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## **APPLICATION CHECKLIST**

**Have you:**

- a. Completed all Loan Application forms (must use County format)
- b. Signed Certification Form
- c. Submitted the \$500.00 Application Fee with the Application, made payable to the York County Affordable Housing Trust Fund.
- d. Submitted the following documents with your application, the County will not process an incomplete application:
  1. Ownership Interest/Role
  2. Evidence of Site Control
  3. Method to Determine Utility Costs
  4. Letters of Support
  5. Zoning Documents
  6. Partnership Agreement
  7. Funding Commitment Letters
  8. Syndication Documents
  9. Phase I Environmental
  10. Plans and Specifications
  11. Letter from State Historic Preservation Officer concerning historic or archeological resources
  12. Rent Roll for Occupied Buildings
  13. Support Documentation for income/expenses sited in proforma
  14. Resumes of Development Team
  15. Evidence of Marketability
  16. Projected Operating Budget for years 1 - 15

The County will review the applications for completeness. If an application is determined to be incomplete the owner will be notified and given five (5) business days to correct the deficiencies. If the deficiencies are not corrected the application will be considered withdrawn at the owners request.

**CHAPTER 1**  
**HOME Program**

# HOME Program

## A. Introduction

### 1. Program Description

The York County Planning Commission administers the HOME Program funded by the U. S. Department of Housing and Urban Development. The intent of this program is to assure an adequate supply of standard housing which is affordable to low and very low income households. York County has established objectives in its Consolidated Plan to accomplish this by providing loan funding to property owners to rehabilitate existing or create new rental units and by providing additional rental assistance to eligible tenants through the Housing Authority of York.

Because the HOME Program is intended to serve only low and very low income households, all units subsidized through the Program must be occupied by tenants meeting the income criteria. Also, strict rent controls are imposed on these same units. Tenant selection requirements and rent controls will be enforced by deed restrictions for the term of the loan. Upon completion, annual inspections will be made to assure that subsidized units remain in standard condition, that the controlled rent is not exceeded, and that the units are occupied by very low and low income tenants.

Owners/developers of rental properties who are interested in participating in this Program are required to submit proposals to the York County Planning Commission. The proposals will be reviewed and commitments made according to the following procedures and provisions of this chapter.

### 2. General Conditions

All projects to be funded through the HOME Program shall comply with the following general conditions:

- a. **ALL** units in a proposed development must be HOME units and may not be converted to condominium ownership, owner-occupancy or commercial usage during the term of the loan.
- b. Owners of units rehabilitated through this Program may not discriminate against any tenant or prospective tenant on the basis of their receipt of or eligibility for housing assistance under any federal, state or local housing assistance program; or, except for a housing project specifically designated for the elderly, on the basis that the tenants have a minor child or children living with them.
- c. Owners must comply with the Affirmative Marketing Procedures outlined in this chapter.

- d. Owners must comply with all requirements of the Federally Funded Program(s) for which they are applying and for which they may receive funding.
- e. The incidental omission of any federal program requirement from this document does not excuse the owner from complying with the requirement.
- f. Owners shall comply with the regulations and issuances promulgated pursuant to the HOME Investment Partnership Act of 1990 or the Housing and Community Development Act of 1974, as amended, or revised.
- g. Owners must comply with the U.S. Department of Housing and Urban Development regulation within title 24 of the Code of Federal Regulations as part 35 (24 CFR 35), "Requirements for Notification, Evaluation and Reduction of Lead-Based Paint Hazards in Federally Owned Residential Property and Housing Receiving Federal Assistance".

## B. Available Funding

### 1. Minimum Funding

The minimum funding permitted through the Program is \$1,000.00 per assisted unit.

### 2. Maximum Funding

The maximum per assisted unit limit in York County is \$40,000. However, on a case by case basis, the County may exceed this limit when provided with satisfactory documentation that but for additional funds being provided, the project cannot proceed; or that HOME Program funds may be recaptured. In no event, however, will the current per unit subsidy limit established for York County by HUD in Appendix 1 be exceeded.

It is important to note that the actual amount of subsidy provided will be based upon the minimum amount deemed necessary to create a viable project. This information will be determined from the project application.

### 3. Sources of Funding

The County at its sole discretion, may use HOME, CDBG, or Affordable Housing Trust Fund monies to fund activities.

### 4. Measure of Liability

In consideration of full and satisfactory performance of services hereunder by the Contractor, the County shall make payments to the contractor based on the Budget subject to the limitation and provisions set forth in this contract.

- a. It is expressly understood and agreed by the parties hereto that the County's obligations for the disbursement of the HOME and CDBG funds are contingent upon the actual

receipt of adequate Federal HOME and CDBG funds to meet the County's liabilities. If adequate funds are not available to make payments, the County shall notify the Contractor in writing within a reasonable period of time after such fact has been determined. The County may, at its option, either reduce the amount of its liability, or terminate the Contract. If federal funds are not granted to the County or are reduced, the County shall not be liable for further payments due to the Owner.

- b. It is expressly understood that a funding commitment in no way obligates the General Fund of the County or any other monies or credits of the County, other than the Affordable Housing Trust Fund.

C. Matching Requirements

The Program requires that an effort be made to leverage the HOME Program funds with private funds. The required minimum match is \$ 1.00 HOME Program funds for each \$3.00 in private funds. The property owner's share of the financing may come from personal savings, business cash flow or assets, financing obtained from commercial lending institutions, equity contributions of partners, et al.

On a case by case basis, the County may provide a greater proportion of project funding when provided with satisfactory documentation that but for additional funds being provided, the project cannot proceed; or that HOME Program funds may be recaptured.

D. Loan Terms

1. Repayment

Funding through this program will be provided in the form of a deferred payment loan; which means that all payment to principal and interest will be deferred until the expiration of the loan term.

2. Loan Period

The **minimum** length of the individual loan term and the resultant requirement to comply with HOME restrictions on tenant selection and rent control will vary based upon the amount of loan subsidy provided, as follows:

- Under \$15,000 per unit                      5 years
- \$15,000 to \$40,000 per unit              10 years
- Over \$40,000 per unit                      15 years

3. Loan Rates

Loans will be provided at a minimum 1% interest.

#### 4. First Right of Refusal

The applicant will be required to execute a First Right of Refusal in favor of the County of York which will have application as indicated in the body of that document.

#### E. Eligible Costs: It is the County's policy to limit assistance to construction costs only.

##### 1. Development Hard Costs: Actual costs of constructing or rehabilitating housing.

- Costs to meet applicable new construction standards and energy efficiency standards.
- Costs to meet applicable rehabilitation standards or correct substandard conditions, including energy related repairs, handicapped improvements, lead based paint abatement and major systems.
- Costs to demolish existing structures and site improvements.

##### 2. Development Soft Costs:

- Architectural, engineering or related professional services required to prepare plans, designs, specifications or work write-ups.
- Processing and settlement costs, such as loan acquisition fees, credit reports, title insurance, recording and billing fees, building permits, attorney fees, appraisal fees, and cost estimate fees.
- Information service costs such as affirmative marketing and fair housing information to prospective homeowners and tenants.
- Project audit costs.
- Cost of funding an 18-month initial operating reserve for new construction or total rehabilitation cost in excess of \$25,000 per unit.
- Payment of impact fees for new construction and total rehabilitation in excess of \$25,000 per unit.

##### 3. Acquisition of real property.

##### 4. Relocation costs.

## F. Eligible Projects

### 1. General.

Projects must be located in the Primary or Secondary Growth areas, as defined in the County's Comprehensive Plan, or Incorporated Boroughs in York County. The City of York has its own program and funding, therefore, no projects will be funded that are located in the City of York. There is no restriction on the size or type of unit to be rehabilitated. Projects may be owned by public, private or non-profit developers.

HOME funds may also be used to fund residential living space in a mixed use project.

### 2. Community Housing Development Organization (CHDO).

The County is required to set-aside a minimum of 15% of each HOME Program annual appropriation for CHDOs. The qualifying criteria to be designated as a CHDO are included in Chapter 4.

### 3. Conflicts of Interest.

Any owner of an eligible property may participate in the Program, with the exception of the following who are excluded during their tenure and for one year thereafter from participation because their relationship with the York County Planning Commission would constitute a conflict of interest:

- a. Members and employees of the York County Planning Commission who formulate policy or influence decisions with respect to the HOME Program.
- b. York County public officials or members of the Board of Commissioners who exercise functions or responsibilities with respect to the HOME Program.
- c. Current members of or delegates to the Congress of the United States of America or Resident Commissioners.

## G. Tenancy Requirements

### 1. General.

Tenants in all units assisted with HOME Program funds must qualify as low or very low income households, verified annually. Additionally, projects using both HOME funds and LIHTCs must meet both sets of program rules.

Not less than 90% of households assisted through HOME Program funds must be households whose annual incomes do not exceed 60% of the median family income for York County as determined by HUD with adjustments for smaller and larger families at the time of occupancy or at the time funds are invested, whichever is later; or the dwelling units assisted with such funds are occupied by households having such incomes. The remainder of the

households must be households that qualify as low-income families (incomes that do not exceed 80% of area median income) at the time of occupancy or at the time funds are invested, whichever is later.

2. Very Low Income:

A minimum of 20% of tenants in HOME Program assisted units must have incomes at or below very low income. The current very low income limits established by HUD for York County are attached in Chapter 5.

3. Low Income

A maximum of 80% of tenants in HOME Program assisted units must have incomes at or below low income. The current low income limits established by HUD for York County are attached in Chapter 5.

H. Maximum Allowable Rents

1. General

All maximum allowable rents include utilities. To determine the amount allowed to be received by the property owner, it is necessary to subtract from this amount any utility costs paid by the tenant. The current Section 8 Utility Allowances chart must be used to determine utility costs for all first year developments, and are included in Chapter 6. Rents and utility allowances will be verified on an annual basis. Developers may continue to use Section 8 utility allowances each year, or may conduct utility surveys of at least one-third of the development's tenants who have resided in the development for a full year and average that cost to determine the amount of utility allowance used. Additionally, projects using both HOME funds and LIHTCs must meet both sets of program rules.

2. 80% of the subsidized units in each project must rent at or below the lesser of:

- a. "Fair Market Rent"; or
- b. "High Home Rents".

The current Fair Market Rent and High HOME Rent (defined as 65% rent limit) established by HUD for York County are included in Chapter 7.

3. 20% of the subsidized units in each project must rent at or below the "Low Home Rents". The current Low HOME Rent (defined as 50% rent limit) established by HUD for York County is included in Chapter 7.

#### 4. Existing Tenants

In order to minimize the displacement of tenants residing in the property at the time of application, for one year following the completion of rehabilitation, gross rents for existing tenants shall not exceed the greater of:

- a. The tenant's gross monthly rent prior to the application; or
- b. 30% of gross household income for non-low income tenants; or
- c. for low income tenants, the greater of:
  - 1) 10% of the gross monthly income; or
  - 2) 30% of adjusted monthly income.

Adjusted income is computed by deducting from Annual Gross Income the following:

- For all households:
  - \$480 for each dependent (persons under age 18 and handicapped or disabled family members or full-time students who are not the head of household or the spouse).
  - Reasonable child care expenses (for children 12 and under) that enable a family member to work or go to school.
  - Expenses in excess of 3% of annual gross income for the care of a handicapped or disabled family member that enable that person or another person to work (includes care attendant and necessary equipment and apparatus).
- For elderly households only:
  - \$400 per elderly household (head of household or spouse is 62 years of age or older, handicapped or disabled).
  - Medical expenses not reimbursed by insurance in excess of 3% of annual income.

## I. Affirmative Marketing

### 1. General

The owner of the rental property shall be responsible for renting all assisted units without regard to race, color, religion, sex, national origin, handicap or familial status of the tenant. (Federal Fair Housing Law, Executive Order 11063, Title VI of the Civil Rights Act of 1964, Age Discrimination Act of 1975, and Section 504 of the Rehabilitation Act of 1973).

### 2. Written Affirmative Marketing Plan

It is the policy of the County of York to require affirmative marketing of all units assisted under the HOME Program. The owner shall develop a written Affirmative Marketing Plan that at a minimum includes the following:

- a. Notification of the Housing Council of York and the Housing Authority of York of the availability of all vacant units. Vacant units are defined as those units not rented to or capable of being rented to households on the wait list.
- b. Renting the vacant units without regard to race, color, religion, sex, national origin, handicap or familial status of the tenant.
- c. Include the Equal Housing Opportunity logo or slogan on all solicitations for the units.
- d. Maintain records of affirmative marketing actions, such as copies of notifications to the Housing Council, Housing Authority and any other solicitations.
- e. If applicable, prominently display the Fair Housing Poster in all offices in which sale or rental activities take place.
- f. Maintain a non-discriminatory policy in recruiting from all groups for staff.
- g. Instruct staff in the policy of non-discrimination and fair housing.

### 3. Annual Monitoring

#### a. General

Each project will be monitored annually for compliance with all HOME Program regulations including the Affirmative Marketing Plan, which shall be reviewed and approved by the County. If the Owner has not complied with program requirements, a monitoring report will be issued identifying the areas of non-compliance and a written mitigation plan will be required. Each project shall submit an annual Certificate of Compliance, a HOME Benefit Data Report and monthly compliance reports.

b. Vacant Units.

If the non-compliance involves vacant units, a warning will be given and the owner will be required to notify the County of York each time there is a vacancy. If, by the next annual review, the owner still fails to comply, the owner will be advised that the project is in default and that available legal action will be commenced to recover HOME Program funds.

J. Rehabilitation Standards

1. General

All rehabilitation work under the Program must be completed in a cost efficient and workmanlike manner. Extravagant or luxury quality improvements will not be allowed. All major systems should be of sufficient quality to serve for a duration of fifteen years. Any improvements for which building permits are required must meet local building code quality standards.

2. Total Rehabilitation Costs Under \$25,000

After rehabilitation, properties must meet the County of York Housing Quality Standards for all units in which total rehabilitation costs do not exceed \$25,000 per HOME assisted unit.

3. Total Rehabilitation Costs Over \$25,000 and New Construction

In addition to the County of York Housing Quality Standards, all applicable local codes and ordinances, and energy standards must be complied with in those units in which total costs exceed \$25,000.

4. Annual Physical Monitoring

To assure that assisted units continue to meet at a minimum HUD's Section 8 program Housing Quality Standards, an annual physical compliance inspection will be made, for the term of the loan. The owner will be notified of any substandard conditions and provided an opportunity to make repairs. If the repairs are not made, the owner will be advised that the project is in default and that available legal action will be commenced to recover HOME Program funds. The property inspection applies to the whole property, not only HOME units. Any deficiencies seen on the exterior or in common areas must be addressed.

K. Other Federal Requirements

1. Labor Standards

Federal prevailing wages under the Davis-Bacon Act applies to projects in which 12 or more units are assisted with HOME Program funds.

2. Residential Lead-Based Paint Hazard Reduction Act of 1992

The owner must comply with current regulations of the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4821 et seq.) including new regulation under sections 1012 and 1013 of the regulation. The new regulation appears within title 24 of the Code of Federal Regulations as part 35 (24 CFR 35). This includes hazard reduction requirements that give much greater emphasis than existing regulations to reducing lead in house dust.

3. Environmental Review

All projects are subject to the environmental review and clearance requirements of Section 104 of the Housing and Community Development Act of 1974 and 24 CFR Part 58. York County Planning Commission staff will complete these reviews prior to the expenditure of any HOME Program funds. The developer may be required to supply information to the York County Planning Commission to complete the Environmental Review Record.

The County will not go to settlement until the Environmental Review Record (ERR) is complete. It is the responsibility of the developer to incorporate the ERR process into the project implementation schedule. The developer is advised to contact the Planning Commission to initiate the ERR process upon notice of award of funds. The Environmental Review Officer will be notified of the award of funds. The County is required to conduct the Environmental Review (ER) process for each project/program it funds. The County undertakes up to 60 Public Works projects annually that all require completion of the ER requirements. Housing Development projects will not be given any preference in the ER process. In addition, The ER process has several statutory comment periods and objection periods. These time periods cannot be shortened and can impact the project implementation schedule. The County will not be responsible for the failure of a developer to plan for the completion of the ER.

4. Ineligible Contractors

Owners are prohibited from contracting with disbarred, suspended or ineligible contractors according to the provisions of 24 CFR Part 24.

5. Equal Opportunity

When applicable, property owners and contractors will be required to abide by the following regulations:

- a. Executive Order 11246 concerning nondiscrimination in the hiring and firing of employees.
- b. Section 3 of the Housing and Urban Development Act of 1968 concerning the employment of local project area residents.
- c. Executive Orders 11625, 12432 and 12138 concerning the use of minority and women's business enterprises, as follows:

- 1) Include qualified minority and women owned businesses on bid solicitation list. At a minimum, owner shall contact qualified Minority and Women's Business Enterprise firms identified in Chapter 8.
- 2) Encourage contractors to solicit minority and women owned businesses whenever they are potential sources of materials and to take affirmative steps whenever subcontracts are let.
- 3) Use the services and assistance of the Minority Business Development Agency of the Department of Commerce and the Interagency Committee on Women's Business Enterprise.

L. Financial Assistance to Tenants

Assistance may be available for project tenants through the Housing Council of York and the Housing Authority of the City of York.

M. Tenant Displacement/Relocation Payments

It is the policy of the County of York to avoid tenant displacement as a result of HUD funded activities. In the event that tenants will be displaced by these activities, owners shall be responsible for the payment of any and all displacement and/or relocation claims under the Uniform Relocation Assistance and Real Property Acquisitions Policies Act of 1970 for the HOME Program in 24 C.F.R. Section 92.353. To demonstrate compliance, the project proposal shall include:

1. Evidence of notification of existing tenants of the proposed project by certified letter, return receipt, substantially in the form of the letter in Chapter 9.
2. A Tenant Displacement/Relocation Plan in compliance with 24 C.F.R. Section 92.353, as included in Chapter 10.
3. A displacement/relocation line item in the project development budget.

N. Proposal Requirements

Each project proposal shall be submitted on the forms included in Chapter 2, along with a check in the amount of \$500. **Faxed applications will not be accepted.**

O. Proposal Review

Each project proposal will be reviewed by the Planning Commission, using the following underwriting criteria.

1. Evidence of site control.

2. Unit sizes of two bedrooms or more for families.
3. Units currently vacant. If there are existing tenants, a project displacement/relocation plan must be submitted.
4. Units accessible/usable by the handicapped.
5. \$40,000 maximum HOME Program financing per assisted unit.
6. Maximum of 25% of total development cost for County financing.
7. Maximum of 7% of construction/rehabilitation cost for general requirements.
8. Maximum of 6% of construction/rehabilitation cost for builder's overhead.
9. Maximum of 2% of construction/rehabilitation cost for builder's profit.
10. Maximum of 5% of construction/rehabilitation cost for architect's fees.
11. Maximum of 2.5% of permanent financing for origination fee.
12. Maximum of .5% of permanent financing for credit enhancement fee.
13. Maximum of 1% of permanent financing for cost of issuance.
14. Maximum of 5% of total project cost for development contingency.
15. Maximum of 12% of total project cost for developer's fee and overhead.
16. Minimum of 5% vacancy rate per year.
17. Maximum of 3% increase in rent, income, and expenses per year.
18. Maximum of 18 month operating deficit reserve for operating expenses, reserve for replacement payments, and debt service.
19. Maximum of 115% annual debt service.
20. Maximum of 50% of units at 50% rent level.
21. Maximum 6% property management fee

P. Processing of Proposals

1. Owner prepares and submits a project proposal application to the York County Planning Commission.
  - a. The Planning Commission shall review the proposal for eligibility. If the project is ineligible, the owner will be notified.
  - b. The Planning Commission shall review eligible project applications for completeness. If application is not complete, the application will not be processed.
2. The Planning Commission will contact existing tenants to certify incomes and current rental charges.
3. The Planning Commission will conduct an initial inspection within two weeks after receiving a complete proposal to review the project site; and in the case of rehabilitation, to determine the work required, verify the cost estimate and determine project physical feasibility.
4. The Planning Commission will review construction plans and specifications for compliance with Program requirements, including PA Department of Labor and Industry approval and Davis-Bacon prevailing wages.
5. The Planning Commission will analyze the pro forma to determine the least amount of assistance required, analyze rate of return on equity investment, and prepare a loan summary for the Loan Committee.
  - a. Owner is required to make a presentation to the Loan Committee.
  - b. Upon review and approval of the County's Loan Committee, the Planning Commission will issue a feasibility letter. The feasibility letter will indicate the amount of assistance that may be provided and the terms and conditions that must be satisfied for a commitment letter to be issued.
  - c. A commitment letter will be issued if the information requested in the Feasibility Letter is submitted in the time period required and is determined to be satisfactory by the Planning Commission. The funding commitment will be for 120 days.
  - d. In the event that the application is rejected, the HOME Program Specialist shall be responsible for issuing an Adverse Action letter to the applicant as soon as possible. The letter will be sent certified, return receipt requested and ten (10) day appeal period will commence on the date received.

If the applicant elects to appeal the decision of the Loan Committee, he/she shall be asked to present his/her case to a Appeal Board. The decision of the Appeal Board shall be binding and final.

6. Owner shall secure bid(s) within twenty-one days of receiving the Planning Commission funding commitment, and shall notify the Planning Commission of the successful bidder.
7. Loan settlement and contract documents - The following is a list of documents that must be submitted prior to settlement. Additional documents may be requested by the County, at its sole discretion. Some documents may not be applicable to your project.
  - a. Notice of Rescission
  - b. Funds Statement
  - c. Affidavit of Title
  - d. Mortgage Loan Disclosure Statement
  - e. Primary Mortgage & Security Agreement
  - f. Promissory Note
  - g. Disbursal of Funds Statement
  - h. Acknowledgment of Receipt
  - i. Contract Agreement
  - j. Proceed Order
  - k. Stipulation Against Liens
  - l. Restrictive Covenants
  - m. UCC Financing Statements (Primary Mortgage and Support Mortgage)
  - n. Support Mortgage and Security Agreement
  - o. Support Note
  - p. Management Agreement
    - 1) Fair Housing Marketing Plan
    - 2) Affirmative Marketing Plan
    - 3) Evidence of Compliance with the Uniform Relocation Assistance Real Property Acquisition Policies Act of 1970
    - 4) Management Plan
    - 5) Tenant Selection Plan
  - q. Assignment of Leases and Rents
  - r. Assignments of Agreements Affecting Real Estate
  - s. Agreement to Pay Cost Overruns
    - 1) Development Contingency Fund Agreement
    - 2) Development Contingency Fund Letter of Credit or Cash
    - 3) Operating Deficit Fund Agreement
    - 4) Operating Deficit Letter of Credit or Cash
  - t. Mortgagor's Certification of Environmental Inspection
  - u. Acknowledgment of Obligation of Pro Rata Cost of Issuance
  - v. Mortgagor's Certification of Compliance with State and Federal Requirements
  - x. Mortgagor's Certification of Project Financing
  - y. Mortgagor's Pledge Agreement
  - z. Commitment Letter(s)
  - aa. Construction Cost Estimate - Approved General Contractor, Mortgagor, Architect and County.
  - bb. AIA Document A-101 Construction Contract with Addendum List of Subcontractors.
  - cc. Wage Determination
  - dd. Documentation Evidencing the Bid Process

- ee. Payment Bond and Performance Bond or Letter of Credit
- ff. Waiver of Liens: Contractors
  - Subcontractors
  - Architect and Design Architect
- gg. Architect's Certification (compliance with building and HOME Program standards)
- hh. AIA Document B-141 Architect Contract
- ii. Plans & Specifications, with Department of Labor and/or Governmental approvals, with General Contractor and Mortgagor approvals (reviewed for compliance with local codes, housing quality standards)
- jj. Evidence of Section 3 and MBE/WBE Compliance
- kk. Preventative Maintenance Plan
- ll. Partnership Organizational Documents
  - 1) Limited Partnership Agreement
  - 2) Certificate of Limited Partnership (Recorded with Secretary of State)
  - 3) Partnership Resolution
  - 4) Certificate of Good Standing
- mm. Corporate Organizational Documents
  - 1) Bylaws
  - 2) Articles of Incorporation
  - 3) Corporate Resolution
  - 4) Certificate of Good Standing
  - 5) Incumbency Certificates
  - 6) 501(c) (3) Determination
  - 7) CHDO Designation
- nn. Financial Statements of Mortgagor
- oo. Tax Identification Number (IRS W- Form)
- pp. Opinion Of Mortgagor's Counsel as to organizational validity, local code and program compliance issues. (Subject to the approval of lender's counsel)
- qq. Insurance Policies (with County named Mortgagee, Additional Insured and Loss Payee)
  - 1) Hazard & Fire & Builder's Risk Casualty
  - 2) Flood Insurance
  - 3) Liability Insurance with Workman's Compensation, Contingent & Public Liability
  - 4) Architect's Insurance
  - 5) Fidelity Bonds
- rr. Environmental Audit
- ss. Current Survey with metes & bound reports, Surveyors Report
- tt. Commitment for Title Insurance or Title Binder
- uu. Exhibit A with Property Identification Number (for recording purposes)
- vv. Evidence of utility services (within 30 days of Loan Closing Date) and evidence of dedication of all public roads, sewers, etc. (letter from municipality)
- ww. Permits and Governmental Approvals:
  - 1) Zoning
  - 2) Building Permits
  - 3) Flood Plain Certification
  - 4) Compliance with Fire Safety Act
- xx. Market Study/ Property Appraisal
- yy. Initial Payout Application

zz. Ancillary Loan/Funding Documents

8. Contractor secures all necessary building permits and work begins.
9. Rehabilitation Specialist conducts progress inspections and certifies payments to the contractor.
10. Rehabilitation Specialist does inspection sixty days from work completion.
11. Property inspections are made annually and rent and tenant information is certified.
12. All invoices, regardless of the funding source from which payment is requested, **MUST** be submitted to the York County Planning Commission. No payment will be made unless all federal, state and local requirements are satisfied.

## **CHAPTER 2**

### **HOME Program Application Forms**

**COUNTY OF YORK, PENNSYLVANIA  
HOME PROGRAM  
LOAN APPLICATION**

**Date of Application**\_\_\_\_\_

Project Name \_\_\_\_\_  
Site Address \_\_\_\_\_  
City \_\_\_\_\_ Zip \_\_\_\_\_ Twp. \_\_\_\_\_  
Census Tract No \_\_\_\_\_ Census Block No \_\_\_\_\_  
House District \_\_\_\_\_ Senate District \_\_\_\_\_ Congressional \_\_\_\_\_

**A. APPLICANT INFORMATION**

Name \_\_\_\_\_  
Address \_\_\_\_\_  
City \_\_\_\_\_ State \_\_\_\_\_ Zip \_\_\_\_\_  
Contact Person \_\_\_\_\_ Telephone No. ( ) \_\_\_\_\_  
Email Address \_\_\_\_\_ Fax No. ( ) \_\_\_\_\_

1. Type of Sponsoring Entity:

- For Profit
- Nonprofit
- Joint Venture between a for profit and nonprofit organization
- Other (describe) \_\_\_\_\_

2. Type of Ownership Entity:

- General Partnership

Other \_\_\_\_\_

- Limited Partnership
- Corporation
- Individual

3. Legal Status of Ownership Entity:

- Currently Exists  
Name of Ownership Entity \_\_\_\_\_  
Fed. ID or Social Security No. \_\_\_\_\_  
List all General Partners \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
 To be Formed  
Estimated Date of Filing \_\_\_\_\_

4. If a nonprofit Organization is involved in the project check all that apply:

- Community Housing Development Organization (CHDO)
- IRS 501 c (3) approved
- IRS 501 c (4) approved
- Primary purpose includes fostering of low income housing
- Will participate in the project operations throughout the compliance period

Describe on separate sheet, ownership interest and involvement in project.

5. Has the developer, it's shareholders, officers or directors, partners or members ever been convicted of a felony? \_\_Yes\_\_No.If yes, explain:\_\_\_\_\_

\_\_\_\_\_

The mere conviction of a crime, standing alone, does not disqualify the applicant.

6. Are those individual or businesses comprising the development team, who are required to be licensed, in fact licensed? \_\_Yes\_\_No. If no, explain:\_\_\_\_\_

7. Are you or any of the applicants or general partners currently debarred or suspended by HUD? \_\_Yes\_\_No. If yes, explain:\_\_\_\_\_

8. Are you or any of the applicants or general partners currently under investigation by any local, state or federal agency? \_\_Yes\_\_No If yes, explain:\_\_\_\_\_

9. In the space provided below, briefly describe the project.

**B. DEVELOPMENT TEAM** (complete all that apply)

Sponsor/Developer \_\_\_\_\_  
(FIRM)  
\_\_\_\_\_  
(CONTACT PERSON)  
\_\_\_\_\_  
(STREET)  
\_\_\_\_\_  
(CITY, STATE, ZIP)  
( ) \_\_\_\_\_ ( ) \_\_\_\_\_  
(PHONE NUMBER) (FAX NUMBER)

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

Tax ID Number, if available \_\_\_\_\_

**Co-Sponsor/Developer**

\_\_\_\_\_  
(FIRM)  
\_\_\_\_\_  
(CONTACT PERSON)  
\_\_\_\_\_  
(STREET)  
\_\_\_\_\_  
(CITY, STATE, ZIP)  
( ) \_\_\_\_\_ ( ) \_\_\_\_\_  
(PHONE NUMBER) (FAX NUMBER)

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

Tax ID Number, if available \_\_\_\_\_

Architect: \_\_\_\_\_  
(FIRM)  
\_\_\_\_\_  
(CONTACT PERSON)  
\_\_\_\_\_  
(STREET)  
\_\_\_\_\_  
(CITY, STATE, ZIP)  
( ) \_\_\_\_\_ ( ) \_\_\_\_\_  
(PHONE NUMBER) (FAX NUMBER)

Email address: \_\_\_\_\_

Tax ID Number, if available \_\_\_\_\_

Contractor: \_\_\_\_\_  
(FIRM)  
\_\_\_\_\_  
(CONTACT PERSON)  
\_\_\_\_\_  
(STREET)  
\_\_\_\_\_  
(CITY, STATE, ZIP)  
( ) \_\_\_\_\_ ( ) \_\_\_\_\_  
(PHONE NUMBER) (FAX NUMBER)

Email address: \_\_\_\_\_

Tax ID Number, if available: \_\_\_\_\_

Management agent \_\_\_\_\_  
(FIRM)  
\_\_\_\_\_  
(CONTACT PERSON)  
\_\_\_\_\_  
(STREET)  
\_\_\_\_\_  
(CITY, STATE, ZIP)  
( ) \_\_\_\_\_ ( ) \_\_\_\_\_  
(PHONE NUMBER) (FAX NUMBER)

Email address: \_\_\_\_\_

Tax ID Number, if available: \_\_\_\_\_

Attorney: \_\_\_\_\_  
(FIRM)  
\_\_\_\_\_  
(CONTACT PERSON)  
\_\_\_\_\_  
(STREET)  
\_\_\_\_\_  
(CITY, STATE, ZIP)  
( ) \_\_\_\_\_ ( ) \_\_\_\_\_  
(PHONE NUMBER) (FAX NUMBER)

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

Tax ID Number, if available: \_\_\_\_\_

Consultant: \_\_\_\_\_  
(FIRM)

\_\_\_\_\_  
(CONTACT PERSON)

\_\_\_\_\_  
(STREET)

\_\_\_\_\_  
(CITY, STATE, ZIP)

( ) \_\_\_\_\_ ( ) \_\_\_\_\_  
(PHONE NUMBER) (FAX NUMBER)

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

Tax ID Number, if available: \_\_\_\_\_

**C. DEVELOPMENT DESCRIPTION**

1. Type of Proposed Rental Development:

- Multifamily                       Assisted Living Facility
- Single Room Occupancy    Personal Care Facility
- Single Family Detached    Other

2. Physical Characteristics of Development:

a. Construction Type

- New Construction
- Rehabilitation
- Moderate or  Substantial

b. Building Type

- Garden Apartments       Mid Rise (up to 5 stories)
- Townhouse                 High Rise (6 or more stories)
- Walkup Apartments       Other \_\_\_\_\_

c. Occupancy Type

- General                       Homeless
- Elderly, age 55 or older    Elderly, age 62 or older
- Mentally Disabled         Physically Disabled
- Other

d. Development Specifications

- Number of buildings \_\_\_\_\_ Number of stories \_\_\_\_\_
- Total number of units \_\_\_\_\_
- Total number of low income units \_\_\_\_\_
- Are the buildings contiguous?  yes  no
- Number of wheelchair or accessible units \_\_\_\_\_
- Number of hearing/vision impaired units \_\_\_\_\_

e. Project size per square footage - including all buildings:

- Gross building area (include basement only if improved) \_\_\_\_\_
- Gross commercial and all commercial related areas \_\_\_\_\_
- Gross residential and residential related areas \_\_\_\_\_
- Total land area \_\_\_\_\_
- Total number of on-site parking spaces \_\_\_\_\_

f. Utilities available at the site:                      Provider

- Water \_\_\_\_\_
- Sewer \_\_\_\_\_
- Gas \_\_\_\_\_
- Electric \_\_\_\_\_

Project must have public water and sewer to be considered for funding.

g. Project Utilities:

Complete in detail the source of the following services and whether the utility service expense will be paid by the project:

Utility	Included in rent	Type of Service (Gas, Elec., Etc.)
Heat	Yes ___ No ___	_____
Hot Water	Yes ___ No ___	_____
Cooking	Yes ___ No ___	_____
Lights in Unit	Yes ___ No ___	_____
Lights in Public Space	Yes ___ No ___	_____
Air Conditioning	Yes ___ No ___	_____
Water	Yes ___ No ___	_____
Trash/Rubbish	Yes ___ No ___	_____
Sewage	Yes ___ No ___	_____

h. List community facilities and amenities planned for the development. Continue on separate attachment, if necessary.

\_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

3. Site Information:

a. Is site control in place for the entire development? \_\_\_ Yes \_\_\_ No

b. Type of control: Lease \_\_\_ Agreement \_\_\_ Expiration Date \_\_\_\_\_  
 Deed \_\_\_ Option \_\_\_ Expiration Date \_\_\_\_\_

Provide documentation evidencing site control.

c. Is this site properly zoned for the development? \_\_\_ Yes \_\_\_ No. If no, provide what the zoning issues are and a schedule to receive approval. \_\_\_\_\_

\_\_\_\_\_

d. Does the site/building(s) have any historic or archeological significance? \_\_\_ Yes \_\_\_ No. If Yes, explain \_\_\_\_\_

\_\_\_\_\_

Submit letter from State Historic Preservation Officer.

e. Does the building qualify for Historic Tax Credits? \_\_\_ Yes \_\_\_ No

f. Is the property located in a 100 year flood plain? \_\_\_ Yes \_\_\_ No. (The County will not fund a project located in a 100 year flood plain)

g. Mileage from site of the following facilities/services:

h. Was structure built before January 1, 1978? \_\_\_ Yes \_\_\_ No

If yes, has structure been rehabilitated after January 1, 1978? \_\_\_ Yes \_\_\_ No  
 Is the structure certified lead free? \_\_\_ Yes \_\_\_ No

<b>FACILITY/ SERVICE</b>	<b>LESS THAN 1/4</b>	<b>1/4 TO 1/2</b>	<b>1/2 TO 3/4</b>	<b>3/4 TO 1</b>	<b>1 TO 2</b>	<b>2 TO 3</b>	<b>3 TO 4</b>	<b>4 TO 5</b>	<b>5 TO 7</b>	<b>7 TO 10</b>	<b>10 &amp; OVER</b>
<b>Education:</b>											
<b>Elementary</b>											
<b>Intermediate</b>											
<b>Senior</b>											
<b>Social/ Recreation</b>											
<b>Health Facility</b>											
<b>Food and Drugs</b>											
<b>Retail Commercial</b>											
<b>Fire and Rescue</b>											
<b>Employment</b>											
<b>Public Transportation</b>											

4. Describe the services that will be provided to tenants.

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**D. ANNUAL INCOME INFORMATION**

1. Is the property currently occupied?  Yes  No  
 If yes, What is the current occupancy rate: \_\_\_\_\_%

**Submit copy of rent roll**

If no, has the project been occupied within the last 12 months?  Yes  No  
 If the property was occupied within the last 12 month state the reason for the decline is occupancy. \_\_\_\_\_  
 \_\_\_\_\_

2. Does development of the project involve relocation?  Yes  No

(Indicate number of families and/or businesses.) \_\_\_\_\_

Will the proposed activity result in temporary or permanent displacement or relocation?  
 Temporary relocation \_\_\_\_\_ Permanent relocation \_\_\_\_\_

Have residents been given relocation benefits or notices?  Yes  No

**Note: The sponsor should be prepared to absorb the necessary relocation expenses which should be reflected in the development costs.**

**CURRENT RENTALS - (Only if building is currently occupied)**

No.of B/R	No.of Units	Average Square Ft.	Current Monthly Rent	Additional Utility Cost	Total Housing Expense
<b>SRO</b>					
<b>EFF</b>					
<b>1 BR</b>					
<b>2BR</b>					
<b>3BR</b>					
<b>4BR</b>					

**Total** \_\_\_\_\_



PROJECT: \_\_\_\_\_ SPONSOR: \_\_\_\_\_  
 CONTRACTOR \_\_\_\_\_ DATE: \_\_\_\_\_  
 FORM COMPLETED BY: \_\_\_\_\_  
 CONSTRUCTION PERIOD \_\_\_\_\_ (MONTHS)

DIV. #	Description	Cost
01	General Requirements	
02	Site Work	
03	Concrete	
04	Masonry	
05	Metal	
06	Carpentry	
07	Moisture Protection	
08	Doors & Windows	
09	Finishes	
10	Specialties	
11	Equipment	
12	Furnishings	
13	Special Construction	
14	Conveying Systems	
15a	Plumbing	
15b	Heating, Ventilating & Air Conditioning	
16	Electrical	
	<b>Subtotal</b>	
	Builder's Overhead %	
	<b>Subtotal</b>	
	Builder's Profit %	
	<b>Subtotal</b>	
	Bond Premium	
	Construction Contingency	
	Other	
	<b>TOTAL CONSTRUCTION COSTS</b>	

**Project Information**

Estimated Construction Period \_\_\_\_ (Months)

Wage Determination:

Estimated Start Date \_\_\_\_\_

Open Shop \_\_\_\_\_

No. of Dwellings \_\_\_\_\_

Union Shop \_\_\_\_\_

Gross Building Sq. Ft. \_\_\_\_\_

Davis Bacon \_\_\_\_\_

Residential \_\_\_\_\_

Commercial \_\_\_\_\_

State Prevailing Wage \_\_\_\_\_

**Note:** As required by HUD CPD Notice 98-01, support documentation must be submitted to justify income/expenses sited in pro forma. All information requested in the following format must be submitted.

## Loan ProForma

### DEVELOPMENT BUDGET:

<b>Construction\Rehabilitation</b>	<b>Per Unit</b>	<b>Total</b>
Residential	\$	\$
Non-Residential	\$	\$
Site Work	\$	\$
General Requirements (7%)	\$	\$
Builder's Overhead (6%)	\$	\$
Builder's Profit (2%)	\$	\$
Bond Premium	\$	\$
Construction Contingency	\$	\$
Off site Improvements	\$	\$
Tap fees and Permit fees	\$	\$
Other	\$	\$
Total Construction/Rehabilitation	\$	\$
<b>Fees</b>		
Architect-Design	\$	\$
Architect-Supervision	\$	\$
Legal	\$	\$
Legal Acquisition	\$	\$
Engineering	\$	\$
Surveys/Studies	\$	\$
Other	\$	\$
Total Fees	\$	\$
<b>Miscellaneous Project Charges</b>		
Property Appraisal/Market Study	\$	\$
Environmental Audit	\$	\$
Application Fees	\$	\$
Rent-up Expenses	\$	\$
Furnishings	\$	\$
Relocation	\$	\$
Other	\$	\$
<b>Construction Financing</b>		
Construction Interest	\$	\$
Const. Loan Fee-Appl./Origination	\$	\$
Taxes during Construction	\$	\$
Insurance during Construction	\$	\$
Title and Recording	\$	\$
Other	\$	\$

## DEVELOPMENT BUDGET *(continued)*

<b>Permanent Financing</b>	<b>Per Unit</b>	<b>Total</b>
Loan Origination Fee (2.5%)	\$	\$
Credit Enhancement (.5%)	\$	\$
Cost of Issuance (1%)	\$	\$
Total Permanent Financing	\$	\$
<b>Land and Building Acquisition</b>		
Land Acquisition	\$	\$
Building Acquisition	\$	\$
Other	\$	\$
<b>Project Reserves</b>		
Operation Reserves	\$	\$
Development Contingency Fund (5%)	\$	\$
Tax Escrow	\$	\$
Insurance Escrow	\$	\$
Other	\$	\$
Total Project Reserves	\$	\$
<b>Developers Fee and Overhead (12%)</b>	<b>\$</b>	<b>\$</b>
<b>Syndication Fees and Expenses</b>		
Organizational	\$	\$
Bridge Loan Interest	\$	\$
Bridge Loan Fees	\$	\$
Legal	\$	\$
Accounting	\$	\$
Cost Certification	\$	\$
Tax Credit Allocation Fee	\$	\$
Tax Credit Monitoring Fee	\$	\$
Other	\$	\$
Total Syndication Fees	\$	\$
<b>Total Project Cost</b>	<b>\$</b>	<b>\$</b>

**TOTAL SOURCES OF FUNDS:**

	<b>Source</b>	<b>Amount</b>
First Mortgage		\$
Subordinate Loans		\$
Grants		\$
Syndication Equity		\$
Developers Equity		\$
Other		\$
Total Sources of Funds		\$

**MAXIMUM MORTGAGE CALCULATION:**

Gross Rent Potential Base Year  
Plus Other Income  
Minus Vacancy (5%)  
Equals Net Revenue

Minus Operating Expenses  
Equals Net Operating Income (NOI)  
Divided by Debt Coverage Ratio (1.15)  
Equals Income to Support Debt

Remainder Cash Flow After Financing

Potential Loan Based on:  
Rate: Term:

**OPERATING BUDGET:**

	<b>Per Unit/Year</b>	<b>Total Annual</b>
<b>Administrative</b>		
Marketing/Advertising	\$	\$
Office Supplies/Expense	\$	\$
Management Fee ( %)	\$	\$
Legal	\$	\$
Audit	\$	\$
Miscellaneous	\$	\$
Total Administrative	\$	\$
<b>Utilities</b>		
Fuel Oil	\$	\$
Electric	\$	\$
Water & Sewer	\$	\$
Natural Gas	\$	\$
Total Utilities	\$	\$
<b>Operating and Maintenance</b>		
Janitor Supplies	\$	\$
Exterminating	\$	\$
Rubbish and Trash Removal	\$	\$
Security	\$	\$
Grounds Maintenance/Supplies	\$	\$
Repairs Materials	\$	\$
Repairs Contracts	\$	\$
HVAC Maintenance	\$	\$
Painting and Decorating	\$	\$
Miscellaneous (elevator maint. etc)	\$	\$
Total Operating and Maintenance	\$	\$
<b>Payroll</b>		
Office/Manager Salaries	\$	\$
Maintenance Salaries	\$	\$
P/R Taxes	\$	\$
Workmens Compensation	\$	\$
Employee Benefits	\$	\$
Total Payroll	\$	\$
<b>Taxes and Insurance</b>		
Real Estate Taxes	\$	\$
Misc. Taxes and Permits	\$	\$
Property and Liability Insurance	\$	\$
Misc. Insurance	\$	\$
Total Taxes and Insurance	\$	\$
<b>Total Supportive Services</b>	<b>\$</b>	<b>\$</b>

<b>Total Operating Expenses Before Reserves</b>	<b>Per Unit/Year</b>	<b>Total Annual</b>
	\$	\$
<b>Reserves</b>		
Replacement Reserve	\$	\$
Equipment Purchase	\$	\$
Capital Improvement	\$	\$
Total Reserves	\$	\$
<b>Total Operating Expense and Reserves</b>		

Note: A projected Operating Budget must be supplied for years 1 - 15.

## Certification Form

### All Applicants for HOME funding must sign the application

The Applicant certifies that all information provided in this application and all information furnished in support of this application is given for the purpose of obtaining funding through the HOME Program and further certifies that this information is true and complete to the best of the Applicant's knowledge and belief. The Applicant authorizes verification to be obtained from any source named within this application. It is further understood by the Applicant that any and all information obtained in the process of establishing eligibility for this program may be reviewed by the Loan Committee for the purpose of determining the approval or rejection of this application.

The Applicant further certifies that he/she they is/are the owner(s) of the property described in this application and that the HOME funding will be used only for the work on the property described in this application.

The Applicant further certifies that he/she/they has/have not required any tenant to move without just cause during the twelve months prior to this date and will indemnify the County of York with respect to any relocation claims arising from such undisclosed displacement.

The Applicant further certifies that the County may request or require changes in the information submitted herewith, may substitute its own figures which it deems reasonable for any or all figures provided herein by the undersigned and may supply an amount significantly different from the amount requested.

The Applicant further certifies the all documents requested by the County of York or the legal counsel for the County of York shall be submitted.

**PENALTY FOR FALSE OR FRAUDULENT STATEMENT: U.S.C. Title 18, Sec.1001 provided:**  
"Whoever, in any manner within the jurisdiction of any department or agency of the United States knowingly and willfully falsifies.... or makes any false, fictitious or fraudulent statement or entry, shall be fined not more than \$10,000 or imprisoned not more than five years, or both.

---

Signature

Date

---

Signature

Date

## **CHAPTER 3**

### **Maximum per Unit Subsidy**

**CHAPTER 4**  
**CHDO Requirements**

## **COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDOs)**

Among its purposes, the National Affordable Housing Act was created to: (1) promote partnerships between States, units of general local government and nonprofit organizations and; (2) to expand nonprofit organizations' capacity to develop and manage decent and affordable housing. While there are many types of nonprofit organizations, and any nonprofit may receive HOME funds, only funds going to Community Housing Development Organizations (CHDOs) may count against the minimum 15% of each participating jurisdiction's (PJ's) HOME allocation.

### **A CHDO must be a:**

- Developer, sponsor or owner of HOME assisted housing who has effective management control of a project, and is,
- Organized and structured according to the standards provided in the HOME Final Rule.

### **15% Set-aside**

Participating Jurisdictions must invest at least 15% of their HOME allocation for investment in housing owned, developed or sponsored by CHDOs. Nonprofit organizations not meeting the criteria for CHDOs can receive HOME monies. However, they are not eligible for the 15% set-aside for CHDOs.

- PJs have up to 18 months from the date HUD signs the HOME Investment Partnership Agreement to reserve their 15% set-aside for CHDOs. A specific Cash and Management Information (C/MI) form must be used to reserve CHDO funds;
- Not all CHDOs need to be identified at one time;
- The level of funds reserved for a specific CHDO may be adjusted as experience and capacity changes;
- Set-aside funds not reserved for CHDOs within 18 months are automatically recaptured by HUD and are no longer available to the PJ;
- Recaptured funds will be reallocated by a national competition to other participating jurisdictions for CHDO projects;
- Funds reserved for CHDOs are also subject to the statutory requirements that all PJs must be committed to specific projects within two years. Thus, if the full 18 months are used before reserving funds for a CHDO, the CHDO has only 6 months to commit the funds to specific projects.

### **Eligible Activities**

CHDOs may use the 15 percent set-aside to carry out any eligible HOME development activity for housing which they develop, own, or sponsor. Because tenant assistance is not a development activity, CHDOs cannot use the set-aside for this purpose.

Up to 10 percent of each PJ's funds set aside for CHDOs may be used for special project-specific loans. These loans assure that CHDOs have access to funds up-front for project pre-development expenditures. All loans may not exceed customary and reasonable project preparation costs and must be repaid to the PJ from construction loan proceeds or other project income. Repayment of these loans may be waived in part, or in whole, if there are impediments to project development that the PJ determines are reasonably beyond the CHDOs control.

There are two types of loans: (1) technical assistance and site control loans; and (2) seed money loans. "Technical assistance and site control loans" are to be used to determine the feasibility of eligible projects by CHDOs in the early stages of site development. These loans may be used only to pay the costs of:

- Consulting, legal, engineering, and/or architectural fees;
- Preliminary financial applications;
- Initial feasibility studies;
- Engaging a development team; and
- Site control and title clearance for the project(s).

"Seed money loans" may be used to cover preconstruction project costs, including, but not limited to the costs of obtaining:

- Firm construction loan commitments;
- Architectural plans and specifications;
- Zoning approvals; and
- Engineering studies and legal fees for the project(s).

### **Technical Assistance**

HUD is authorized to provide educational and organizational support to CHDOs receiving HOME funds from participating jurisdictions' set-aside allocations. HUD will provide this assistance through contract with nonprofit intermediary organizations. Technical assistance funds may be awarded competitively by HUD to provide direct technical assistance in the following substantive areas:

- Organizational Support;
- Housing education;
- Program-wide support for nonprofit development and management;
- Benevolent loan funds;
- Community development banks and credit unions.

**NOTE:** A Notice of Funding Availability (NOFA) for technical assistance to CHDOs will be published in the Federal Register in early Spring 1992. A CHDO cannot receive assistance for organizational support and housing education for any fiscal year in an amount that, together with other federal assistance (including CDBG), provides more than 50 percent of the organization's operating budget in the fiscal year.

## CHDO CHECKLIST

The information contained in this checklist refers to the definition of Community Housing Development Organizations (CHDOs) in Subpart A, Section 92.2 of the HOME Final Rule. The checklist should be used as a tool to educate participating jurisdictions about the documents they must receive from a nonprofit before it may be certified as a CHDO.

### I. LEGAL STATUS

A. The nonprofit organization is organized under State or local laws, as evidenced by:

\_\_\_\_\_ a Charter, OR  
\_\_\_\_\_ Articles of Incorporation.

B. No part of its net earnings inure to the benefit of any member, founder, contributor, or individual, as evidenced by:

\_\_\_\_\_ a Charter, OR  
\_\_\_\_\_ Articles of Incorporation.

C. Has a tax exemption ruling from the Internal Revenue Service (IRS) under Section 501 (c)(3) of the Internal Revenue Code of 1986, as evidenced by:

\_\_\_\_\_ a 501 (c)(3) Certificate from the IRS.

D. Has among its purposes the provision of decent housing that is affordable to low and Moderate-income people, as evidenced by a statement in the organization's:

\_\_\_\_\_ Charter  
\_\_\_\_\_ Articles of Incorporation  
\_\_\_\_\_ By-laws, OR  
\_\_\_\_\_ Resolutions.

## **II. CAPACITY**

- A. Conforms to the financial accountability standards of attachment F. Of OMB Circular 110, "Standards for Financial Management Systems", as evidenced by:

\_\_\_\_\_ a notarized statement by the president, or chief financial officer of the organization;

\_\_\_\_\_ a certification from a Certified Public Account, OR

\_\_\_\_\_ a HUD approved audit summary.

- B. Has a demonstrated capacity for carrying out activities assisted with HOME funds, as evidenced by:

\_\_\_\_\_ resumes and/or statements that describe the experience of key staff members who have successfully completed projects similar to those to be assisted with HOME funds, OR

\_\_\_\_\_ contract(s) with consultant firms or individuals who have housing experience similar to projects to be assisted with HOME funds, to train appropriate key staff of the organization.

- C. Has a history of serving the community where housing to assisted with HOME funds will be used, as evidenced by:

\_\_\_\_\_ a statement that documents at least one year of experience in serving the community, OR

\_\_\_\_\_ for newly created organizations formed by local churches, service or community organizations, a statement that documents that its parent organization has at least one year of experience in serving the community.

The CHDO, or its parent organization must be able to show one year of serving the community from the date the participating jurisdiction provides funds to the organization. In the statement, the organization must describe its history (or its parent organization's history) of serving the community by describing activities which it provides (or its parent organization provides), such as, developing new housing, rehabilitating existing housing stock and managing housing stock, or delivering non-housing services that have had lasting benefits for the community, such as counseling, food relief, or child care facilities. The statement must be signed by the president of the organization or by a HUD approved representative.

### III ORGANIZATIONAL STRUCTURE

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

\_\_\_\_\_ By-Laws,  
\_\_\_\_\_ Charter, OR  
\_\_\_\_\_ Articles of Incorporation.

Under the HOME program, for urban areas, the term, "community", is defined as one or several neighborhoods, a city, county, or metropolitan area. For rural areas, "community" is defined as one or several neighborhoods, a town, village, county, or multi-county area (But not the whole state), provided that the governing board contains low-income Residents from each of the multi-county areas.

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

\_\_\_\_\_ the organization's By-laws,  
\_\_\_\_\_ Resolutions, OR  
\_\_\_\_\_ a written statement of operating procedures approved by the governing body.

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

\_\_\_\_\_ By-laws,  
\_\_\_\_\_ Charter, OR  
\_\_\_\_\_ Articles of Incorporation.

- D. If the CHDO is sponsored or created by a for-profit entity, the for-profit entity may not appoint more than one-third of the membership of the CHDO's governing body, and the board members appointed by the for-profit entity may not, in turn, appoint the remaining two-thirds of the board members, as evidenced by the CHDO's:

\_\_\_\_\_ By-laws,  
\_\_\_\_\_ Charter, OR  
\_\_\_\_\_ Articles of Incorporation.

**IV. RELATIONSHIP WITH FOR PROFIT ENTITIES**

A. Is not controlled, nor receives directions from individuals, or entities seeking profit from the organization, as evidenced by:

\_\_\_\_\_ the organization's By-laws, OR  
\_\_\_\_\_ a Memorandum of Understanding (MOU).

B. A Community Housing Development Organization may be sponsored or created by a for-profit entity, however:

(1) the for-profit entity's primary purpose does not include the development or management of housing, as evidenced:

\_\_\_\_\_ in the for-profit organization's By-laws

AND:

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

\_\_\_\_\_ By-laws,  
\_\_\_\_\_ Charter, OR  
\_\_\_\_\_ Articles of Incorporation

## **CHAPTER 5**

### **Income Limits**

**CHAPTER 6**  
**Utility Allowances**

YORK COUNTY  
HOME INVESTMENT PARTNERSHIP (HOME) PROGRAM  
AFFORDABLE RENTAL HOUSING DEVELOPMENT  
UTILITY ALLOWANCE  
POLICY

The York County Planning Commission (YCPC) administers the HOME Investment Partnership (HOME) Program for the County of York.

The HOME Program Final Rule at 24 CFR Part 92, Subpart F, Section 92.252 (c) states:

**“Initial rent schedule and utility allowances.** The Participating Jurisdiction (York County) must establish maximum monthly allowances for utilities and services (excluding telephone). The Participating Jurisdiction must review and approve rents proposed by the owner for units subject to the maximum rent limitations in paragraphs (a) or (b) of this section. For all units subject to the maximum rent limitations in paragraphs (a) or (b) of this section for which the tenant is paying utilities and services, the Participating Jurisdiction must ensure that the rents do not exceed the maximum rent minus the monthly allowances for utilities and services.”

Maximum allowable HOME rents must be reduced if the tenant pays for utilities. The calculation of Section 8 FMRs includes all utilities and housing-related services, except telephone. HUD’s calculation of high and low rents also includes utilities.

In some of the affordable housing developments in York County monitored by YCPC, many utilities - water, heat, air conditioning, fuel, etc. - are not included in rents and are paid by the tenant.

Utility allowances provide a mechanism for reducing the maximum allowable HOME rents when some or all utilities are paid by the tenant.

Beginning January 1, 2006, all owners, during the first year of occupancy of tenants in those developments where tenants pay their own utilities, must use the Section 8 utility allowances provided by The Housing Authority of the City of York. These allowances will be provided to the owners by YCPC.

For the second and subsequent years, owners will be required to use either the Section 8 utility allowances **or** conduct actual tenant surveys of at least one-third (1/3) of the typical households in their developments to determine the utility allowance used. Any and all documentation of this calculation **must** be reviewed by the County on a yearly basis for approval.

## **CHAPTER 7**

### **Allowable Rents**

## **CHAPTER 8**

### **Minority/Women Owned Businesses**

## **CHAPTER 9**

### **Tenant Notification Letter**

Dear:

On or about \_\_\_\_\_, we will submit an application for financial assistance to the County of York, Pennsylvania to rehabilitate the existing apartments and construct new apartments at \_\_\_\_\_, York, Pennsylvania.

This is a **notice of nondisplacement**. You will not be required to permanently move as a result of the rehabilitation. This notice guarantees you the following:

1. You will be able to lease and occupy your present apartment (or another suitable, decent, safe, and sanitary apartment in the same building/complex) when the rehabilitation is completed. Your monthly rent will remain the same; or if increased, your new rent and estimated average utility costs will not exceed 30% of the gross income of all adult members of your household. Of course, you must comply with the reasonable terms and conditions of your lease.
2. You may be required to move so that the repairs can be completed. If you are required to move, you will be reimbursed for all of your out-of-pocket extra expenses, including the cost of moving to and from the unit you temporarily occupy and any additional housing costs. The temporary unit will be decent, safe and sanitary, and all other conditions of the temporary move will be reasonable. If you are required to move, you will be given a separate notice and enough time to move before the renovations begin.

Since you will have the opportunity to occupy a newly rehabilitated apartment, we urge you **not to move**. If you move after receipt of this notice on your own, you will not receive any relocation assistance that you may be entitled to under the Uniform Relocation assistance and Real Property Acquisition Policies Act of 1970, as amended.

We will make every effort to accommodate your needs. We will be contacting you to set-up an appointment to meet and talk with you about the project and your eligibility for assistance. If you have any questions, please contact us at \_\_\_\_\_. Please retain this letter because it is important to you.

Sincerely,

## **CHAPTER 10**

### **Displacement/Relocation Requirements**

## **CHAPTER 11**

### **Application Review and Approval Process**

## **PROJECT PROPOSAL REVIEW/COUNTY POLICIES**

The County will first review the project's construction costs, fees, operating income and expenses to determine the project's financial feasibility and long-term viability. The budget/proforma shall be scrutinized for completeness, reasonableness and appropriateness of financial need to complete the project.

The County will not fund development in the identified 100-year flood plain.

The County shall encourage the location of new residential development in areas provided public water and sewer, adjacent to existing villages or settlement areas.

The County shall support efforts to provide for the specialized housing needs of elderly and handicapped residents.

A minimum application request of at least \$100,000, is required.

An application fee of \$500.00 is required with all HOME Program applications. Check should be made payable to "Affordable Housing Trust Fund".

## **SELECTION CRITERIA**

### Project Considerations

1. Evidence of site control.
2. Project has received a letter of support from the chief elected official of the local government where the project is located.
3. Maximum of 18 month operating deficit reserve for operating expenses, reserve for replacement payments, and debt service.
4. Project's readiness to proceed. Items to be taken into consideration: zoning in place, developer owns site, financing sources committed, development team is experienced, subsidy layering review completed, executed construction contract, and building permit issued.

### Development Team Capacity/Experience

1. Experience of Development team in developing the type and size of proposed project.
2. The Development team for a project could include the following: Contractor, Architect/Engineer, Leasing Agent, Property Manager, Syndicator, Construction Manager, Mortgage Banker, Provider of Feasibility Study, Developer, Supportive Services Provider.
3. The Development team should have experience in all phases of project development and demonstrate a commitment to the project.

### Marketability of Units

1. A determination as to the marketability of the project shall be made based upon the market rental assessment submitted with the application.

## **CHAPTER 12**

### **Project Sign**

**A York County  
HOME Investment Partnership Project  
(PROJECT NAME)**

**This Project is Funded in Part By  
The York County HOME Program**

YORK COUNTY COMMISSIONERS

LORI O. MITRICK, PRES.

DOUGLAS KILGORE

STEPHEN CHRONISTER

## PROJECT SIGN

The contractor is required to furnish and erect a project sign as specified below prior to beginning any work under this contract. The cost and erection of the sign is the contractor's responsibility and no compensation will be made for this work. Local zoning ordinances shall be considered prior to the construction and placement of the site sign.

- A. Sign shall be 3/4" standard exterior grade plywood, smooth one side, primed on site. Background of panel shall be painted white, lettering shall be dark green. All paint shall be marine paint approved by U.S. Plywood as being compatible with field-applied primer. Edges of the plywood panel should be caulked and 1" x 2" wood strips applied before priming.
- B. Sign will be attached to two wood posts, preservative treated, 4 inches by 4 inches nominal dimensions, set and tamped firmly in ground a minimum of 30 inches. Fasten sign to post with rust-proof lag screws, 3/8 inch by 3 inches long, two per post, spaced 8 inches from top and bottom of plywood face.
- C. Lettering shall be of the size indicated on the sketch provided. Sign layout and wording shall be approved by owner prior to painting.
- D. Sign shall be six feet wide and four feet high and shall be erected at the location designated by the owner.
- E. Site conditions may prevent the above installation specifications from being adhered to. Variations will be allowed with permission of owner.