.

Sources and Uses Example			
Uses		Sources	
Land	$500,000	Bank Loan	$750,000
Construction	$1,750,000	HOME	$750,000
Soft Costs	$300,000	Tax Credit Equity	$1,000,0000
Developer Fee	$140,000	State Funds	$190,000
Total	$2,690,000	Total	$2,690,000

- Developer Experience and Capacity
- Long-term projected profitability and financial health of the project over the affordability period and/or through the end of the development cycle

a. Subsidy Layering and Underwriting Review – Rental Projects

Required Submission: HOME Rental Development Workbook

The HOME Rental Development Workbook incorporates the following information provided by the developer:

- Total Development Costs
- Sources and Uses
- *Rent Schedule:* The rent schedule should identify all units and include monthly rent based on number of units, bedrooms, bathrooms, utilities, and total square feet. The rent schedule provides the basis for understanding the monthly income a project can generate.
- *Operating Expenses:* As the counter part to the rent schedule, the operating expenses detail the anticipated costs of managing the project. The following should be included: maintenance and repairs, administration fees, insurance, taxes, and utilities.
- *20-year Proforma:* Pro forma operating statements provide an important tool for understanding the long-term operations of a project. A 20-year pro forma is required for HOME funded projects since HOME-assisted units carry rent and occupancy restrictions for 20 years. A pro forma should include the gross and net rents, operating expenses, debt service and contributions to reserves.

Underwriting Criteria

For JPDCD to consider a HOME award, the subsidy layering and underwriting review must determine that each project is within the following ratios and amounts. At the discretion of the Director, JPDCD may provide waivers to CHDO projects for specific underwriting criteria if it is determined that the associated project risk can still be reasonably managed.

a. Loan to Value Ratio

The loan to value (LTV) ratio describes the amount of the loan compared to the value of the property securing the loan. JPDCD uses the assessed value for the property that is provided by the Market Assessment. The maximum combined LTV for all loans is 90 percent of the assessed value of the completed project.

b. Debt Service Coverage Ratio

To be considered for HOME funds, projects must support of debt service coverage ratio above 1.10 throughout the affordability period. The desired range for debt service coverage is between 1.10 – 1.30 over the affordability period. This range indicates cost reasonableness of the project and the cash return to the developer.

- Projects that have a debt service coverage ratio below 1.00 are not awarded HOME funds.
- Projects with a consistent DSCR above 1.30 are considered but may be required to reinvest in the property or reduce HOME rents.

c. Equity Contribution

All projects must have some portion of an equity as a part of the project funding and financing. Equity funding is usually represented by the amount of cash that the developer provides towards the total development costs. The equity contribution can also be demonstrated through pre-development expenses that are not paid for through debt. The required equity contribution varies based on the project size:

Total Development Cost	Required Equity Contribution
Under $2,500,000	10%
Between $2,500,000 - $15,000,000	5%
Above $15,000,000	3%

JPDCD may waive the required contribution in special circumstances, such as a 100 percent affordable development.

d. Developer Fee

A Developer's Fee is compensation for the developer's time and for taking on the risk of developing a commercial or residential construction project. This fee can be up to 15 percent of the total project cost.

Up to 50 percent of the pro rata Developer Fee may be paid at 50 percent completion of the project. The remaining 50 percent of the pro rata Developer Fee will be paid after the submission and approval of all project-related retainage documentation.

e. Project Contingency

A contingency budget is a certain amount of money set aside to address unexpected costs during construction above the estimated total for the project. This portion of the budget is not allocated to any one area of work or phase of the project but is a reserve to cover any unforeseen changes in product, price, or cost of labor.

Industry standard for contingency in construction is 10 to 15 percent. For HOME-funded projects, JPDCD recommends Developers anticipate up to 15 percent for contingency across the project budget. This may include up to 12 percent for Hard Costs, with a minimum of seven percent, and approximately two to five percent for Soft Costs. These ranges provide a greater reduction in the risks of a cash shortfall or other financial concerns during the planning and construction phases if unexpected and necessary changes do occur that impact the initial budget.

Recommended Ranges for Contingency Rate

	Hard Costs	Soft Costs	Contingency Rate
Min Rates	7%	2%	9%
Max Rates	12%	5%	17%

The contingency rate should NOT include the developer's fee. When calculating the contingency amount, deduct the developer or management fee from the total project budget before applying the rate.

f. Property Management Fees or Administration/Staffing Expenses

Property management fees to an outside firm vary based on the unit type, number of units, and any special services. The industry standard charged for an outside firm to complete property management tasks is between 5 – 15 percent of rents collected. If the fee charged is above 15 percent, there should be additional documentation to justify the need for more intensive management.

In situations where the developer/owner will be self-managing, the line item may be for administration or staffing expenses. The developer must demonstrate that these costs are in line with previous developments.

g. Investor Fees (LIHTC Only)

JPDCD adheres to the industry standard of five percent of rents collected to cover the cost of LIHTC compliance. If the investor fee is greater than five percent, the developer must provide justification for why a high fee is necessary.

h. Operating Expenses

Developer must provide all operating costs in sufficient detail to compare line items against properties that are similar in physical type and size. The operating budget must include general management expenses, maintenance and operating costs, any project paid utilities, taxes, insurance premiums, and adequate deposits to replacement reserves. Evaluation of total operating costs should be summarized in "per unit per year" amounts rather than as a percentage of projected revenue.

Most operating costs (e.g. water/sewer rates or lawn care) do not vary based on how much tenants are paying in rent. Whenever possible, JPDCD compares against other projects in the property manager's portfolio or the neighborhood.

i. Operating Reserves

Developers are required to include an operating reserve equal to at least six months of the anticipated annual operating expenses for the first year of full occupancy. Developers may have up to 12 months of operating reserves. This calculation is based on the entire project's operating expenses.

j. Replacement Reserves

Developers are required to include a replacement reserves equal to one month's rent in the first year of occupancy, per unit, per year. Replacement reserves are required for all units, not just the HOME units.

Stress Testing of Operating Pro Forma

During the Subsidy Layering and Underwriting Review, the operating proforma is tested under various scenarios to ensure the project is viable under more extreme market conditions. These tests allow JPDCD to understand how well the project performs if market demand for rentals is reduced and provides an opportunity to intervene before the property becomes distressed.

a. Rents

Overall project performance is tested with the following rent schedules: 1) as projected by developer, 2) as determined by market assessment, and 3) 10 percent less than as projected by developer.

b. Vacancy

Project vacancy is tested at the following rates: 1) as projected by developer, 2) as determined by market assessment, and 3) 10 percent in the first year of operation, and five percent annually for all following years.

c. Operating Expenses

Operating expenses are tested at the following increases: 1) as projected by developer, 2) at a two percent annual increase, which is the industry standard, and 3) at a five percent annual increase.

b. Subsidy Layering and Underwriting Review – Homeownership

Homeownership Development Required Submission

- Developers proposing to build or renovate homeownership units must submit the following information for review:
- Total Development Costs
- Sources and Uses
- *Development and Sales Schedule:* The development and sales schedule should include acquisition, construction, and sales estimates for each unit and for the entire project. It should also show how sales proceeds flow into the next unit developed, if proceeds are a part of the sources and uses for that unit.

Underwriting Criteria

For JPDCD to consider a HOME award, the subsidy layering and underwriting review must determine that each project is within the following ratios and amounts. At the discretion of the

Director, JPDCD may provide waivers to CHDO projects for specific underwriting criteria if it is determined that the associated project risk can still be reasonably managed.

a. Loan to Value Ratio

The loan to value (LTV) ratio describes the amount of the loan compared to the value of the property securing the loan. JPDCD uses the assessed value for the property that is provided by the Market Assessment. The maximum combined LTV for all loans is 90 percent of the assessed value of the completed project.

b. Equity Contribution

All projects must have some portion of an equity as a part of the project funding and financing. Equity funding is usually represented by the amount of cash that the developer provides towards the total development costs. The equity contribution can also be demonstrated through pre-development expenses that are not paid for through debt. The required equity contribution varies based on the project size:

Total Development Cost	Required Equity Contribution
Under $2,500,000	10%
Between $2,500,000 - $15,000,000	5%
Above $15,000,000	3%

JPDCD may waive the required contribution in special circumstances, such as a 100 percent affordable development.

c. Developer Fee

A Developer's Fee is compensation for the developer's time and for taking on the risk of developing a commercial or residential construction project. This fee can be up to 15 percent of the total project cost.

Up to 50 percent of the pro rata Developer Fee may be paid at 50 percent completion of the project. The remaining 50 percent of the pro rata Developer Fee will be paid after the submission and approval of all project-related retainage documentation.

d. Project Contingency

A contingency budget is a certain amount of money set aside to address unexpected costs during construction above the estimated total for the project. This portion of the budget is not allocated to any one area of work or phase of the project but is a reserve to cover any unforeseen changes in product, price, or cost of labor.

Industry standard for contingency in construction is 10 to 15 percent. For HOME-funded projects, JPDCD recommends Developers anticipate up to 15 percent for contingency across the project budget. This may include up to 12 percent for Hard Costs, with a minimum of seven percent, and approximately two to five percent for Soft Costs. These ranges provide a greater reduction in the risks of a cash shortfall or other financial concerns during the planning and construction phases if unexpected and necessary changes do occur that impact the initial budget.

Recommended Ranges for Contingency Rate

	Hard Costs	Soft Costs	Contingency Rate
Min Rates	7%	2%	9%
Max Rates	12%	5%	17%

The contingency rate should NOT include the developer's fee. When calculating the contingency amount, deduct the developer or management fee from the total project budget before applying the rate.

Stress Testing of Development and Sales Schedule

During the Subsidy Layering and Underwriting Review, the development and sales schedule is tested under various scenarios to ensure the project is viable under more extreme market conditions. These tests allow JPDCD to understand how well the project performs if market demand for homeownership units is reduced and provides an opportunity to intervene before the project becomes distressed.

e. Sales Price and Timeline

Overall project performance is tested with the following sales schedules: 1) price and sales turnaround as projected by developer, 2) price and sales turnaround as determined by market assessment, and 3) price 15 percent less than projected by developer and sales turnaround three months longer than projected by developer.

AWARD AND CONSTRUCTION

1. Award Calculation – Amount and Unit Count

HOME awards must balance the need for funds to produce affordable housing with the need to ensure the return on investment to the developer is reasonable and not excessive. In order to ensure the cash flow is reasonable, JPDCD may require reductions in the rents being charged to tenants, excess cash is deposited to an operating reserve, or additional developer equity.

The HOME award is calculation based on the need identified and verified through the Subsidy Layer and Underwriting Review. The total number of High HOME rent and Low HOME rent units is determined by: (1) the amount of HOME units offered by developer, (2) the level of Debt Service Coverage, (3) the amount of Cash Flow and Cash Return to developer, and (4) the minimum required by HOME regulations (See the section on "Number of HOME units" under Project Requirements for more details).

2. Environmental Review

The National Environmental Policy Act of 1969 (NEPA) requires all federal agencies to adopt a systematic interdisciplinary approach to decision-making to ensure environmental values are considered. The U.S. Department of Housing and Urban Development (HUD) is one of the federal agencies that must comply with NEPA as applicable by 24 CFR Part 58. This compliance is extended downward to all recipients of HUD funding, which includes Jefferson Parish, also known as the Responsible Entity (RE). The Parish receives HUD funding via multiple programs including the Community Development Block Grant (CDBG) and HOME Investment Program (HOME). Any project that the Parish funds with federal funds must comply with NEPA. This compliance requirement is satisfied with the completion of an environmental review.

a. Purpose

The primary objective of the environmental review is to identify specific environmental factors that may be encountered at a potential project site and to develop procedures to ensure compliance with regulations pertaining to these factors. All HUD funded projects and activities are required to have an Environmental Review Record (ERR) completed prior to the commitment of funds. The environmental review process was designed around the following factors:

- Make decisions based on understanding of environmental consequences before the final decision to move forward on a project is made.
- Ensure environmental information is made available to public officials and citizens before decisions are made and actions taken.
- Consider reasonable alternatives and avoid or minimize any possible adverse effects of their actions upon the quality of the human environment.
- Required by 24 CFR Part 58.
- Secures the value of the public investment.

b. Levels of Review

Exempt Activities, 24 CFR §58.34(a)

These reviews do not require compliance with any other federal laws or authorities cited in §58.5 but must comply with the applicable requirements of §58.6. Examples of qualified activities include but are not limited to: environmental and other studies, information and financial services, administrative and management activities, engineering or design costs, and technical assistance or training.

Categorical Exclusions Subject to §58.5, 24 CFR §58.35(a)

These reviews are categorically excluded under NEPA but may be subject to review under authorities cited in §58.5. Examples of qualified activities include, but are not limited to: acquisition, repair, improvement, reconstruction, or rehabilitation of public facilities and improvements (other than buildings); special projects directed to the removal of material and architectural barriers that restrict the mobility of and accessibility to elderly and handicapped persons; and rehabilitation of buildings and improvements.

Categorical Exclusions Not Subject to §58.5, 24 CFR §58.35(b)

These reviews are categorically excluded under NEPA and have been determined by HUD to not alter any conditions that would require a review or compliance determination under the Federal laws and authorities cited in §58.5. Examples include but are not limited to: tenant-based rental assistance, supportive services, operating costs, and economic development activities.

Environmental Assessment (EA), 24 CFR §58.36

If the activity is not determined to fit under the first three types of environmental reviews, then it will require the preparation of an Environmental Assessment. Examples include, but are not limited to: new construction of housing, infrastructure, or facilities, and acquisition of land for the development of a housing subdivision.

Environmental Impact Statement (EIS), 24 CFR §58.37

An environmental impact statement (EIS) is required when the activity is determined to have a potentially significant impact on the human environment. Examples include, but are not limited to: construction of hospitals or nursing homes containing 2,500 beds or more, demolition, conversion, or substantial rehabilitation of 2,500 housing units or more, and additional water and sewer capacity.

Floodplain Management

Requirements of Executive Order 11988 and 24 CFR part 55 must be met for all projects that are located in a 100-year floodplain, and critical action properties (hospitals, day cares, nursing homes, or emergency responders) located in a 500-year floodplain. See Section 5 below for details.

c. Procedure

Once a project is ready for funding, and before the HOME Written Agreement is executed, the Parish will complete the environmental review. With the authorization of the JPDCD Director, the review may be expedited. The environmental review procedure can be summarized in seven steps:

1. Define the project by considering the entire scope and budget. If HUD funds are only a portion of the budget, the environmental review process is still mandated.
2. Determine the level of review required by the project's scope of work.
3. Prepare the Environmental Review Record (ERR) internally by Parish staff or externally via a consultant.
4. Publish any required notices to advise the public of the proposed activity and allow public comments. This may include a Notice of Intent to Request a Release of Funds or a Finding of No Significant Impact (FONSI).
5. Preparation and submission of the Request for Release of Funds (RROF) to HUD.
6. Approval of the Environmental Review Record.
7. Compliance with record-keeping requirements of the Environmental Review Record.

d. HEROS

In 2015, HUD created an online system for developing, documenting, and managing environmental reviews. This comprehensive online tool will replace the current paper-based environmental review process when it is fully implemented. HEROS will cover all levels of environmental reviews for both Part 50 and Part 58 activities including compliance with related laws and authorities. JPDCD makes all submissions into HEROS as the responsible entity for HOME funds. The developer must submit any environmental reviews and reports to JPDCD for review, and entry into HEROS for HUD to approve. Developers may not submit environmental reviews to HUD directly.

e. Additional Resources

- Code of Federal Regulations, Part 50, Housing and Urban Development (HUD), Protection and Enhancement of Environmental Quality (24 CFR Part 50)
  - eCFR : 24 CFR Part 50 -- Protection and Enhancement of Environmental Quality
- Code of Federal Regulations, Part 58, Housing and Urban Development (HUD), Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities (24 CFR Part 58)
  - eCFR : 24 CFR Part 58 -- Environmental Review Procedures for Entities Assuming HUD Environmental Responsibilities
- National Environmental Policy Act of 1969
  - https://ceq.doe.gov/
- HEROS – HUD Environmental Review Online System
  - https://www.hudexchange.info/environmental-review/heros/
- HUD Environmental Review Website
  - https://www.hudexchange.info/programs/environmental-review/

3. Written HOME Agreement and Other Contract Documents

a. Written HOME Agreement

The Written HOME Agreement is the document that commits the HOME funds to a project and developer and governs the relationship between JPDCD and the developer. Per 24 CFR Part 92.351, Written Agreements are executed between JPDCD and all Developers that receive HOME funds. A written agreement must be entered into before any HOME funds are committed or disbursed by the developer to any entity. The agreement can only be entered once the environmental review of the project site has been approved. These policies and procedures are incorporated by reference into the agreement. Parish Council must approve all agreements and amendments.

Appendix F provides the template for HOME written agreement. Appendix G provides a checklist to review all the required HOME written agreements.

b. Act of Mortgage and Promissory Note

JPDCD executes an Act of Mortgage and Promissory Note as legal agreements with developers and property owners to provide financial assistance and secure the HOME terms and conditions. These legal documents specify the terms of the financing provided and formalize the compliance requirements and repayment terms.

JPDCD provides HOME funds as forgivable loans. The Promissory Note outlines the loan terms that can require the owner to repay the HOME loan in the event of a default on one or more terms of the written agreement, including non-compliance.

Further, the property can be used as collateral on a HOME mortgage. The mortgage allows JPDCD the right to seize the property in the event of a default wherein the funding cannot be repaid.

Loan documents should be executed and recorded separately from deed and use restrictions to ensure that, in the event funds are repaid and a loan agreement is released. JPDCD should secure the highest lien position possible, generally after the primary lender, to maximize enforceability.

The Act of Mortgage and Promissory Note are filed after the HOME agreement is signed and before the first payment is made.

c. Deed Restriction

The Parish safeguards its HOME investment and ensures that the property is used solely for authorized HOME purposes by filing a deed restriction against the property. This ensures that affordability and occupancy requirements are followed if disposition is undertaken years later.

The deed restriction is filed after the HOME agreement is signed and before the first payment is made.

4. Cross Cutting Federal Provisions

a. Davis Bacon and Related Acts (for construction projects with 12 or more HOME Units)

For affordable housing construction completed with HOME funds, Davis Bacon and related acts requirements apply to projects with twelve or more HOME-assisted units. This includes any combination of construction, rehabilitation, alteration, or repair, including painting, flooring, installation, and decoration over a total of twelve units within the same project. The prevailing federal wage rates and fringe benefits are effective as of the date of the advertisement for bids, or the posting of the request for applications and notice of funding. Public access to federal wage determinations for Davis-Bacon is located on SAM.gov | Wage Determinations.

Workers must be paid weekly and certified payrolls submitted to JPDCD weekly in the prescribed format. The payrolls must include details of each worker's job classification, hours worked, and wages and benefits paid. In addition, Executive Order (EO) 13658, requires an hourly minimum wage be applied to all contracts subject to the Davis-Bacon Act for which the contract is awarded (and any solicitation was issued) on or after January 1, 2015. The contractor must pay all workers in any classification listed on a wage determination the minimum per hour wage rate (or the applicable wage rate listed on the wage determination for the worker's classification, if it is higher) for all hours spent performing on a contract. The EO minimum wage rate are adjusted annually. Additional information on contractor requirements and worker protections under the EO is available at www.dol.gov/whd/govcontracts.

Contractors are responsible for the collection and submission of payrolls for any sub-contractors used. The Department of Labor provides form for certified payrolls to be completed and verified by the employer. Form WH-347 must be signed by an authorized company official who certifies the information provided is true and correct. Each payroll submitted must be accompanied by a "Statement of Compliance" using page two of Form WH-347 Payroll, certifying compliance with applicable requirements. The statement must be signed by the contractor or subcontractor, or by an authorized officers or employee who supervises the payment of wages.

Certified payrolls must be reviewed by the program manager as soon as they are received and compared to the appropriate federal wage decision. The contractor is notified of any discrepancies, which must be resolved immediately.

As part of compliance for Davis-Bacon, workers must be interviewed on the job site regarding appropriate job classification and wages and benefits received. Employee interviews must be compared to the appropriate federal wage decision. Any discrepancies must be resolved immediately by the contractor. Contractors and sub-recipients must maintain all records for a minimum of five years following completion of the project.

b. Section 3 Requirements

Section 3 of the Housing and Urban Development Act of 1968 (providing preference for new employment, training, and contracting opportunities to low- and very low- income residents, regardless of race or gender) applies to all contracts or projects in excess of $100,000. All recipients of HOME funds make efforts, to the greatest extent possible, to provide training, employment, contracting and other economic opportunities to low- and very low-income persons.

Efforts for compliance with Section 3 includes:

- Implementing procedures to notify Section 3 residents and business concerns about training, employment, and contracting opportunities generated by Section 3 covered assistance.
- Incorporating the Section 3 Clause into all covered solicitations and contracts [see 24 CFR Part 135.38].
- Facilitating the training and employment of Section 3 residents and the award of contracts to Section 3 business concerns.
- Refraining from entering into contracts with subcontractors that are in violation of Section 3 regulations.
- Documenting actions taken to comply with Section 3.
- Submitting Section 3 Annual Summary Reports to JPDCD in accordance with 24 CFR § 135.90 - Reporting. | CFR | US Law | LII / Legal Information Institute (cornell.edu)

JPDCD must report to HUD on Section 3 results annually through the SPEARS System, including on contractors and projects that meet the threshold. Developers are required to submit annual reports on Section 3 compliance to JPDCD no later than the first Friday of September and should indicate the following for the prior twelve-month period:

- The total dollar amount of HOME funding that was spent by the recipient for covered projects/ activities during the specified reporting period.
- The total number of new employees that were hired by the recipient (or its covered contractors and subcontractors) as a result of the completion of covered project/activities.
- The amount of new employees that were hired by the recipient (or its covered contractors and subcontractors), as a result of the completion of covered projects/activities, that met the definition of a Section 3 resident.
- The aggregate number of hours worked by Section 3 residents on covered projects (optional).
- The total number of Section 3 residents that participated in training opportunities that were made available by the recipient (or its covered contractors and subcontractors), or other local community resource agencies.
- The total dollar amount of construction and/or non-construction contracts (or subcontracts) that were awarded with covered funding.
- The dollar amount of the recipient's construction or non-construction contracts (or subcontracts) that were awarded to Section 3 business concerns.
- A narrative of the specific actions that were taken by the recipient (or its covered contractors and subcontractors) to comply with the requirements of Section 3 and/or meet requirements for employment and contracting opportunities.

JPDCD can provide technical assistance to Developers and their contractors with Section 3 compliance. For more information on Section 3, go to https://www.hud.gov/section3. For Parish forms and information go to http://www.jeffparish.net/index.aspx?page=3885.

c. Acquisition and Relocation

Whenever Federal funds are used in a project involving the acquisition, rehabilitation or demolition of real property, a Federal law known as the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) generally applies. In some cases, the use of HOME funds in a project involving the demolition or conversion of lower income dwellings may also trigger another Federal law under Section 104(d) of the Housing and Community Development Act of 1974 (Section 104(d)).

For all projects that may have relocation or displacement activities, developers should contact JPDCD before conducting any acquisition activities which appear to require the displacement or relocation of persons or businesses to ensure that accurate documentation is collected and proper compensation is provided to displaced/relocated persons and businesses. Failure to do so may delay the start of construction and could result in termination of the HOME award project.

Additional details on URA management can be found in the on Cross Cutting Requirements section of the JPDCD Policies and Procedures Manual.

d. Minority and Women's Business Enterprise Outreach

Outreach and procurement procedures for businesses that certified as Minority- or Women-Owner Business Enterprises (M/WBE) with the Small Business Administration (SBA) are included in the JPDCD Policies and Procedures Manual. JPDCD can provide technical assistance to Developers and their contractors with M/WBE compliance as needed based on the Executive Order 12432 guidelines and 2 CFR 200.321 requirements.

e. Lead-Based Paint (Rehabs Only)

The U.S Department of Housing and Urban Development (HUD) adopted regulations in relation to the treatment of lead-based paint in properties built before 1978 that are assisted with HUD funding. The requirements are outlined below based on the activity undertaken.

For rehabilitation projects, lead hazard evaluation and reduction activities must be carried out for all projects constructed before 1978. Homeowners/buyers must be notified of the potential lead-hazard in the form of the HUD Lead Hazard Informational Pamphlet and Disclosure or an acceptable alternative pamphlet. Depending on the size of the project, additional steps may need to be taken, see rules at: https://www.hud.gov/program_offices/healthy_homes/lbp/hudguidelines.

5. Permits and Other Filings

The Developer is required to secure and maintain all necessary permits, variances, and authorities pertaining to development of the project. Prior to final payment, the Developer and its contractor must successfully close all permits associated with Jefferson Parish Code Enforcement and must receive the certificate of completion (COC). All permits associated with the work of subcontractors will be filed under the primary permit, and the Developer and primary contractor are responsible for ensuring all permits are successfully closed. Final payment will not be released until all permits are closed.

In addition to a COC, developers must provide a Clear Lien and Privilege certificate for the project before the final payment of HOME funds.

6. Bonding

Developers are required to have project construction contractors provide performance and payment bonds before a Notice to Proceed may be issued. Bonds must include Jefferson Parish as an Obligee and thereby ensures some protection from default similar to the developer or owner. Bond pricing should be including in the total development costs and should be obtained following the execution of the HOME written agreement.

a. Performance Bond

A performance bond guarantees that the contractor will perform the contract in accordance with its terms. Each funded development receiving HOME funds is required to post a performance bond during the period of construction that is sufficient to cover the HOME fund award or provide proof of minimum net financial resources. Bonds must be obtained by the general construction contractor and should be underwritten by a commercial surety.

In lieu of a performance bond, demonstration of minimum net financial resources is an option for a developer having net assets equal to the applied for HOME loan AND who has unrestricted liquid assets at least equal to 10 percent of the applied for HOME loan. Applicants must provide proof through submittal of certified audited financials.

b. Payment Bond

General contractors are required to submit a payment bond to the Parish before a Notice to Proceed may be issued. A payment bond guarantees payment from the contractor to persons who furnish labor, materials, equipment and/or supplies for use in the performance of the contract. The payment bond is solely for the protection and use of payment bond beneficiaries who have a direct contractual relationship with the prime contractor or a subcontractor to supply public work labor or material. A payment bond is required for the full amount of the HOME award.

7. Insurance

Contractors are required to maintain the following types of insurance throughout the construction phase. In addition, the Parish must be named as additional insured on all general liability policies.

a. Worker's Compensation Insurance

As required by Louisiana Parish Statute, exception; Employer's Liability, Section B shall be $1,000,000 per occurrence when work is to be over water and involves maritime exposures to cover all employees not covered under the Parish Worker's Compensation Act, otherwise this limit shall be no less than $500,000 per occurrence.

Note: If your company is not required by law to carry workmen's compensation insurance, i.e. not a Louisiana company, sole employee of the company, then subrecipients must fully execute a workmen's compensation insurance declaration affidavit prior to contract execution. This insurance declaration affidavit (in original format) must be fully completed, signed, properly notarized and submitted to JPDCD.

b. Commercial General Liability

Shall provide limits not less than the following: $1,000,000.00 Combined Single Limit per Occurrence for bodily injury and property damage.

c. Builder's Risk

Builders risk insurance is coverage that protects a person's or organization's insurable interest in materials, fixtures, and/or equipment being used in the construction or renovation of a building or structure should those items sustain physical loss or damage from a covered cause.

d. Comprehensive Auto Liability

Bodily injury liability $1,000,000.00 each person; $1,000,000.00 each occurrence. Property Damage Liability $1,000,000.00 each occurrence.

Note: This category may be omitted if developers do not/will not utilize company vehicles for the project or do not possess company vehicles. Developer must fully execute an automobile insurance declaration affidavit prior to contract execution. This insurance declaration affidavit (in original format) must be fully completed, signed, properly notarized and submitted to JPDCD.

e. Deductibles

Insurance required shall not include deductibles greater than $10,000. The cost of the deductible shall be borne by the Developer.

f. Umbrella Liability Coverage

An umbrella policy or excess may be used to meet minimum requirements.

8. Schedule Requirements

JPDCD will hold all developers to the following timeline requirements for construction and leasing after project completion, regardless of the number of units being built.

a. Construction Start and Completion Date

Construction is expected to begin within 90 days from the date of the written agreement execution and the Notice to Proceed is released. Construction is not to exceed 18 months from the contract execution date.

A timeline for construction should be included with the application to demonstrate the developer's ability to meet this requirement. The proposed project should have all planning close to final or be ready to execute when the application is submitted. Any delays in construction from the contract execution date must be communicated to JPDCD with justification.

b. Rental Unit Lease Up

For all rental developments, every HOME-assisted unit must be occupied by income-eligible tenants within six months of project completion. If a unit is not leased up, the developer must submit marketing information to JPDCD and, if necessary, submit a new marketing plan.

If any HOME-assisted unit is not occupied by income-eligible tenants within 18 months of the project completion date, the developer must repay JPDCD for any HOME funding received for the unoccupied units.

c. Homeownership Unit Sales

For all homeownership projects, each HOME unit must be under a ratified sales contract with an eligible homebuyer within nine months of completion of construction or rehabilitation, as evidence by a Certificate of Occupancy.

If a homeownership unit is not under contract within nine months, HOME funds mandate that JPDCD convert the unit to rental housing.

9. Construction

JPDCD will hold all developers and CHDOs to the same timeline requirements for construction and leasing after project completion, regardless of the number of units being built. These standards are specified within the terms of the written agreement under the "Property Standards" and the "Ongoing Property Conditions Standards" sections.

a. Standards

All work performed, as well as materials and equipment provided, shall be in full compliance with all applicable statutes, ordinances, codes, regulations and laws (collectively "laws"), and in actual conformance with the described scope of work. This program is funded by HOME. Per HUD regulations, all HOME-funded construction must meet the Uniform Physical Condition Standards (UPCS) when it comes to inspections. In addition, the entire housing unit or development must be built to meet the program's standards. Unless expressly stated in the scope of work, all materials and equipment shall be new and with appropriate warranties. Selected contractors are responsible for providing warranties against the structural, functional, and aesthetic integrity of the structures, products, materials and/or equipment. Developers and their contractors that choose to use higher grade materials than allowed by the program will do so at their own expense. Luxury items and items outside the scope of work will not be reimbursed by the program. Any upgrade will need to be approved, in writing, by the JPDCD Director or designee.

JPDCD determines minimum standards to be those standards meeting Jefferson Parish Code requirements, Uniform Physical Condition Standards (UPCS) requirements, JPDCD Contractor Standards, National Association of Homebuilders, and those of a reasonable independent inspector.

b. Sustainability and Accessibility Requirements

ACCESSIBLE UNITS

Per HUD regulations at 24 CFR part 8.22(b), new construction multifamily rental projects are required to provide at least one unit or a minimum of five percent of units as "accessible for persons with mobility impairments."

ENERGY EFFICIENCY

Projects for new construction and rehabilitation must incorporate energy efficiency measures through materials, heating, ventilation and air conditioning (HVAC) systems, building design, and site orientation as feasible and cost reasonable. JPDCD encourages CHDOs to build homes or multi-family units to be Energy Star certified. Refer to HUD's *Building ENERGY STAR® Qualified Homes and Incorporating Energy Efficiency and "Green" Building, 2008*[7] for Energy Star and energy efficient standards.

c. Inspections

Code Enforcement and JPDCD inspect all work on the project. The Developer or their contractor will inform Code the permit is for a Community Development project when requesting an inspection. Inspectors compare receipts from the contractor with the materials found on-site to guard against the use of substandard or used materials. In addition, date and time-stamped photographs are taken during inspections, detailing complete and incomplete work. The required plumbing, electrical, structural and mechanical inspections will be conducted by Code Enforcement (or its designated representative) while work is in progress.

Any deficiencies identified during an inspection will be provided to the contractor and JPDCD in writing. The contractor is required to address and complete all deficiencies to code and program standards and then request a re-inspection. If deficiencies are not fully addressed at the time of re-inspection, JPDCD may complete a deductive change order for the incomplete work.

At the completion of work, the JPDCD Director or designee performs a final walk through of the property, noting any deficiencies that must be cured before the final payment is made. A punch list is drafted by JPDCD and provided to the Developer and its contractor. The punch list includes

[7] https://www.hudexchange.info/resources/documents/EnergyStarAndHOME.pdf

photographs, indicating the location of each item which must be completed. Once all items from the punch list are completed, the Developer will receive its final payment from the program.

d. Incomplete Work or Failed Final Inspection

HUD requires any HOME funds invested into a project that is incomplete to be returned to the program. If for any reason a Developer and/or its contractor is unable to complete the project punch list to code and program standards, and pass a final reinspection, JPDCD may require the Developer to return all HOME funds paid to date. Developers must be able to complete a property to standards and provide the housing units as agreed to in the written agreement or else the project is deemed incomplete and the HOME award is forfeit.

10. Disbursement of Home Funds

HOME funds may not be requested until funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed. HOME funds are never provided in advance, and no lump sums of HOME funds are given.

The exact disbursement schedule is determined on a case by case basis, depending on the other funding sources in a project. Generally, HOME funds are disbursed last or pro-rata with other sources. In special cases, at the discretion of the JPDCD Director, the HOME funds can be disbursed to pay for shared costs, such as the acquisition, so long as the total investment meets the HOME Cost Allocation rule, per Notice CPD-16-15.

OPERATIONS AND MAINTENANCE

1. Affordability Period

HOME-assisted units carry rent and occupancy restrictions for varying lengths of time, depending upon the average amount of HOME funds invested per unit:

ACTIVITY	AVERAGE HOME $ PER-UNIT	MINIMUM AFFORDABILITY PERIOD
Rehabilitation or Acquisition of Existing Housing	<$15,000/unit $15,000- $40,000/unit >$40,000	5 years 10 years 15 years
New Construction or Acquisition of New Housing	Any $ amount	20 years

a. Sales and Transfer Requirements

Affordability restrictions remain in force regardless of transfer of ownership for the duration of the affordability period.

Rental Projects

The sale of HOME-assisted rental projects is allowable during the affordability period, so long as JPDCD is notified in advance of the sale and deems the purchaser have sufficient experience and capacity to ensure the properties maintain compliance for the duration of the affordability period. Final approval of a sale is at the discretion of the JPDCD Director. Should a sale take place without the authorization of JPDCD, the full amount of the HOME funds becomes due and payable to the Parish.

Homeownership

Sale or transfer of the HOME-assisted home follows the requirements of JPDCD's First-Time Homebuyer Assistance Program for recapture. The mortgage on a HOME-assisted Homeownership unit will be the amount of the development subsidy plus any homebuyer subsidy.

<u>First-Time Homebuyer Assistance Program Recapture Provision</u>

Should the mortgaged property be sold or no longer be occupied by the MORTGAGOR, or the MORTGAGOR's spouse or heirs during the term of the mortgage, the full amount of the mortgage becomes due and payable according to; if this mortgage represents financial assistance provided the mortgagor to acquire the herein mortgaged property, the full amount of the mortgage becomes due from the net sale proceeds, except as provided in (b), below:

a. Net proceeds means the sale price minus repayment of superior mortgages and closing cost.

b. If the net proceeds are not sufficient to recapture the full amount of the mortgage plus enable the homeowner to recover its down-payment, principal payments, and any capital improvements investment, the mortgagee may reduce the mortgage amount pro-rata based on the time the mortgagor has owned and occupied the property measured against the term of the mortgage; except the mortgagor may not recover more than the down-payment, principal payments, and the capital improvements investment.

2. Rental Units

a. Rent and Income Limits

For the duration of the affordability period, HOME-assisted units must be rented in accordance with HOME Maximum Rents and Utilities Allowance described under Project Requirement.

Annual HOME Rent and Income Limits Update

HUD publishes updated rent limits and income limits on an annual basis, usually between May and July. These updates include an effective date for when the new limits can be utilized. The JPDCD HOME program manager shares updated rent and income limits with developers and project owners upon release.

Current and historic rent limits are published by HUD here:
https://www.hudexchange.info/programs/home/home-rent-limits/

Current and historic income limits are published by HUD here:
https://www.hudexchange.info/programs/home/home-income-limits/

Utility Allowance Updates

Following the release of updated rent and income limits, project owners/developers may request a modification to a project's utility allowance (UA). Property owners submit an updated utility allowance determination to the JPDCD HOME program manager for review and approval or accept a UA approved by another funder (state tax credit allocator, federal agency, etc.) provided the UA is calculated using a method acceptable under the HOME Program. In such instances, JPDCD is ultimately responsible for ensuring that the UA meets HOME requirements.

b. Tenant Income Certification - Part 5

The Parish has selected and requires the Section 8 (Part 5) definition of income. The Section 8/Part 5 definition must be used when calculating the annual income of program beneficiaries. The HUD Income Eligibility Calculator is available for more information and calculations of income.

Initial Verification

To determine if program applicants are income-eligible, Recipients must verify their income using source documentation such as wage statements, interest statements, and unemployment compensation statements.

Income eligibility is based on anticipated income. When collecting income verification documentation, also consider any likely changes in income. For example, last year's tax return does not establish anticipated income; nor is it adequate source documentation.

Once initial income verification is completed, a Recipient is not required to re-examine the applicant's income unless six months has elapsed before assistance is provided.

Annual Recertification

For Rental and TBRA programs, annual re-certifications of income are required. While the HOME Program regulations require that income must be verified with source documentation every six years, the Parish requires income be verified with source documentation annually.

c. Over-Income Tenants

Over-income tenants or households have an income over 80 percent of the area median income. Consideration of over-income tenants will depend on whether the HOME unit is "fixed" or "floating".

Floating Units

In a "floating" unit project, the owner is not required to re-designate a vacated market rate unit as a HOME assisted unit unless one of the existing HOME-assisted units is occupied by an over-income household. If one of the HOME-assisted units is occupied by an over-income person, that unit can become a market rate unit when the next vacant market rate unit is designated as a HOME-assisted unit.

If a tenant's income increases above 80 percent of the area median income, the unit this tenant occupies is still considered to be a HOME unit, but the tenant's rent must be adjusted as described below.

The next available market unit in the project of comparable size or larger must be rented to a HOME-eligible household. The unit occupied by the over-income tenant is no longer considered HOME-assisted, and the rent of that unit can be adjusted.

Over-income tenants in HOME-assisted "floating" units must pay 30 percent of their adjusted income for rent and utilities; however, the rent may not exceed the market rent for comparable, unassisted units in the neighborhood.

Fixed Units

In a "fixed" unit project, over-income tenants must pay 30 percent of their adjusted income for rent and utilities and there is no rent cap. Where State or local law imposes rent controls, the rent control applies.

If the person whose income went over 80% of median was in a Low HOME unit and they elect to vacate the property, the new tenant must be at or below 50% of median income and rented at a Low HOME rent.

If the person whose income went over 80% of median was in a High HOME unit and they elect to vacate the property, the new tenant must be at or below 60% of median income and rented at a High HOME rent. **(NOTE: Parish rules require that not less than 90% of all tenants' incomes be at or below 60% AMI at initial occupancy.)**

d. Leasing Requirements

Waiting Lists

Project owners must provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable.

Required Lease Terms

The term of the lease between the tenant and the owner must be ***at least*** one year, unless both agree otherwise.

Prohibited Lease Clauses

The lease may not contain the following provisions:

- Agreement by the tenant to be sued or to admit guilt, or a judgment in favor of the owner in a lawsuit brought in connection with the lease;
- Agreement by the tenant that the owner may take, hold or sell the personal property of household members without notice to the tenant and a court decision on the rights of the parties (this does not apply to personal property left by the tenant after move-out);
- Agreement by the tenant not to hold the owner or its agents legally responsible for any action or failure to act, whether intentional or negligent;
- Agreement by the tenant that the owner may institute a lawsuit without notice to the tenant;
- Agreement that the owner may evict the tenant (or other household members) without a civil court proceeding where the tenant has the right to present a defense, or before a court decision on the rights of the tenant and the owner;
- Agreement by the tenant to waive a trial by jury;
- Agreement by the tenant to waive the tenant's right to appeal or otherwise challenge a court decision; or
- Agreement by the tenant to pay attorney fees or other legal costs, even if the tenant wins in court.

e. Financial Oversight

In projects with 10 or more HOME-assisted units, JPDCD must document financial oversight of the project through operating budget reviews and other documentation demonstrating overall financial viability. In addition to regular reporting, project with 10 or more HOME-assisted units shall provide reports on:

Operating Reserves

Developers are required to maintain an operating reserve equal to at least six months of the anticipated annual operating expenses for the first year of full occupancy. Developers may have up to 12 months of operating reserves.

Developers should report on operating reserves and expenditures semiannually:

- July (for prior Quarters 1 and 2), and
- January (prior Quarters 3 and 4)

Replacement Reserves

Developers are required to include replacement reserves equal to one month's rent in the first year of occupancy, per unit, per year. Replacement reserves are required for all units, not just the HOME units.

Developers should report on replacement reserves and expenditures semiannually:

- July (for prior Quarters 1 and 2), and
- January (prior Quarters 3 and 4)

MONITORING AND COMPLIANCE

1. Reporting

The following reporting is typical of a development project. Additional required reporting in outlined in the Written Agreement.

a. Construction and Sales/Leasing

On a monthly basis during construction and lease up period, the develop must provide the following. The monthly reports are due to Jefferson Parish by the 10th of the following month.

- **Construction Narrative Progress Report:** The progress report provides a narrative summary of the construction activity to date. The report includes photo attachments to illustrate the construction activity described and/or current construction status.
- **Section 3 Compliance Report:** The summary report must provide information related to the company, project, and award. The report must be submitted per contract or subcontract exceeding $100,000. Each monthly summary report must identify the number of new hires, number of Section 3 new hires, percentage of staff hours of Section 3 new hires, percentage of staff hours for Section 3 employees and trainees, and number of Section 3 trainees per classification of the project. Additionally, the report must also contact information related to contracts awarded and efforts made to comply with Section 3.
- **HOME Sales/Leasing Status Report:** The report provides a summary of marketing activities and efforts, buyer/tenant interest, and status of each unit.
- **Tenant Income Verification and Certification:** The report must be submitted per household and unit during the initial lease up. The report includes a summary of the household information as well as an attached summary PDF generated by the HUD CPD Income Eligibility Calculator.

b. Annual Submissions (Rental Only)

The annual reports are due to Jefferson Parish by January 31st of the following year. On an annual basis throughout the affordability period the developer must submit the following:

- **Tenant Waiting List Report:** A summary report of the waiting list for the year.
- **Financial Report for Property:** A summary report of the property's finances.
- **Income Verification and Certification for New Tenants and Re-Certification for Existing:** Documentation of tenant income qualification.
- **Tenant Re-Certification and Occupancy Report:** A summary report unit occupancy and tenant re-certification processes.

- **Property Maintenance & Condition Report:** A summary report of all maintenance efforts made throughout the year as well as a report of the current condition of the property.

2. Record Keeping

Records are maintained to document compliance with Program requirements and federal, State, and local regulations and to facilitate an audit review by HUD. Records are maintained in accordance with HOME requirements, which states they must be maintained for a period of 5 years following the closeout of the award to the Parish. Proper records management ensures compliance with all requirements concerning records and records management practices under Federal and State regulations and the availability of records needed to support and enhance ongoing service, meet accountability requirements and community expectations.

Records includes those relevant to the financials, operations, and tenants/buyers for a HOME Developer project. Documentation that supports the Developer meeting the affordability period requirement must be maintained for the full duration of the affordability period and for five years after.

3. Long Term Rental Monitoring

By investing HOME funds in rental housing, JPDCD incurs an obligation to monitor the HOME-assisted property to ensure that it complies with the HOME requirements that apply throughout the period of affordability, and to ensure that the property is maintained in accordance with applicable property standards.

Monitoring provides information about a project that is critical for making informed judgments about compliance, property maintenance, and overall management. The following objectives are accomplished through the monitoring process.

- To determine if a developer is carrying out its activities in a timely manner, in accordance with the schedule included in the contractual agreement;
- To determine if a developer is charging costs to the project and tenants that are eligible under applicable laws and HOME regulations;
- To determine if a developer is conducting its activities with adequate control over the project's financial performance;
- To identify potential problem areas and to assist the developer in complying with applicable laws and regulations;
- To assist developer in resolving compliance problems through discussion, negotiation, and the provision of Technical Assistance and training;
- To provide adequate follow-up measures to ensure that performance and compliance deficiencies are corrected by developers and not repeated;
- To comply with the Federal monitoring requirements of 24 CFR 570.501(b) and with 2 CFR 200 as applicable; and

- To ensure that required records are maintained to demonstrate compliance with applicable regulations.

a. Areas to Monitor

1. **HOME Requirements:** There are several key HOME compliance areas that JPDCD is required to monitors during the affordability period, including: HOME rent limits, HOME income limits, property standards, tenant selection, tenant income verification and recertification, affirmative marketing, tenant leases and protections, and unit mix. JPDCD should also monitor for any additional requirements, such as insurance, as outlined in the written agreement.
2. **Property Condition:** HOME-assisted rental housing must meet the required property standards at the time of project completion and must be maintained in accordance with applicable housing quality standards throughout the affordability period. Additionally, HOME properties are valuable assets and maintaining the physical condition of the properties helps owners retain the value in their investments and promote financially viability throughout the affordability period. JPDCD should monitor for signs of property decline, including Increasing tenant complaints; frequent tenant turnover; deferred maintenance or repair items; and code violations.
3. **Financial Review:** Once a property fails, it is no longer able to provide affordable units to low- and very low-income families and is therefore noncompliant with the HOME Program requirements. In the event of project failure, JPDCD is subject to repayment of HOME funds to the HOME account, and the affordable housing inventory is lost to the community. Routine review of project financial statements can provide opportunities for intervention before a project becomes a troubled asset.

b. Checklists to Utilize

HUD Monitoring Checklists will be utilized when applicable as the basis for monitoring checklists. The Program Managers are responsible for reviewing and approving all CHDO and program checklists utilized for HOME funding.

c. Monitoring Activities

JPDCD must monitor every rental project in its portfolio during the period of affordability in order to determine if HOME-assisted properties comply with HOME rent and occupancy requirements.

Desk Monitoring

All rental properties are subject to an annual desk review of the required rent and occupancy report. The Desk Review is a limited review of programs, subrecipients and contractors/vendors and is conducted pre-determined basis (quarterly, annually, twice a year). The standard desk review can occur quarterly and can coincide with submission of any quarterly reporting required per the written agreement. The goal of a Desk Review is to provide clarification to information that cannot be determined from the reports, and to identify areas of technical assistance needed.

During the Desk Review, contract terms and conditions are reviewed by the JPDCD HOME Program Manager or other JPDCD staff. Document reviews will include written agreement, annual reports and supporting documentation, and other communications from property owner or tenants.

Technical Assistance

JPDCD may also periodically conduct Technical Assistance (TA) sessions with property owners/developers to enable them to understand expectations for program compliance and prepare for monitoring. The Parish may provide technical assistance throughout the life of an agreement on numerous topics as it relates to the implementation of HOME-funded projects. Technical Assistance can come in numerous different forms such as verbal or written advice; formal training; and/or, documentation and guidance.

Very commonly, technical assistance can be for new developers to introduce them to the requirements of HOME funds. However Technical Assistance can also include other more technical areas which are tailored to one specific program or project, or to all entities who have a role in HOME implementation.

As part of Technical Assistance visits, monitoring and compliance staff will answer any questions and provide guidance on the monitoring and compliance process. JPDCD should visit the application, desk monitoring and onsite monitoring to determine the Technical Assistance need of a project or program.

Areas commonly covered through Technical Assistance:

- Program Eligibility Criteria
- Labor Requirements (Davis Bacon)
- Section 3 Requirements
- FHEO (LEP, Equal Employment Opportunities, Fair Housing, ADA, Section 3, Section 504)
- Monitoring and Compliance
- Recordkeeping
- Closeout

On-Site Monitoring

All rental properties are subject to on-site monitoring and property inspections in accordance with 24 CFR 92.504(d)(1) as described in the following table.

Total Number of Units in the Property	Minimum Frequency of On-site Inspections
1–4 units	Every three years
5–25 units	Every two years
26 or more units	Every year

At least one onsite review should be conducted of all projects during the first year in operation. JPDCD may determine that more frequent inspections are needed on a case-by-case basis.

JPDCD HOME program manager or designee will use the following criteria to define the scope and focus of onsite monitoring efforts. Identification of the following occurs:

- The projects to be reviewed;
- Data or information to be submitted by the project prior to monitoring;
- The names of any participant staff members who will need to be consulted during the monitoring;
- Anticipated staff who will conduct the monitoring;
- Clearly defined areas of responsibilities for each reviewer (to avoid duplication) if more than one staff person will be conducting the monitoring;
- A schedule for carrying out the monitoring tasks and the anticipated time frames; and
- Required resources.

Preparing for a Review

1. **Monitoring Strategy Letter:** Prior to an onsite monitoring visit, JPDCD will send a "Monitoring Strategy" letter at least 30 day prior to the monitoring visit. The letter discusses the monitoring schedule and identifies the areas to be reviewed and the names and titles of the individuals who will be conducting the monitoring. It also requests that the necessary entity staff, if applicable, be available during the monitoring. The letter confirms the need for any required services (e.g., conference rooms, telephones, and computers).
2. **Advance Review:** In preparation for an onsite monitoring visit, the Program Manager review the project details and annual reports. If additional documents are required, or reports are outstanding, the Program Manager will request the relevant documents from the entity to be monitored. To the greatest extent feasible, these documents should be reviewed prior to the onsite visit in order to maximize the time available for reviewing project documents while onsite.

Performing a Review

1. **Entrance Conference:** The purpose of the entrance conference is to:
   - Explain how the monitoring will be conducted;
   - Identify/confirm key entity staff that will assist during the monitoring;
   - Set up or confirm meeting or interview times (including any staff or personnel who may be interviewed) and, if applicable, schedule physical inspections; and
   - Verify the areas to be reviewed and, if on-site, how access to files and work areas will be granted (some programs files can be sensitive; some work areas can be hazardous).

2. **Monitoring Process:** Based on the areas outlined in the monitoring strategy, JPDCD staff will utilize documents which the Parish has created as well as the HUD Monitoring Checklists for the area being monitored. In general, the monitoring processes seeks to answer the following questions:
   - Is the HOME purpose being accomplished?
   - Are the program beneficiaries being served as intended?
   - Are HOME requirements being met?
   - Is the project adhering to federal, state and local requirements?
   - Do the project and tenant files provide adequate documentation?

HUD has provided all grantees such as JPDCD with access to the HUD Community Planning and Development (CPD) Monitoring Handbook 6509.2. This handbook provides exhibits which HUD utilizes in their monitoring of grantees. These exhibits should be utilized in Jefferson Parish's monitoring of programs run internally, sub-recipients, developers, and vendors/contractors. These exhibits can be accessed on HUD's website.

Throughout the onsite monitoring, JPDCD staff will maintain an ongoing dialogue with the entity being monitored. Such communication keeps the entity informed as to how the monitoring is progressing, enables discussions of any problem areas encountered and provides the entity an opportunity to make "on-the-spot" adjustments or corrections or present additional information to help the JPDCD staff responsible for monitoring. It also minimizes the potential for surprises to the entity when the exit conference is held as well as when the monitoring results are formally communicated in writing.

3. **Exit Conference:** After completion of the monitoring review, JPDCD staff conducts an exit conference with the appropriate entity staff to discuss preliminary conclusions. In part, this serves to confirm the accuracy and completeness of the information used to form the basis for the monitoring conclusions. It may also highlight areas of disagreement between JPDCD and the entity being monitored. All conclusions—positive or negative—must be supportable, defensible, and adequately documented.

   As a result of monitoring, JPDCD may reach one or more conclusions that:

   - Performance was adequate or exemplary;
   - Specific concerns need to be brought to the entity's attention;
   - Technical assistance was provided or is needed; and/or
   - Findings will require corrective actions.

4. **Monitoring Report:**
   Within 30 days after completion of monitoring, the JPDCD HOME Program Manager, or her designee, will draft the monitoring letter for the JPDCD director's signature. Once the JPDCD director has reviewed and executed the letter, then the monitoring report will be sent to the project owner. The Monitoring Report describes the results in sufficient detail to clearly describe the areas that were covered and the basis for the conclusions. The monitoring report should outline all findings, concerns and observations from the monitoring visit.
   a. **Observation:** An area where JPDCD staff observes some programmatic files or decisions which could lead to a concern or finding if not addressed, but there is not enough evidence at the time of the monitoring that would warrant a concern or finding. Areas where observations are noted likely result in Technical Assistance which can remedy the Observation.
   b. **Concern:** A deficiency in program performance not based on a statutory, regulatory or other program requirement. Sanctions or corrective actions are not authorized for concerns. However, JPDCD should bring the concern to the program's attention and, if appropriate, may recommend (but cannot require) actions to address concerns and/or provide technical assistance.

c. **Finding:** A deficiency in program performance based on a statutory, regulatory or program requirement for which sanctions or other corrective actions are authorized. Where an identified deficiency results in a finding, the finding must include the condition, criteria, cause, effect, and required corrective action.
   - The **condition** describes what was wrong or what the problem was.
   - The **criteria** cite the regulatory or statutory requirements that were not met.
   - The **cause** explains why the condition occurred.
   - The **effect** describes what happened because of the condition.

   The **corrective action** identifies the action(s) needed to resolve the problem and, unless inapplicable or there are extenuating circumstances, should include the time frame by which the participant is to respond to the finding

   Each Monitoring Report is to include:

   - The project or entity monitored;
   - The dates of the monitoring;
   - The name(s) and title(s) of the JPDCD staff that performed the monitoring review;
   - A listing of the activity areas reviewed (which, in most cases, will repeat the areas outlined in the notification letter to the participant);
   - If applicable, a brief explanation of the reasons why an area specified in the notification letter was not monitored (e.g., time constraints, unanticipated problems arising in another area);
   - Monitoring conclusions;
   - If applicable, clearly labeled findings and concerns;
   - If there are findings, an opportunity for the entity to demonstrate, within a time prescribed by JPDCD, that the entity has, in fact, complied with the requirements;
   - Response time frames, if needed;
   - An offer of Technical Assistance, if needed or a description of Technical Assistance provided during the monitoring.

Generally, the tone of the monitoring letter is positive, in recognition of the common goal to responsibly and effectively implement JPDCD’s programs. Significant accomplishments or positive changes are included to establish and maintain constructive relationships and to recognize the dedication and commitment of the project owner to the program missions.

5. **Monitoring Response:** Once the project owner has received the Monitoring Report, the entity will have 30 days to respond to JPDCD. Through this response, the project owner can provide responses to the findings and concerns and can note to JPDCD how they are implementing any corrective action which is recommended in the Report.
6. **Monitoring Follow-Up:** Once a response is submitted by the project owner, then it will be the JPDCD’s responsibility to then continue dialogue and follow up to ensure that the items which are closed or where corrective action is being implemented. Continued conversation and correspondence via e-mail, letter or verbal conversations will continue to allow JPDCD to work with their sub-recipients and vendors/contractors to ensure that programs continue to be compliant

d. Coordination with Other Funders

When a project includes other public funds, such as the Louisiana Housing Corporation (LHC) with Low-Income Housing Tax Credits (LIHTC) or the National Housing Trust Fund, JPDCD works with these funders to share information and streamline monitoring efforts.

e. Annual Monitoring Fee

The monitoring fee is an annual charge to cover costs of monitoring compliance with the affordability requirements of a HOME project. Compliance monitoring includes desk monitoring, tenant recertifications, risk assessments, physical inspections, training, reporting, and technical assistance provided by JPDCD staff to property owner/manager and/or representatives.

The monitoring fee is $100 per HOME-assisted unit. If the project requires a high volume of monitoring (for example, due to repeated trainings and/or frequent contact to address inaccurate or incomplete reports) the JPDCD Director may elect to charge an additional fee based on an hourly rate of $50.

4. Long Term Homeownership Monitoring

Homeownership projects are monitoring in accordance with the policies and procedures of the Jefferson Parish First-Time Homebuyer Program.

APPENDIX

A. Applicability of Requirements based on number of units

Number of HOME Units	Submission/Requirement
5 or more	High and Low HOME Units Affirmative Marketing Plan
10 or more	Financial Oversight by PJ
12 or more	Davis-Bacon Certified Payroll
Number of TOTAL Units	Submission/Requirement
15 or more	Third Party Market Study Property Management Plan
30 or more	Under management by owner, must submit property management plan

B. HOME Developer Program Key Terms and Definitions

Acquisition – The purchase of property. All acquisitions must comply with the requirements of 49 CFR Part 24 and the Uniform Relocation Assistance Act and Real Property Acquisition Policy of 1970, as amended (URA).

Affordability - The requirements of HOME that relate to the cost of housing both at initial occupancy and over established timeframes. The homebuyer's written agreement requires housing assisted with HOME funds to meet the affordability requirements of 24 CFR Part 92.252 or 24 CFR Part 92.254, as applicable, and requires repayment of the funds if the property owner does not meet the affordability requirements for the specified time period.

Affordability Period - The minimum period of time during which income-eligible households must occupy a HOME-assisted unit (rental or purchased) and comply with the HOME rules and regulations. To ensure that HOME investments yield affordable housing over the long term, HOME imposes occupancy requirements for rental and homebuyer units for a set time period based on the amount of HOME funds invested in the unit. For homebuyer projects, the length of the affordability period requirements varies depending upon the amount of HOME funds provided.

Area Median Income (AMI) - The median income of the region, established by HUD, which is adjusted for family size and used to determine the maximum income for households targeted in assisted projects. This is provided by HUD on an annual basis.

Community Housing Development Organization (CHDO) - A private nonprofit, community-based service organization with qualified staff that is receiving HOME funds as the owner, developer or sponsor of affordable housing for the community it serves.

CHDO Set-Aside Funds - HOME allocated funds set aside by the Parish (a *minimum* of *15 percent)* from each annual HOME allocation for homebuyer or rental housing which is owned, developed, or sponsored by certified CHDOs.

Developer Fee - Compensation for the developer's time and for taking on the risk of developing a commercial or residential construction project. This fee can be up to 15 percent of the total project cost.

Direct HOME Subsidy - The amount of HOME assistance, including any program income, that is invested in a project. In addition, direct subsidy includes any assistance to a homebuyer that reduces the purchase price from fair market value to an affordable price.

Director - The Director of Jefferson Parish Department of Community Development or any other person(s) that may be designated to perform the various functions assigned to the Director.

Environmental Review - An environmental review is the process of reviewing a project to determine its potential environmental impacts and whether it meets federal, state, and local environmental standards.

Hard Costs - Expenses to develop housing that are invested in the physical property, generally including all construction costs. For additional details see 24 CFR Part 92.206.

HOME-Assisted Units - The HOME Program distinguishes between the units in a project that have been assisted with HOME funds and those that have not -- hence the term ***HOME-assisted*** unit. This distinction between HOME-assisted and unassisted units allows HOME funds to be spent on mixed-income projects while still targeting HOME dollars only to income-eligible households.

Income-Eligible Household - Households with incomes at or below 80 percent of the median income, adjusted for family size.

Low-Income Families – Families whose annual incomes do not exceed 80 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. An individual does not qualify as a low-income family if the individual is a student who is not eligible to receive Section 8 assistance under 24 CFR Part 5.612.

Net Proceeds -The sales price of the home minus superior loan repayment (other than HOME funds) and any closing costs.

Program Funds - Funds that have been duly appropriated or allocated to the Developer Program.

Program Income - Gross revenue received by a subrecipient generated from activities supported by HOME funds or matching contributions.

Project – A site or sites together with any building (including manufactured housing unit) or buildings located on the site(s) under common ownership, management and financing, to be assisted with HOME funds as a single undertaking. The “project” includes all of the activities associated with the site and building.

Project Funding - Any governmental and private funds, used to pay for hard and soft costs to carry out the construction or rehabilitation of housing under the Developer Program as described in 24 CFR §92.206.

Property Owner – Refers to the responsible individual that owns HOME-assisted housing and must meet HOME requirements and affordability period for the unit. This includes both owners of rental units and homebuyers.

Recapture - The mechanism for JPDCD to collect all or a portion of the direct HOME subsidy if the HOME recipient decides to sell the property within the affordability period at whatever price the market will bear.

Soft Costs - Expenses related to the development of affordable housing that are not direct construction. For additional details see 24 CFR Part 92.206.

Special Flood Hazard Area (SFHA) – A National Flood Insurance Program (NFIP) area where NFIP floodplain management regulations must be enforced due to high risk of localized flooding and for which mandatory purchase of flood insurance applies.

Subsidy layering - A financial review to ensure the project has long-term viability based on its investments, revenue sources, expenditures, and expected rate of return. A subsidy layering review calculates the gap of funds needed for the project to be completed, which is used as part of the determination for a HOME funding award.

Uniform Physical Condition Standards (UPCS): HUD adopted property standards for acquisition and rehabilitation of existing housing and ongoing standards for rental projects separate from local code standards.

C. Application Submittal Guidelines

Submission

Applicants should submit two copies of the applications: one electronic and one hard copy (original). All applications must be typed, and faxed applications will NOT be accepted. Excel workbooks must be submitted electronically as Excel workbooks. Please do not send videotapes, audio cassettes or materials other than the required attachments.

Electronic Submission: Applicant organizations **must** email one (1) complete digital (PDF, with Excel for Workbook) application package to the Jefferson Parish Department of Community Development Programs. The complete application package should be emailed to JPDCD at (homedevelopers@jeffparish.net).

Original Submission: All hard copies of the application(s) should be mailed to the JPDCD Office listed below.

Jefferson Parish Department of Community Development
Attn: JPDCD HOME Developer Program
1221 Elmwood Park Blvd., Suite 605
Jefferson, LA 70123

Submission Reviews

JPDCD accept applications on an ongoing basis during each Fiscal Year until all funds are awarded. Applications are reviewed collectively every sixty (60) days. All applications must be complete by the time of the review period to be included in the round for consideration. Scheduled review periods are as follows, and may be updated as necessary:

- October 1 of the current fiscal year
  - Review for all submissions received between August 1 and September 30
- December 1 of the current fiscal year
  - Review for all submissions received between October 1 and November 30
- March 1 of the current fiscal year
  - Review for all submissions received between December 1 and February 28 (extra time due to winter and Mardi Gras holidays)

Acceptance of an application for consideration does not obligate Jefferson Parish to commit any funding or other support. Projects that are approved are contingent upon availability of funds, and only those projects approved may be notified of a conditional funding award.

Once JPDCD has received an application, either a hard or electronic copy, it will review the materials to ensure that the application is substantially complete. Incomplete applications will not be reviewed. JPDCD is not obligated to pursue missing information or to consider supplemental materials that are provided after the application submission. Applicants should ensure that their applications are complete and ready for review and scoring at time of submittal. If the Parish determines the application is incomplete and insufficient to review, the applicant will be notified, and materials may be returned. So long as the Parish determines that the application is substantially complete, it may allow applicants to submit additional materials. In addition, JPDCD reserves the right to request additional information, not required on the application, on a case by case basis.

Trainings and Submitted Questions

Prepared instructions are included with the application to assist Developers in completing each section. Developers may submit questions on the application, submission, or the review process to (homedevelopers@jeffparish.net). JPDCD provides a response to all questions received and maintains a log of submitted questions and responses on the website along with the application materials.

JPDCD may offer trainings or Q&A sessions to assist developers in completing the application. If trainings or other sessions are offered, information will be posted on the website, along with a publicized notice at least 14 days from the scheduled event date.

Accessibility and Non-Discrimination

Jefferson Parish does not discriminate based on race, creed, color, gender or national origin.

In accordance with provisions of the American with Disabilities Act Amendments Act of 2008, as amended, Jefferson Parish shall not discriminate against individuals with disabilities on the basis of disability in its services, programs or activities.

If you require auxiliary aids or devices, or other reasonable accommodation under the ADA Amendments Act, please submit your request to the ADA Coordinator at least forty-eight (48) hours in advance or as soon as practical. A seventy-two (72) hour advanced notice is required to request Certified ASL interpreters.

ADA Coordinator / Office of Citizens with Disabilities
(504) 736-6086
ADA@jeffparish.net

D. Affirmative Marketing Plan Forms

Single Family - https://www.hud.gov/sites/documents/935-2B.PDF

Multi-family - https://www.hud.gov/sites/documents/935-2A.PDF

Forms are also provided in the Appendix attachment.

E. Lease Up Marketing Plan

See Appendix attachment

F. Sample Written Agreement

See Appendix attachment

G. Written Agreement Checklist

See Appendix attachment

H. Statement of Understanding

I, ___________________________________, do hereby confirm that:

(i) I have received, read and understood the HOME Developer Policies and Procedures ("Policies").

(ii) I agree to conduct my activities in accordance with the Policies and that any intentional or negligent misrepresentation may result in civil liabilities and/or criminal penalties including but not limited to fine or imprisonment or both under the provisions of Title 18, Section 1001 et seq and monetary damages to Jefferson Parish, its agents, successors and assign, insurers and any other person who may suffer lose due to reliance upon any misrepresentation which I/we have made in this document.

____
Developer's Name (printed)

____

Developer's Signature Date