Jefferson Parish Department of Community Development Affordable Housing Program 2020 HOME Developer Application

PROJECT Project Name: Project Street Address: Council District of Proposed Project: Municipality: Developer Name: Partner Entities: APPLICATION CONTACT INFORMATION Contact Name: Title: Organization: Address: City: State: Phone: Email: DUNS: EIN: **FUNDING REQUEST SUMMARY** HOME Funds Request: Number of HOME Units: Number of Affordable Units: Total Other Funds: Total Development Cost: Total Number of Units: HOME Funds request must be for \$100,000 or more, provide 4+ HOME units, and have at least 50% of units as affordable or meeting a special need. HOME funds should not exceed 40% of the Total Development Cost. **DEVELOPER'S STATEMENT** The undersigned Developer hereby states that all information provided in this application is, to the best of their knowledge, true and accurate. If Jefferson Parish discovers that any information entered in the application is false, then the Parish shall be entitled to remove the Developer from consideration, or to cancel their selection and any award that has been granted to the Developer. Further, by completing and submitting this proposal, the undersigned Developer is thereby agreeing to abide by all terms and conditions, as issued by the Parish. Signature: (Authorized Representative)

Title:

Printed Name:

Section A. Project Overview 1. Summary: In the space provided, briefly describe the project including the location, type of development, funding and financing sources, ownership structure and current project status. 2. Development Type: Homeownership Rental 3. Construction Type: **New Construction** New Construction with Acquisition Rehabilitation Only Rehabilitation with Acquisition New Construction & Rehabilitation New Con. & Rehabilitation with Acquisition 4. Building Style(s): Single Story Multifamily Townhouse/Duplex Multifamily 2-5 stories, elevator Single Family Detached Multifamily 2-5 stories, non-elevator Group Home/Institutional Other (Please Describe): 5. Number of Buildings: Existing Proposed 6. Population to be served **Families** Senior Citizens – aged 55 or older Persons with Disabilities Singles Persons Returning from Prison or Jail **Persons Experiencing Homeless** Veterans Persons with Addictions 7. Affordability Mix

	Eff.	1-bdrm	2-bdrm	3-bdrm	4-bdrm	5-bdrm+	Total
HOME units							
Other Affordable							
Market Rate							
Total							
Will the HOME rental units be Fixed or Floating?					Fi	xed / Floati	ng

Section B. Project Details

Project Requirements

Proposed projects must adhere to the following criteria to be considered for HOME funds.

Homeownership

Project Size

JPDCD only accepts applications for the development of between 4 and 11 single-family homeownership units. All homeownership units must be affordable and sold to qualifying households with income below 80% of the area median income.

Timeline

Federal regulations require HOME-assisted homebuyer units be sold to an eligible buyer within 6 months of construction completion. If a HOME-funded homebuyer unit cannot be sold to income-eligible buyers within 6 months of construction completion, the unit must either to be converted to HOME rental unit or the HOME funds expended on the unit must be repaid.

Maximum Property Value

The sales price must not exceed 95% of the area median purchase price.

Rental

Project Size

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

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.

Project Specifics

1.	Provide a brief description of development of the site, including any known prior uses of the site. If it is a rehabilitation project, include a brief description of the scope of work to be performed.

	2.	Discuss how the project fits into the Parish's vision, as outlined in the Consolidated Plan ¹ .
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	3.	Is the site ready to break ground or is pre-development work required? Describe any pre-development work required or already completed. This includes rezoning, special use permit, utilities access, right of way, engineering and soil testing, environmental study.
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Pre-Development Work

4. Provide current status of each of the following items. See attachments checklist for what must be provided based on status.

ITEM	STATUS
Do you have ownership or control of the site(s)?	Yes/No
If yes, documentation showing ownership must be included. If no, provide a description status of acquisition.	
Is the property zoned appropriately for the proposed project?	Yes/No
Do you have architectural plans and a site plan for the project?	Yes/No
Has an environmental study of the site been undertaken?	Yes/No
Has a market assessment or study been completed for the project?	Yes/No
Has an appraisal been completed on the project?	Yes/No
Has a development schedule been proposed for the project?	Yes/No
Is the property vacant/unoccupied?	Yes/No

 $^{^{1}\,\}underline{\text{http://www.jeffparish.net/modules/showdocument.aspx?documentid=}18837}$

5. Describe ameniti development will			e services; i	including cl	ubhouses, ફ	gym, laundr	y, that th
6. Total Unit Breakdo	own						
# of Beds	Eff.	1-bdrm	2-bdrm	3-bdrm	4-bdrm	5-bdrm+	Total
New Construction							
Rehab							
Occupied							
Vacant							<u> </u>
Existing-No Rehab	<u> </u>						
Total	<u></u>						
If so, does it include a	a tenant	selection pla	in?			Yes / No/ I	N/A
8. Affirmative Marke Requirements – sp such as: information of units; strategies of units; and strate homeowners.	pecial out on on the s to ensu	treach to tho e target audie ure non-Engli	ose groups le ence; strate ish speaking	east likely to gies to notif g audiences	o apply for H fy target aud are made a	HOME-assist dience of the aware of the	ted housi e availabi e availabi

For affordable rental housing with <u>five or more HOME assisted units</u>, JPDCD requires applicants to develop an Affirmative Marketing Plan and a set of procedures for implementing the plan. See attached guidance and HUD Form.

Section B Required Attachments Checklist

Attach the following documents as required for the proposed project. *See Appendices for forms and templates.

Required for all submissions	
Project location map with site identified	
Site plan	
Proof of site control and zoning, or narrative describing status of acquisition	
Development schedule and timeline	
Section 3 plan*	
Required if proposed project has 5 or more HOME units	
Affirmative marketing plan and form*	
Required if proposed project has currently occupied units	
Relocation plan	
Required for all HOMEOWNERSHIP projects	
Marketing and Sales Plan	
Sales schedule demonstrating sales within 6 months of construction completion	
Required for all projects before final approval. Submit if available.	
f not available at the time of your application submission, provide a timeline with the attachments j	or
vh <u>en thes</u> e will be completed and submitted.	
Architectural plans and drawings	
Environmental assessment or study of proposed location	
Market assessment* or independent study of proposed area (for 15 or more units)	
As-Built Appraisal	
Other reports, testing, or permitting related to the project site	
Required for all RENTAL projects before final approval. Submit if available.	
f not available at the time of your application submission, provide a timeline with the attachments j	for
yhen these will be completed and submitted.	O1
Property Management Plan	
Tenant Selection Plan	
18 Month Lease Up Plan	

Section C. Project Financials

The following sections of the HOME Developer Program Policies and Procedures are included as a courtesy. Developers are responsible for reviewing the policies and procedures.

All Projects

Minimum and Maximum Award Request

Due to limited funds, JPDCD HOME funds are intended as gap funds. Developers can request up to 40 percent of their Total Development Costs in HOME funds, in proportional share to the number of HOME units. Requests for funds under \$100,000 will not be considered, due to the cost and effort associated with application review and long-term project compliance. 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. Per federal regulations, the maximum amount of HOME funds that can be invested in HOME-assisted unit is established by Section 234-Condominium Housing basic mortgage limits, for elevator-type projects.

Award Type

All HOME funds are awarded as forgivable, no-interest loans, and are properties are required to remain affordable for the life of the affordability period. At the end of the affordability period (between 5 and 20 years, depending on the amount of HOME funds and the type of development), JPDCD fully forgives the loan. A mortgage, promissory note, and deed restriction are recorded against the property to enforce the affordability period.

Affordability Period

Ajjordability i cilod				
Activity	HOME Investment Per-Unit	Minimum Affordability Period		
Rehabilitation or Acquisition of	<\$15,000/unit	5 years		
Existing Housing	\$15,000- \$40,000/unit	10 years		
Existing Housing	>\$40,000	15 years		
New Construction or Acquisition of New Housing	Any \$ amount	20 years		

Developer Fee

Developers may include a Developer Fee as part of the development budget. This fee may not exceed 15 percent of the total project cost.

Project Contingency

Projects must include contingency. 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.

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

Homeownership Projects

HOME funds can only be requested for development and construction subsidies. If units are expected to need direct homebuyer assistance, the buyer must participate in the Jefferson Parish First Time Homebuyer program.

Total HOME funds in a single unit, including direct homebuyer assistance and direct construction subsidy, must be less than the maximum per unit amount set by Section 234-Condominium Housing basic mortgage limits, for elevator-type projects.

Maximum HOME Investment Per Unit – 2020							
		HUB Percentage	LHC Statewide Limit				
		(From HOME Fire	(For All Areas except the cities of New				
Bedrooms	Base Limit	Vol 12 No.1)	Orleans and Shreveport)				
0	\$63,881.00	249.00%	\$154,592.00				
1	\$73,230.00	249.00%	\$177,216.00				
2	\$89,049.00	249.00%	\$215,498.00				
3	\$115,201.00	249.00%	\$278,786.00				
4 or More	4 or More \$126,454.00 249.00%		\$306,018.00				
	Effective June 4, 2020						

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.² 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.

FY2020 HOME New Homes Purchase Price Limit							
Jefferson Parish – New Orleans Metro Area							
1-Unit 2-unit 3-unit 4-unit							
\$238,000 \$304,000 \$368,000 \$456,000							

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² HUD HOME and HTF Homeownership Value Limits, https://www.hudexchange.info/news/home-and-htf-homeownership-value-limits/

Rental Projects

HOME Maximum Rents and Project Rule

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.

2020 HOME Program Rent Limits								
Rent Limit	EFFICIENCY	1 BED	2 BED	3 BED	4 BED	5 BED	6 BED	
Low HOME Rent Limit	\$616	\$660	\$792	\$915	\$1,021	\$1,126	\$1,232	
High HOME Rent Limit	\$779	\$838	\$1,008	\$1,156	\$1,270	\$1,382	\$1,495	
50% RENT LIMIT	\$616	\$660	\$792	\$915	\$1,021	\$1,126	\$1,232	
65% RENT LIMIT	\$781	\$838	\$1,008	\$1,156	\$1,270	\$1,382	\$1,495	
Effective July 1, 2020								

Rent Limits and Utility Allowance

The above rent limits assume all utilities are included in the cost of rent. If a project includes tenant-paid utilities, the developer must calculate the allowance for each tenant-paid utility (electric, sewer, water, gas, garbage, etc.) and by unit size and provide the allowance calculations to JPDCD with appropriate supporting documentation. Projects that are proposing to use LIHTC should use the LHC allowance. The utility allowance is deducted from the maximum allowable rent to determine the effective tenant rent.

Initial Occupancy Income Restrictions

During the first year of occupancy, 90 percent of the HOME units must be rented to households below 60 percent AMI. HOME units must always assist households under 80 percent AMI.

Debt Service Coverage Ratio

To be considered for HOME funds, projects must support a Debt Service Coverage Ratio (DCSR) above 1.10 throughout the affordability period. The desired range for debt service coverage is between 1.10 – 1.30 over the affordability period.

- Projects that have a debt service coverage ratio below 1.00 are not eligible for HOME funds.
- Projects with a consistent DSCR above 1.30 will be required to reduce HOME rents or increase project reserves with additional cash to endure they fall within the desired range.
- Awarded projects that do not maintain the required debt service coverage ratio during the life of the affordability period may incur penalties by JPDCD on grant funds received.

Equity Contribution

Developers are required to invest a certain percentage of equity into the proposed project based on the total development cost.

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

Property Management Fees or Administration/Staffing Expenses

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.

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.

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.

Investor Fees (LIHTC Only)

JPDCD adheres to the industry standard is 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.

Section C Required Attachments Checklist

Attach the following documents.

W	orkbook - Required for all projects
	Total development costs
	Sources and uses
W	orkbook – Required for RENTAL projects
	Rent schedule, by bedroom size, construction type, and affordability restriction
	Utility allowance, by bedroom size
	Operating expenses
	20-year Operating proforma
Su	pporting Documentation - Required for RENTAL projects
Ju	Evidence of other funding, including term sheets
	Supporting documentation for utility allowance calculations
	Additional documentation to justify expense or rates outside of the ranges stipulated
Su	pporting Documentation - Required for HOMEOWNERSHIP projects
	Evidence of other funding, including term sheets
	Revenue reinvestment schedule for additional units (if applicable)
	Per unit budget, including anticipated sales price

D. Development Team Experience and Qualifications

1. Name of Developer(s):				
2. Type of Organization:				
Individual	Corporation	Non-Profit		
General Partnership	Limited Liability Corp.	Limited Partnership		
Other (Explain):				
3. Developer Experience:	:			
	· ne: Part Tim	۵۰		
	ompleted:			
	ompleted with Federal, State or			
• , ,	•			
	d with HOME funds:			
	urrently under construction:			
	struction within the next three ye	Of these, how many do		
		or its affiliate is the managing general		
partner/managing member: _		or its arimate is the managing general		
4. Development Team				
Partner/owner:				
Years in operation:	number of emplo	yees:		
# of completed housing project	cts: # of HC	OME projects:		
	ent:# of projects u			
Builder:		_ License #:		
	Number of emplo			
# of completed housing projects: # of HOME projects: # of projects currently under construction:				
# or projects currently under t	.0113t1 det1011.			
Property manager/Sales Team				
	Number of emplo			
	under management/sold: nagement/sold:			
	me verification method			
		m, this information is still needed.		

CHDO Narrative: For CHDO applicants only – Provide a brief narrative that describes the roles and responsibilities of your organization on this project (e.g. as the developer, sponsor and/or property owner).				

Name of Development	City & State	Development Type –	Total #	# of Aff.	Funding Source –	Year	(
Name of Bereiopinent		Senior, Family, etc.	of Units	Units	HOME, LIHTC, etc.	Comp.	
							1
tner/Owner		1					1
Name of Development	City & State	Development Type – Senior, Family, etc.	Total # of Units	# of Aff. Units	Funding Source – HOME, LIHTC, etc.	Year Comp.	
							+
perty Manager / Sales Team	 						
Name of Development	City & State	Development Type –	Total #	# of Aff.	Funding Source –	Year	
		Senior, Family, etc.	of Units	Units	HOME, LIHTC, etc.	Comp.	1
							+

lame of Reference	Name of Dovolonment	Project Pole	Phone	Email
vame of Reference	Name of Development	Project Role	Phone	Email
	,	1	-	
rtner/Owner				
Name of Reference	Name of Development	Project Role	Phone	Email
	_			
pperty Manager/ Sake				
Name of Reference	Name of Development	Project Role	Phone	Email

7.

8. **Federal Requirements Experience:** Provide a list of which Development Team members have compliance and reporting experience with the following federal requirements. Briefly describe the experience. Use blank spaces for additional team members. Use an additional page if needed.

Federal Requirement	Member Name	Project Role	Description of Experience
Section 3			
Davis-Bacon & Certified Payroll			
Uniform Relocation Act			
Lead-Based Paint Standards			
Fair Housing & Equal Opportunity Laws			
ADA			
Section 504			

9. **HOME Training:** Provide a list of any trainings on HOME or HOME-rental completed by members of the Development Team. Use additional pages if necessary.

Training Name & Provider	Date & Location	Member Name	Project Role

1	0.	Financial Interest : Is there an ownership interest between any of the members of the development team? If so, please explain:
11		Audit: Disclose any non-compliance, unresolved audit or monitoring findings.
12		Incomplete Projects: Has the developer(s), under its present name or any previously-used name,
		or any of its principals, ever commenced construction of a project that it has not completed, except those currently under construction? If yes, provide details. Use extra sheets if necessary.
_		
13		Litigation: Is there any litigation (past, pending, active or resolved) against the developer, member of the development team, or project? If so, please provide a brief explanation.

Section D Required Attachments Checklist

Attach the following documents for all firms of the Development Team to demonstrate the business is operational and in good standing.

Re <u>qui</u>	red for all firms included in the application as part of the Development Team
	Resumes for each member of the Development Team involved in the proposed project Louisiana Secretary of State Business Filing print out showing status Sam.gov print out with DUNS number
	Organizational chart, including names of senior management and board members
	Organizational chart, including names of senior management and board members
Re <u>qui</u>	red for the Lead Development Firm
	Bylaws
	Articles of Incorporation or Charter
	Two of the most recent Financial Audits (must be from 2016 or later)
	If a new LLC is being formed, audits or audited financials for each partner firm or individual
	Documentation to demonstrate 10 percent of total development costs in net assets
Regui	red for CHDO Certification*
	CHDO Requirements Checklist
	Articles of Incorporation or Bylaws
	503(c)(3) or (c)(4)
	Affidavit of Standards of Financial Management Systems
	Organizational Chart
	Certification of Board Status and Affidavit of Board Representation demonstrating
	governing board consists of not less than one-third low-income persons and not more than one-third public officials
	Statement signed by the Board President that details at least one year of experience serving Jefferson Parish

^{*}Certification documentation required if not submitted prior to application period to JPDCD

Appendix

Market Assessment

Section 3 Plan

Affirmative Marketing Plan Guidance

Applicants planning affordable rental housing projects with <u>five or more HOME assisted units</u> are required to develop an Affirmative Marketing Plan and a set of procedures for implementing the plan. Applicants must also complete the corresponding HUD Form (single-family or multi-family) with the plan. Both are submitted to JPDCD for review and the form is submitted to HUD for approval if the project is selected.

Affirmative marketing plans must include the following information:

- 1. Commitment to complying with federal and state fair housing laws, including the use of the Fair Housing logo, and equal opportunity language, and other JPDCD policies. Describe how the project will maintain compliance with federal and state fair housing laws.
- 2. Describe what methods will be used for informing the public and potential tenants about fair housing laws.
- 3. Describe the overall efforts the developer will take to affirmatively market the HOME-assisted housing project, including types and sources of advertising and outreach.
- 4. Describe efforts the developer will take to market to and inform persons not likely to apply for affordable housing without outreach.
- 5. State if a residency preference is made and provide an explanation for the preference (*Multi-family 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)).
- 6. Provide a list of community contacts to be used for marketing and outreach, including name, organization, address and phone number.
- 7. Describe how outreach will be evaluated, including corrective measures to be taken if the assessment shows outreach has not been effective.
- 8. A summary of staff responsible for marketing and tenant selection, and any Affirmative Marketing or Fair Housing trainings they have attended.

HUD Forms required for Affirmative Marketing Plans are available as fillable PDFs.

- Single-family (1-4 units): https://www.hud.gov/sites/documents/935-2B.PDF
- Multi-family (5+ units): https://www.hud.gov/sites/documents/935-2A.PDF

18-Month Lease Up Plan