

REQUEST FOR PROPOSALS

The Chesapeake Redevelopment and Housing Authority (CRHA) will accept Proposals from qualified applicants for the HOME Program Set-aside for Community Housing Development Organizations (CHDO's) to develop own or sponsor decent, safe, sanitary and affordable housing. Proposals will be accepted indefinitely at 1468 S. Military Highway, Chesapeake, Virginia 23320.

Copies of the Request for Proposals identifying the scope of requirements and evaluation factors for selection may be obtained from the Authority's Procurement Office at the above address or call (757) 233-6413.

Prospective Offerors may submit questions regarding the RFP to the person identified in Section **I. A.** below. Minority-owned and Women-owned Business Enterprises are encouraged to submit proposals.

A.L. Harbin III
Procurement Officer, CRHA

**REQUEST FOR PROPOSALS FOR HOME FUNDING FOR
COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDO's)**

TABLE OF CONTENTS

SECTION I. - INTRODUCTION	I-1
GENERAL INFORMATION.....	I-1
PURPOSE OF CHDO SET-ASIDE FUNDS.....	I-1
AVAILABLE FUNDS.....	I-1
ELIGIBLE ACTIVITIES AND COSTS.....	I-1
UNIQUE REQUIREMENTS OF THE HOME PROGRAM.....	I-2
HOMEOWNERSHIP PROJECTS.....	I-2
RENTAL PROJECTS.....	I-3
SECTION II. - REQUIREMENTS	II-1
PROPOSAL REQUIREMENTS.....	II-1
PROPOSAL SUBMISSION DEADLINE.....	II-1
ANNOUNCEMENT OF FUNDING AWARDS.....	II-1
COMPETITION ELIGIBILITY.....	II-1
DEFINITIONS AND OTHER REFERENCE SOURCES.....	II-2
SECTION III. - APPLICATION INSTRUCTIONS	III-1
PART I – GENERAL INFORMATION AND OVERVIEW.....	III-1
PART II –APPLICANT EXPERIENCE.....	III-1
PART III – NEEDS ASSESSMENT.....	III-2
PART IV – PROJECT DESCRIPTION.....	III-2

PART V – PROJECT BUDGET.....	III-3
PART VI – PERFORMANCE MEASUREMENT.....	III-5
PART VII – PROJECT TIME LINE.....	III-6
PART VIII – OTHER CHDO ACTIVITTIES.....	III-6
ATTACHMENT I – MAXIMUM ALLOWABLE HOMEBUYER INCOME ..	III-7
ATTACHMENT II – COST CONSIDERATIONS AND GUIDANCE FOR HOMEOWNERSHIP PROJECTS.....	III-8
ATTACHMENT III – RENTAL HOUSING PROJECTS- OCCUPANCY AND RENT REQUIREMENTS.....	III-10
ATTACHMENT IV – MAXIMUM PER-UNIT SUBSIDY	III-12
ATTACHMENT V – CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY’S RESALE/RECAPTURE PROVISIONS AND AFFORDABILITY AGREEMENT FOR NEW CONSTRUCTION HOMEOWNERSHIP/PURCHASE WITH REHABILITATION AND REHABILITATION WITHOUT PURCHASE.....	III-13
SECTION IV. – APPLICATION	
APPLICATION SUBMISSION CHECKLIST.....	IV-1
PART I - GENERAL INFORMATION AND OVERVIEW.....	IV-2
PART II - APPLICANT EXPERIENCE.....	IV-5
PART III - NEEDS ASSESSMENT.....	IV-8
PART IV - PROJECT DESCRIPTION.....	IV-9
PART V - PROJECT BUDGET.....	IV-13
PART VI – PERFORMANCE MEASUREMENT.....	IV-17
PART VII - IMPLEMENTATION TIME FRAME/PROJECT SCHEDULE.....	IV-18
PART VIII – OTHER CHDO ACTIVITIES.....	IV-19
APPEDNDIX I – PROJECT BUDGET FOR HOMEOWNERSHIP PROJECTS..	IV-20

APPENDIX II – PROJECT BUDGET FOR RENTAL PROJECTS.....	IV-23
SECTION V – EVALUATION CRITERIA.....	V-1
PART I - GENERAL INFORMATION AND OVERVIEW.....	V-1
POINT ALLOCATION SUMMARY CHART.....	V-1
PART II - APPLICANT EXPERIENCE.....	V-2
PART III - NEEDS ASSESSMENT.....	V-2
PART IV - PROJECT DESCRIPTION.....	V-2
PART V - PROJECT BUDGET.....	V-3
PART VI – PERFORMANCE MEASUREMENT.....	V-3
PART VII - IMPLEMENTATION TIME FRAME/PROJECT SCHEDULE.....	V-4
MANDATORY SUPPORT DOCUMENTS.....	V-4

REQUEST FOR PROPOSALS
FROM
COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS
SET-ASIDE APPLICANTS

CRHA 08-R-004

Chesapeake Redevelopment
and Housing Authority

1468 S. Military Highway
Chesapeake, Virginia 23320

I. INTRODUCTION

A. General Information

Project Title: CHDO Funding Proposals

Issue Date: April 7, 2008

Issuing Agency: CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY (CRHA)

Pre-Proposal Conference: Prospective Offerors may submit questions regarding the RFP to the person identified below.

Due Date: Open indefinitely, proposals shall be remitted to CRHA Central Office at 1468 South Military Highway, Chesapeake, VA 23320

All questions/concerns prior to submittal of a proposal shall be in writing and faxed to Avis Hinton at (757) 523-1601 or sent via e-mail to avis_hinton@crhava.org.

1. Invitation

The Chesapeake Redevelopment and Housing Authority (CRHA), is seeking qualified applicants for HOME set-aside funding for Community Housing Development Organizations (CHDO's) to develop, own or sponsor decent, safe, sanitary and affordable housing.

2. Purpose of CHDO Set-Aside Funds

The National Affordable Housing Act of 1990 (NAHA) established the HOME Investment Partnerships Program as an affordable housing block grant program for states and selected localities throughout the nation. A major purpose of the HOME Program is to expand the capacity of non-profit, Community Housing Development Organizations (CHDO's) to *develop, own or sponsor* decent, safe, sanitary and affordable housing. Consequently, state and designated localities participating in the HOME Program must reserve 15 percent of their total annual allocation for housing that is owned, developed, or sponsored by certified CHDO's.

3. Available Funds and Types of Assistance

In order to meet the requirements of the HOME Program, the City of Chesapeake reserves 15 percent of its HOME allocations annually as a set-aside for CHDO's to develop, own or sponsor affordable housing. CHDO Set-aside funds may be offered as a grant or a loan and are made available through a competitive process.

4. Eligible Activities and Costs

CHDO set-aside funds may be used for acquisition and/or rehabilitation of rental housing or homebuyer properties, new construction of rental or homebuyer properties, and/or direct financial assistance to purchasers of HOME-assisted homebuyer properties developed or sponsored by a CHDO. Other eligible costs associated with a project may include:

- a. Architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups.
- b. Costs to process and settle the financing for a project such as private lender origination fees, credit reports, fees for title evidence, fees for recordation and the filing of legal documents.
- c. Building permits, attorney's fees, private appraisal fees

CHDO's may not use project set-aside funds for general administrative or operating expenses; however, CHDO's awarded project set-aside funds, may apply for CHDO Operating funds.

B. Unique Requirements of the HOME Program

1. General Considerations

A CHDO must meet certain general requirements of the HOME program whether they choose to carry out a homebuyer or rental housing project. General program requirements include the per-unit subsidy amounts, affordability periods, property standards, and match requirements.

The minimum per unit investment for all HOME projects is \$1,000. Maximum per unit subsidies also apply to all HOME projects. Refer to Attachment IV for maximum per unit subsidy limits. For the purposes of applying the per unit subsidy requirements, a unit may be a single-family home, condominium, townhome, individual units in a 1-4 unit, owner-occupied building, or a rental unit.

All HOME-assisted housing units will carry an affordability period. Affordability requirements vary according to the type of unit assisted and the amount of HOME investment.

CHDO's receiving Set-Aside Funds through the Chesapeake HOME Program will be required to provide a 25 percent match contribution from non-federal funding sources. Eligible forms of match include cash contributions, donated property, donated/voluntary labor, and donated construction materials. Additional information about eligible match sources can be found in the budget section of the application portion of this document. Questions regarding eligible match contributions may also be directed to Avis Hinton, Management Analyst at (757) 233-6406.

All HOME-assisted projects must meet basic housing quality standards, local building codes and other applicable standards. Inspections to ensure compliance with property standards are required.

CHDO set-aside funds are not designed to fully fund affordable housing projects. Instead, the program exists to enable CHDO's to leverage other financial resources for affordable housing development. CHDO's must identify other sources of public and/or private sector financing for proposed projects.

2. Homeownership Projects

CHDO projects developed for low-income homebuyers must benefit residents whose incomes are 80% or less of the area median income (AMI) (Section III, Attachment I). Initial purchase price of the home or the appraised value of the home after rehabilitation cannot exceed \$237,500 for single-family homes and condominium units. Furthermore, these homes must be sold to persons who will occupy the residence as their principal residence.

Period of Affordability

The following periods of affordability apply to homeownership units assisted with HOME funds:

HOME amount per-unit	Minimum period of affordability in years
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15

Recapture requirements

All homeownership units are subject to CRHA’s Resale and Recapture Provisions and Affordability Agreement (Section III, Attachment V).

3. Rental Projects

Rental projects assisted with CHDO Set-Aside Funds may only benefit tenants whose income is 60 percent or less of the AMI. In addition, in projects that have five or more units, at least 20 percent of the units must be made available to tenants whose incomes are 50 percent or less of the AMI. Most importantly, the rental property owner may not charge rents that exceed limits established by the United States Department of Housing and Urban Development (HUD). CHDO’s interested in undertaking rental projects should carefully examine the occupancy and rent requirements outlined in Attachment III (Section III, Attachment III) of this document.

Period of Affordability

The following periods of affordability apply to rental units assisted with HOME funds:

HOME amount per-unit	Minimum period of affordability in years
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15
New construction	20

During the period of affordability, the units are governed by the occupancy and rent requirements presented in Attachment III. Affordability and rent requirements are ensured through the use of deed restrictions. If the property is sold during the affordability period subsequent owners are bound by the deed restrictions until the affordability period is satisfied. Further, annual monitoring will be undertaken to ensure that rent, occupancy, property standards and other HOME program requirements are met.

4. Other Project Requirements

Other requirements applicable to rental projects cover tenant/participant protections, tenant participation plan, property standards, and displacement/relocation. Davis-Bacon Act wage provisions apply to all projects (rental and homeowner) with twelve or more units assisted with HOME funds. Both homeownership and rental-type developments carry on-going affordability monitoring requirements. Affirmative marketing requirements apply to all homebuyer and rental projects with 5 or more HOME-assisted units. Both rental and homeowner projects selected for funding will be expected to abide by all applicable requirements contained in the HOME Regulations (24 CFR 92).

II. REQUIREMENTS

A. Proposal Requirements

1. The housing development proposal submitted must contain the following elements:
 - a. Completed application with required forms
 - b. Supporting documentation including:
 - i. A copy of the CHDO certification letter issued by the City of Chesapeake, if applicable.
 - ii. A copy of the organization's most recent financial statement and a current budget indicating projected revenue sources and expenditures.
 - iii. A list of the organization's Board of Directors that indicates their city of residence, place of employment, and whether or not they are low income.
2. The proposed project must be consistent with the current Consolidated Plan for the City of Chesapeake. Proposed projects considered by the City to be inconsistent with the Consolidated Plan will not be considered for CHDO funding. A copy of the Consolidated Plan for fiscal years 2010-2014 can be requested from Chesapeake Redevelopment and Housing Authority.

3. Contact information:

Avis E. Hinton, Management Analyst
Phone: (757) 233-6406
E-mail: avis_hinton@crhava.org

B. Proposal Submission

All proposals should be received at Chesapeake Redevelopment and Housing Authority at 1468 South Military Highway, Chesapeake, VA 23327-1304. Applicants are required to submit a signed original proposal and three copies. Please label the signed original document. Faxed copies are not acceptable.

C. Announcement of Funding Awards

Successful applicants will be informed by mail.

D. Competition Eligibility

Completion of this request for proposal is the first step in the CHDO certification process. In general, a CHDO is a nonprofit organization that has representation of the interests of low income persons on their governing board and that has among its primary purposes the creation of affordable housing. A detailed regulatory definition of CHDO may be found in the HOME Final Rule in the Code of Federal Regulations, Title 24, Part 92, Section 2 (24CFR92.2). The Code of Federal Regulations may be searched on the web at <http://www.gpoaccess/cfr/retrieve.html>. Your response to this solicitation should provide documentation of your nonprofit status, board membership, mission, and compliance with the regulatory definition of a CHDO. The CHDO certification process can be lengthy so all interested organizations should contact Avis Hinton at 757.233.6406 or avis_hinton@crhava.org with any questions.

E. Definitions and Other Reference Sources

1. The following definitions apply to this procurement:

Acquisition - The purchase of real property for first-time homeownership or residential rental use.

Appraised Value - The monetary worth of property as determined by an independent appraiser.

Area Median Family Income (AMFI) - The median income, adjusted for family size, as established by the U.S. Department of Housing and Urban Development for the City of Chesapeake.

Community Housing Development Organization (CHDO) - A private non-profit organization meeting the requirements established by the U.S. Department of Housing and Urban Development in 24 CFR Part 92 and, certified by the HOME recipient (City of Chesapeake).

Homeownership Project - A project, which provides low-income homebuyers with the opportunity to own an affordable home.

Rehabilitation - Physical improvements and repairs to a facility, which will secure it structurally, correct code defects, increase energy efficiency, and assure safe and sanitary operation.

Rental Project - A project involving the acquisition, rehabilitation and/or construction of rental units for occupancy by low-income tenants.

2. For definitions and terms not defined here please reference the following pages on the Department of Housing and Urban Development (HUD) websites:

<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm>

This is the general HOME Investment Partnership (HOME) Program page. This page offers a link to the HOME Final Rule (Title 24 Code of Federal Regulations Part 92 [24 CFR 92]). Set-aside funding for CHDO's is required under the HOME Program. The HOME program Final Rule should be referenced for a complete set of program requirements. This documents provides program highlights only.

<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/topical/chdo.cfm>

This page has several guidance documents related to CHDO's. CPD Notice 97-11 defines the terms "developer", "owner" and "sponsor".

III. APPLICATION INSTRUCTIONS

Part I - General Information and Overview (Required, No Points)

A. General Information

This portion of the application provides a summary of the proposed project. The applicant should complete Part A (General Information) and indicate N/A (not applicable) for items, which do not pertain to the proposed project. Applicants should refer to the definitions in Section II. Requirements, Subsection E. on page II-2 to determine the meaning of unfamiliar terms.

B. Executive Summary

The executive summary consists of a one page narrative overview of the entire project. This information should be written in a clear and concise manner that induces the reader to examine the entire proposal. The executive summary should be addressed after an applicant carefully and thoroughly completes the proposal narrative.

C. Statement of Applicant

An applicant must complete and sign the Statement of the Applicant in order for the proposal to receive consideration. Applicants should review and consider the implications of each point of the Statement of Applicant prior to signing.

Part II- Applicant Experience (20 Points)

A. Narrative (15 Points)

It is extremely important for the organization to indicate its level of experience in undertaking affordable housing projects. If an organization does not have direct experience in owning, sponsoring, or developing affordable housing, the applicant should discuss any housing related services currently or previously provided by the organization. Applicants should demonstrate that their experience and record of accomplishments qualify them to undertake housing activities using CHDO set-aside funds. Please describe experience related to project, financial and construction management as well as with real estate. If desired, applicants with an extensive record of service to the community may attach an appendix to their proposal outlining their organization's history, housing or housing related programs, and significant accomplishments; however, appended materials should not be substituted for the required summary.

B. Applicant Experience Forms (5 Points)

These forms should be completed by those CHDO's, which have previously owned or developed affordable housing projects. In those cases where the project was both owned and developed by the CHDO, only the development name needs to be listed on form B-2.

Part III- Needs Assessment (15 Points)

In this section, the applicant should provide a clear statement of the need which their project addresses. The applicant organization should minimally address the following:

- 1) What is the scope of the problem? Does it impact the entire city, multiple neighborhoods, or only a specific neighborhood in Chesapeake?
- 2) Has this problem been previously recognized and identified?
- 3) Are other agencies and/or resources currently addressing this problem? If applicable, identify gaps in service.
- 4) Is the project consistent with the needs identified in the City's Consolidated Plan?

It is critical that the applicant cite sources for the needs assessment. An important source of information is the City's Consolidated Plan. Other useful sources include city U. S. Census information, newspaper articles, and surveys/studies conducted by local organizations.

The following categories of housing have been identified for special emphasis based on the current needs in the community. Areas of need include housing for elderly persons, housing for disabled persons, accessible housing, rental housing where housing choice vouchers (Section 8) may be used, and housing development in geographic target areas.

Part IV- Project Description (20 Points + up to 15 Bonus Points)

A. Narrative

In this section, the applicant organization should provide an overall description of the proposed project that will address the housing problem identified in the previous section. As part of its program description, the applicant should address the following items:

- 1) Describe how this project relates to current or previous projects undertaken by your organization.
- 2) Describe any cooperative efforts, which you plan to undertake with other organizations to complete this project.

- 3) If applicable, describe how this program will address service gaps identified in your needs assessment.
- 4) Describe how this project will benefit and strengthen the neighborhood in which the project is located.
- 5) Provide resumes of staff members to be involved in the project. (**NOTE:** CHDO Set-Aside funds may not be used for general administrative expenses.)

The following categories of housing have been identified for special emphasis based on the current needs in the community. Areas of need include housing for elderly persons, housing for disabled persons, accessible housing, rental housing where housing choice vouchers (Section 8) may be used, and housing development in geographic target areas. A proposal that address areas of special emphasis will be awarded bonus points. Three additional points will be awarded for each area of special interest that the proposed project serves. For example, a rental housing project for seniors fitted for handicapped accessibility would receive 6 bonus points.

B. Project Description Forms

The applicant should provide all relevant information requested on the project description forms. If the pertinent information is not available at the time of application, the CHDO should provide an attachment, which explains the reason(s) for the information's absence from the proposal. For projects involving scattered site rental units or multiple single-family homes, the applicant will need to complete project description forms for each site or home. In some cases, an organization may identify houses available for sale at the time of proposal development only to find the houses have been sold once the CHDO funds are available. Nevertheless, the CHDO should identify specific properties available at the time of proposal development. Floor plans and elevations for new construction projects should also be included in this section (as available) as well as a map showing the location of the project(s). Note: Each project description form should have a corresponding budget in Part V- Project Budget.

Part V- Project Budget (20 Points)

A. Project Development Costs and Return on Investment for Homeownership Projects

The applicant must provide a budget for each individual homeownership project using the format contained in **Appendix I** of the application. For example, a proposal involving three acquisition and rehabilitation projects and two new construction projects should have a total of five (5) project budgets. Pre-development costs, acquisition costs, rehabilitation/construction costs should be addressed in each budget. The applicant may add budget items, which pertain to these categories but are not already listed on the budget form.

B. Project Development Costs and Operating Budget for Rental Projects

1. Project Costs

The applicant must provide a rental project budget using the format contained in **Appendix II** of the application. Contractor costs, owner costs, developer's fees, and owner's acquisition costs (if applicable) should be addressed in the budget. The applicant may add budget items, which pertain to these categories but are not already listed on the budget form.

2. Operating Budget

a. *Revenue*

Rental Projects assisted with CHDO Set-Aside Funds may only benefit tenants whose income is 60 percent or less of the area median income. Further, for projects that have five or more units, at least 20 percent of the units must be made available to tenants whose incomes are 50 percent or less of the area median. Most importantly, the rental property owner may not charge rents that exceed limits established by the United States Department of Housing and Urban Development (HUD). CHDO's interested in undertaking rental projects should carefully examine the occupancy and rent requirements outlined in **Attachment III** of this document.

b. *Operating Expenses*

Applicants should provide estimated costs for activities conducted under the administrative, maintenance, and operating categories. The total of these costs will provide the Total Operating Expense (TOE) for the project. This expense divided by the number of units in the project will provide the average operating expense per unit. Applicants are encouraged to factor in increased operating expenses over time as a result of increased labor and energy costs as well as normal long-term maintenance and replacement costs.

3. Cash Flow

It is imperative that the project generates a positive cash flow during the life of the project. Since the determination of cash flow is based on information and calculations completed in Parts A (Revenue) and B (Operating Expenses), applicants should carefully review all information in both parts to ensure an accurate cash flow projection.

C. Sources of Funds

This section provides detailed financial information on the funds acquired from other public or private sources. Information regarding the applicant's match contribution should be included in Item 4 of the Project Budget. Applicants should attach a description of the anticipated match source(s).

Applicants should realize that the strongest projects are those, which plan to utilize CHDO set-aside funds in conjunction with other resources to develop affordable housing. Therefore, organizations may wish to contact local financial institutions as well as the Virginia Department of Housing and Community Development (DHCD) about possible programs, which may be used in conjunction with CHDO set-aside funds to undertake the proposed project.

Part VI- Performance Measurement (15 Points)

Performance measurement is a required element of all proposals. Performance measurement provides a clear picture of program goals, objectives for meeting goals, outputs and outcomes. Performance indicators measure proposed outcomes (benefits to the community) to demonstrate goal achievement.

Goals should describe the primary purposes of the proposal. Objectives describe the measurable steps that a CHDO will take to reach their stated goals. Outputs indicate the completion of objectives. Performance indicators demonstrate that the CHDO achieved their desired outcomes (benefit to the community).

Objectives should contain measurable outputs and a timeline for completion. Performance indicators should demonstrate the benefit to the community gained through the CHDO's activities. A sample goal with objectives, outputs and performance indicators is provided below.

Goal 1: Increase the stock of affordable housing in the City of Chesapeake for low to moderate homebuyers

Objective 1: Acquire two existing homes for rehabilitation and resale within six months of grant award.

Output 1: Secure financing for purchase of homes within 60 days of grant award.

Output 2: Locate six potential properties within 90 days of grant award.

Output 3: Place two contracts on existing homes within 120 days of contract award.

Output 4: Close two contracts on existing homes within 180 days of grant award.

Objective 2: Rehabilitate two existing homes within one year of contract award.

Objective 3: Sell two rehabilitated homes to low to moderate-income homebuyers.

Goal 1 Performance indicator: Two rehabilitated homes in the City of Chesapeake sold to low to moderate income home buyers within 18 months of grant award.

Performance measurement serves multiple functions. It requires an organization to articulate their goals, and their action plan for meeting goals (objectives and outputs). The funding organization can therefore evaluate the feasibility of the proposal and its consistency with program goals. Finally, performance measurement allows for accountability and program evaluation. The use of performance measurement allows an organization and their funders to trace the progress of activities, and reach conclusions about the effectiveness of activities. This information is extremely valuable in no matter what the actual outcomes of the activities. Failures can be avoided, and successes can be duplicated.

Part VII- Project Time Line (10 Points)

The Project Time Line form lists many of the key activities involved in affordable housing development. Applicants may adapt the form to reflect important aspects of their development schedule. An estimated completion date for each distinct activity should be provided as appropriate. These dates will provide a useful overview of the estimated time required by an organization to complete each major development activity.

Part VIII- Other CHDO Activities (Mandatory)

CHDO's must indicate current CHDO projects and funding commitments in Chesapeake and other jurisdictions.

ATTACHMENT I - MAXIMUM ALLOWABLE HOMEBUYER INCOME TABLE

Published by the Department of Housing and Urban Development December 2013

Household Size	1	2	3	4	5
Income Limit: 80% of the Area Median Family Income for the Norfolk-Virginia Beach-Newport News, VA-NC MSA	\$41,100	\$46,950	\$52,800	\$58,650	\$63,350

ATTACHMENT II - COST CONSIDERATIONS AND GUIDANCE FOR HOMEOWNERSHIP PROJECTS: CHESAPEAKE HOME CHDO PROGRAM

Determining Monthly Mortgage Payment

Families assisted under the CHDO Homeownership Program cannot earn more than 80% of area median income. Furthermore, a project should be structured so that the mortgage payment is not less than 20% or more than 30% of a household's gross monthly income. The 20-30% window is appropriate for the following reasons:

- 1) In a HOME-assisted project where a family pays less than 20% of its monthly gross income for mortgage (PITI), the project might be construed as being over subsidized.
- 2) On the other hand, a monthly mortgage payment greater than 30% of a family's gross monthly income might be a tremendous burden for the family and adversely impact the family's ability to meet the monthly mortgage payments and retain ownership of the property.

Acquisition/Rehabilitation of Existing Properties

Unfortunately, higher than anticipated rehabilitation costs may result in a monthly mortgage payment higher than 30% of a family's gross monthly income. Such a situation may be acceptable so long as the first mortgage lender is comfortable with the applicant's debt ratios. By identifying suitable homebuyers prior to the acquisition of vacant houses for rehabilitation, a CHDO can match a homebuyer with an affordable unit. Furthermore, the CHDO can determine the appropriate amount of HOME subsidy needed to support the acquisition and/or rehabilitation of the property so the homebuyer's monthly mortgage payment will range from 20% to 30% of their annual gross income. The HOME subsidy necessary to assist a homeowner project will be minimal in cases where the acquisition and rehabilitation costs are low and the monthly income of the homebuyer approaches 80% area median income. Conversely, a project with higher acquisition and rehabilitation costs, assisting a lower income family may require a subsidy approaching the maximum available; ideally, a home's sales price (including HOME subsidy) will equal its after rehabilitated appraised value. However, the home's sales price may exceed the after rehabilitated appraised value in cases involving higher than anticipated rehabilitation costs. The higher sales price may have the positive effect of raising values in the target neighborhood and stabilizing a fragile local real estate market. Again, this situation may be acceptable so long as the first mortgage lender is comfortable with the total liens against the property exceeding its appraised value. Nevertheless, a CHDO may not be able to pass the unanticipated rehabilitation costs onto the low-income buyer and still make the property affordable.

New Construction

Normally, new construction costs can be more accurately anticipated than rehabilitation costs for an existing structure. This situation generally makes it easier for the CHDO to match a potential homebuyer with an affordable house design on an appropriately priced lot. Generally, new construction allows the CHDO to better ensure that the potential monthly mortgage payments

will be within the 20-30% affordability window. Ideally, the sales price of the new house (including HOME subsidy) should not exceed the estimated appraised value.

Developer's Fees/Contractor's Fees

CHDO project owners/developers receiving operating assistance from Chesapeake HOME funds may assess a developer's fee not to exceed 5 percent of the acquisition and rehabilitation cost of the project or the development cost of a new house (including property acquisition and construction costs). CHDO project owners not receiving operating support through the Chesapeake HOME Program may assess a developer's fee of not more than 10 percent of the development cost of a new or existing structure. In cases where a project exceeds its budget, the CHDO may have to forgo developer's fees in order to make the project feasible.

A CHDO serving as the general contractor on a project may assess a contractor's fee of not more than 5 percent of the total contracted rehabilitation construction costs of the project. In projects involving an independent general contractor, the contractor will include such fees in the bid submitted for the project.

Generated Sales Proceeds

After all budgeted and unanticipated expenses assessed against a project are paid, the remaining funds from the sale of the property represent the generated sales proceeds. CHDO's may request to retain the proceeds from the sale of a project. The City of Chesapeake will determine if a CHDO will be permitted to keep any proceeds.

HOME-assisted CHDO projects should not generate proceeds, which exceed the amount of the HOME subsidy. For example, a project, assisted with \$14,500 in HOME funds, which generates \$14,500 or more in net proceeds in addition to funding a CHDO developer's fee is generally unacceptable. It is questionable whether HOME funds should be invested in such a project. However, this situation may be acceptable in cases where the CHDO has lost money on other HOME-assisted projects and will use the proceeds from this sale to offset those losses.

In cases where a CHDO anticipates excessive net sales proceeds (generally 10% of the sales price), the organization will be strongly encouraged to include additional features in the development budget that will benefit the low-income first-time homebuyer and the surrounding neighborhood. Such features may include: security alarm system, fence, storage shed, shutters, and/or landscaping.

Since the primary purpose of the HOME Program is to increase the supply of decent, safe, and affordable housing in Chesapeake, benefits derived from the investment of HOME funds should primarily assist the low-income first-time homebuyer. However, the long-term success of CHDO's in providing affordable housing and stabilizing fragile neighborhoods depends on the ability of these non-profit organizations to generate adequate revenue to support CHDO self-sufficiency and subsequent affordable homeownership projects. Therefore, CRHA continuously works with CHDO's to address both purposes.

ATTACHMENT III-RENTAL HOUSING PROJECTS: OCCUPANCY AND RENT REQUIRMENTS AND OTHER CONSIDERATIONS

HOME -Assisted Rental Projects with 1 - 4 Units

Projects involving one to four HOME-assisted units must serve tenants in the assisted units whose initial adjusted gross incomes do not exceed the limits (60% AMFI) in Table A-1. Furthermore, the units will not have rents that exceed the limits in Table A-2. If a tenant will be responsible for paying for utility services, a utility allowance must be subtracted from the rent limits in Table A-2. Current information on utility allowances may be obtained from CRHA.

TABLE A-1

Household Size	1	2	3	4	5
Income Limit	\$30,840	\$35,220	\$39,600	\$43,980	\$47,520

TABLE A-2 High HOME Rent Limit

Bedroom Size	Efficiency	1 BR	2 BR	3 BR	4 BR
Rent	\$815	\$874	\$1,051	\$1,205	\$1,325

Additional Considerations for Projects with 5 or more HOME-Assisted Units

For projects with five or more HOME-assisted units, at least 20% of the units must be occupied by families whose initial adjusted gross incomes do not exceed the limits (50% AMFI) in Table B-1. Furthermore, the rents for units covered by this requirement will not exceed the limits contained in Table B-2. The remaining HOME-assisted units must not exceed the rent limits outlined in Table A-2 nor have tenants whose initial incomes exceed the limits contained in Table A-1. If a tenant will be responsible for paying for utility services, a utility allowance must be subtracted from the rent limits in Table A-2 or B-2, as applicable. Current information on utility allowances may be obtained from CRHA.

TABLE B-1

Household Size	1	2	3	4	5
Income Limit	\$25,700	\$29,350	\$33,000	\$36,650	\$39,600

TABLE B-2 Low HOME rent Limit

Bedroom Size	Efficiency	1 BR	2 BR	3 BR	4 BR
Rent	\$642	\$688	\$825	\$953	\$1,063

PLEASE NOTE THE FOLLOWING INFORMATION REGARDING ADJUSTED INCOME AND RENT CALCULATIONS FOR RENTAL HOUSING.

HOME Program adjusted income limits for rental housing are calculated using the same methodology that HUD uses for calculating the income limits for the Housing Choice Voucher program (formerly Section 8 Program). The adjusted income is subject to the regulatory amendments at 24 CFR Part 5, Subpart F which affect the calculations for both disabled householders and families with one or more members who are persons with disabilities. Under 24 CFR 5.611 as amended the following amounts are required to be deducted from annual income when computing adjusted annual income.

- \$480 for each dependant
- \$400 for any elderly or disabled household member
- The sum of the following, to the extent the sum exceeds three percent of annual income:
 - Unreimbursed medical expenses of any elderly or disabled household member; and
 - Unreimbursed reasonable attendant care and auxiliary apparatus expenses for each member of the family who is a person with disabilities, to the extent necessary to enable any member of the family (including the person who is a person with disabilities) to be employed. This deduction may not exceed the earned income received by family members who are 18 years of age or older and who are able to work because of such attendant care or auxiliary apparatus.
- Any reasonable childcare expenses necessary to enable a member of the family to be employed or to further his or her education.

These mandatory amounts must be deducted from annual income to determine adjusted income irrespective of the definition of annual income used at (92.203(b)). The HOME Investment Partnership page on the HUD website, found at (<http://www.hud.gov/offices/cpd/affordablehousing/programs/home/index.cfm>) offers resources and guidance for income calculation as well as an income calculator tool. The City of Chesapeake uses the Part 5 definition of income.

ATTACHMENT IV – HOME MAXIMUM PER UNIT SUBSIDY

Subsidy amount for each HOME-assisted unit (single family home, townhome, condominium, or apartment) cannot exceed the amount shown below according to the number of bedrooms in each unit.

Number of Bedrooms	Loan Limit
0	\$132,814
1	\$152,251
2	\$185,136
3	\$239,506
4+	\$262,903

Effective January 1, 2012

**CHESAPEAKE REDEVELOPMENT AND HOUSING AUTHORITY
HOME AFFORDABILITY AND RECAPTURE PROVISIONS**

Chesapeake Redevelopment and Housing Authority (CRHA) administers HOME funds for homeownership and rehabilitation. To ensure affordability under the HOME Investment Partnerships Program and the regulations issued there under (Title II, Cranston-Gonzalez National Affordable Housing Act, Public Law No. 101-625, 104 Stat. 4079 (1990), 24 C.F.R. Part 92) (the "HOME Program"), a participating jurisdiction or the entity administering the HOME Program on its behalf ("PJ") must impose resale and/or recapture requirements on each housing unit financed and/or subsidized with HOME Program funds. Housing that is for purchase by a family qualifies as affordable housing only if the housing:

- a. Has an initial purchase price that does not exceed 95% of the median purchase price for the type of single family housing (1-4 family residence, condominium unit, cooperative unit, combination manufactured home and lot, or manufactured home lot) for the jurisdiction as determined by HUD and has an estimated appraised value at acquisition, if standard, or after any repair needed to meet property standards in 92.251, that does not exceed that limit; and
- b. Will be the principal residence of an owner whose family qualifies as a low-income (*as defined in 24 CFR 5.609, Part 5 Income Eligibility*) family at the time of purchase for existing housing, when agreement is signed for lease-purchase housing, when contract is signed for housing to be constructed, and is made available for initial purchase only to qualified low-income homebuyers; and
- c. Is subject - for minimum periods of: five years where the per unit amount of HOME funds provided is less than \$15,000; ten years where the per unit amount of HOME funds provided is \$15,000 to \$40,000; and 15 years where the per unit amount of HOME funds provided is greater than \$40,000 - to the Authority's resale restrictions/recapture provisions as set forth in this Agreement and determined appropriate by HUD.

CPD 12-003 Notice, issued January 2012,"Guidance on Resale and Recapture Provision Requirements" under the HOME Program states the written resale and/or recapture provisions that a PJ submits in its Annual Action Plan must clearly describe the terms of the resale and/or recapture provisions, the specific circumstances under which these provisions will be used (if more than one set of provisions is described), and how the PJ will enforce the provisions. CRHA will utilize recapture provisions, pursuant to 24 CFR Part 92.254(a)(5)(ii)(A)(1) through (7), where the HOME Program funds are provided as a direct subsidy to the homebuyer in the form of down payment assistance and (ii) resale provisions, pursuant to 24 CFR Part 92.254(a)(5)(i)(A) and (B), where HOME Program funds are used to subsidize rehabilitation costs. Set forth below are draft recapture and resale provisions to ensure compliance with the requirements of the HOME Program.

OPTION #1 - RECAPTURE:

"Homeowner's Investment Returned First:"

The Property [Home/Unit, etc.] which is the subject of this sales contract (the "Agreement") between Chesapeake Redevelopment and Housing Authority ("CRHA") and Buyer is financed by a loan (the "Loan"), made pursuant to the HOME Investment Partnerships Program and the regulations issued thereunder (Title II, Cranston-Gonzalez National Affordable Housing Act, Public Law No. 101-625, 104 Stat. 4079 (1990), 24 C.F.R. Part 92) (the "HOME Program"), to provide down payment assistance to the Buyer. The Property is subject to the following periods of affordability (each a "Period of Affordability") based on the principal amount of the Loan provided to the Buyer: If the original principal amount of the Loan is less than Fifteen Thousand Dollars (\$15,000.00), the Period of Affordability shall be five (5) years. If the original principal amount of the Loan is between Fifteen Thousand Dollars (\$15,000.00) and Forty Thousand Dollars (\$40,000.00), the Period of Affordability shall be ten (10) years. If the original principal amount of the Loan is greater than Forty Thousand Dollars (\$40,000.00), the Period of Affordability shall be fifteen (15) years.

In the event that the original HOME recipient sells the Property at any time during the applicable Period of Affordability, the Loan will be due and payable to the extent that net proceeds of the sale ("Net Proceeds") are

available to repay the Loan. For purposes of this Agreement, the term Net Proceeds shall mean the sales price minus (i) the payoff of any non-HOME Program loans and (ii) any reasonable closing costs. If the Net Proceeds from the sale of the Property are insufficient to pay the Loan in full, CRHA shall forgive repayment of the amount of the Loan in excess of the Net Proceeds and accept the available Net Proceeds as payment in full of the Loan. After repayment of the Loan, the Buyer shall be repaid, to the extent Net Proceeds are available, for his or her investment in the Property (the "Homeowner's Investment"). Homeowner's Investment is defined as the Buyer's down payment plus the value of any capital improvements to the Property. Capital improvements shall include any major remodeling or permanent structural improvements to the Property which can be accurately documented. A more comprehensive list of eligible capital improvements and the process for verifying the cost of such improvements is contained in the CRHA Annual Action Plan. If the net proceeds exceed the amount necessary to repay both the original HOME Loan and the Homeowner's investment, the closing agent should disburse the balance of the net proceeds to the seller (who is the original HOME recipient of funds).

Enforcement (to be included in every Sales Contract/Note with recapture provisions): Recapture provisions contained herein shall be enforced through a mortgage duly filed with the Clerk of the Circuit Court of the City of Chesapeake and the requirements of such provisions shall be triggered upon sale or transfer of the HOME Program-assisted property.

OPTION #2 - RESALE:

The Property [Home/Unit, etc.] which is the subject of this Sales Contract (the "Agreement") between Chesapeake Redevelopment and Housing Authority ("CRHA") and Buyer is financed by a loan (the "Loan"), made pursuant to the HOME Investment Partnerships Program and the regulations issued thereunder (Title II, Cranston-Gonzalez National Affordable Housing Act, Public Law No. 101-625, 104 Stat. 4079 (1990), 24 C.F.R. Part 92) (the "HOME Program"), to provide funds to cover rehabilitation costs. The Property is subject to the following periods of affordability (each a "Period of Affordability") based on the total amount of HOME Program rehabilitation funds invested in the Property: If the total investment of HOME Program funds is less than Fifteen Thousand Dollars (\$15,000.00), the Period of Affordability shall be five (5) years. If the total investment of HOME Program funds is between Fifteen Thousand Dollars (\$15,000.00) and Forty Thousand Dollars (\$40,000.00), the Period of Affordability shall be ten (10) years. If the total investment of HOME Program funds is greater than Forty Thousand Dollars (\$40,000.00), the Period of Affordability shall be fifteen (15) years.

It is understood and agreed that, during the applicable Period of Affordability, the Buyer will sell only to a new buyer (i) whose family qualifies as an income-eligible family, as defined herein, and (ii) who will use the Property as its principal residence. For purposes of this Agreement, the Section 8 program definition of annual income, as contained in 24 CFR Part 5.609 (the "Section 8 Method"), shall be used to measure whether subsequent buyers are income-eligible ("Income-Eligible"). The Buyer further agrees that the Property shall be sold at a maximum resale price which is "affordable to a reasonable range of low-income homebuyers." For purposes of this Agreement, "affordable to a reasonable range of low-income homebuyers" shall be defined as a price affordable to families earning between seventy percent (70%) to eighty percent (80%) of the area median income and paying no more than thirty percent (30%) of income for the fixed costs of owning a home, which costs shall include principal payments, interest payments, property taxes and insurance ("PITI"). The maximum resale price shall be calculated by CRHA on an annual basis and included in the CRHA Annual Action Plan.

If the Buyer sells the Property during the applicable Period of Affordability, the Buyer is entitled to receive a return in the amount of the buyer's investment in the Property (the "Homeowner's Investment") plus a fair return on that investment (the "Fair Return") out of any profit realized when the Property is sold. The Fair Return is calculated by multiplying (i) the average change in the Consumer Price Index ("CPI") over the Buyer's period of ownership by (ii) the Homeowner's Investment, which is defined as the Buyer's down payment plus the costs of any capital improvements to the Property. Capital improvements shall include any major remodeling or permanent structural improvements to the Property which can be accurately documented. (A more comprehensive list of eligible capital

improvements and the process for verifying the cost of such improvements is contained in the CRHA Annual Action Plan.) Buyer understands and acknowledges that the total return he or she is eligible to receive upon sale of the Property cannot exceed the Homeowner's Investment plus the Fair Return. Buyer further understands that if the Property sells for less than, or the same price as, the original purchase price, Buyer may receive neither a return of the Homeowner's Investment nor a Fair Return.

Enforcement (to be included in every Sales Contract/Note with resale provisions): Resale provisions contained herein shall be enforced through a deed restriction duly filed with the Clerk of the Circuit Court of the City of Chesapeake and the requirements of such provisions shall be triggered upon sale or transfer of the HOME Program-assisted property.

GENERAL PROVISIONS (applicable to both resale and recapture):

The Property must be occupied as the principal residence of the Buyer during the applicable Period of Affordability. Buyer shall confirm that the Property remains his or her family's principal residence by responding annually to CRHA's written request for occupancy status. Subject to the terms of this Agreement, if the Buyer fails to maintain the Property as his or her principal residence during the applicable Period of Affordability, the Loan shall immediately become due and payable in full. The Buyer is not allowed to sublease the Property (exceptions can be made for military families with prior written approval from CRHA). In the event of a Loan default and subsequent foreclosure, the principal residence limitation shall no longer apply.

Refinancing restrictions apply to the HOME Program financing of the Property. During the applicable Period of Affordability, the Buyer is not permitted to refinance the Property without prior written approval from CRHA. CRHA will allow the subordination of its lien interest only for the sole purpose of reducing the interest rate of the Buyer's first mortgage and/or reducing the monthly payments of the Buyer's first mortgage. The Buyer must make payment to CRHA of the unforgiven amount of the principal balance of the Loan at the time of refinancing if cash or equity is removed from the Property by the Buyer.

It is understood and agreed that these recapture/resale provisions may terminate upon the occurrence of a Loan default and subsequent foreclosure or transfer in lieu of foreclosure. The Buyer will hereby acknowledges receipt of a copy of the provisions of the CRHA HOME Program resale and recapture requirements by executing of an acknowledgement of receipt document per signature line illustrated below:

Signature: _____ *Date of Receipt:* _____

IV. APPLICATION

INSTRUCTIONS: Complete this checklist and submit it with your proposal. Make sure that you have included all applicable items.

Part I- General Information and Overview (Mandatory, No Points)

- General Information
- Executive Summary
- Statement of Applicant

Part II- Applicant Experience (20 Points Total)

- Narrative (15 Points)
- Applicant Experience Forms (5 Points)

Part III- Needs Assessment (15 Points Total)

Part IV- Project Description (20 Points Total + up to 15 Bonus Points)

- Narrative (10 Points)
- Project Description Forms (10 Points)

Part V- Project Budget (20 Points Total)

- Project Budget (Use appropriate form: Homeownership or Rental)
- Sources of Funds

Part VI- Performance Measurement (15 Points Total)

Part VII- Project Time Line (10 Points Total)

Part VIII- Other CHDO Activities (Mandatory, No Points)

- Support Information/Documents (Mandatory, No Points))
 - A copy of the organization's most recent financial statement and a current budget indicating projected revenue sources and expenditures
 - A list of the organization's Board of Directors which indicates their city of residence and place of employment.

Part I – General Information and Overview

A. General Information

Date of Application	
Name of Applicant Organization	
Address	
Telephone	
Name of Executive Officer	
Title	
Application Contact Person	
Title	

Name of Development Address: Street City, State Zip Code	
--	--

	Owner	Developer	Sponsor
CHDO Role (Indicate One)			

Type of Project (See Definitions in Manual)	Homebuyer	Rental	Number of Units
Rehabilitation			
Acquisition and Rehabilitation			
New Construction			
Total Units in Project			

Total Chesapeake HOME CHDO Funds Required for Project		
Total Project Funds Required (HOME CHDO & other sources)		
Sources	Amount	
_____	_____	
_____	_____	
_____	_____	
Estimated Time Required for Project Completion (in Months)		

Part I – General Information and Overview

B. Executive Summary (One page only.)

In the space below, provide a brief overview of the proposed project

Part I – General Information and Overview

C. Statement of Applicant:

The undersigned hereby acknowledges the following:

1. That, to the best of its knowledge and belief, all factual information provided herein or in connection herewith is true and correct and all estimates are reasonable.
2. That it will at all times indemnify and hold harmless the City of Chesapeake, the Chesapeake Redevelopment and Housing Authority and their assigns against all losses, costs, damages, expenses, and liabilities of any nature directly or indirectly resulting from, arising out of or relating to the City of Chesapeake's acceptance, consideration, approval, or disapproval of this proposal and the issuance or non-issuance of an allocation of grants and/or loan funds in connection herewith.
3. That no revised representations may be made in connection with this application once the deadline for applications has passed.
4. That the City of Chesapeake 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.

In witness whereof, the undersigned, being duly authorized, has caused this document to be executed in its name on this _____ day of _____, 20__

Legal Name of CHDO Applicant

By:

(Signature)

(Title)

Part II – Applicant Experience

A. Narrative

In the space below, provide your applicant experience profile as outlined in the instruction manual. Attach resumes of key staff members involved in the project.

Part II – Applicant Experience

B. Applicant Experience Forms

1. List all developments that are fully or partially **owned** by the applicant Community Housing Development Organization (if necessary, attach additional sheets using following format).

Development Name/Address	
Ownership Principals	
Date Placed in Service	
Dates of Ownership	
Type of Financing	
Property Manager	
Address	
Phone	

Development Name/Address	
Ownership Principals	
Date Placed in Service	
Dates of Ownership	
Type of Financing	
Property Manager	
Address	
Phone	

Development Name/Address	
Ownership Principals	
Date Placed in Service	
Dates of Ownership	
Type of Financing	
Property Manager	
Address	
Phone	

Part II – Applicant Experience

B. Applicant Experience Forms (continued)

2. List all projects **developed** by the applicant Community Housing Development Organization (if necessary, attach additional sheets using following format).

Development Name/Address	
Ownership Principals	
Date Placed in Service	
Development Period	
Type of Financing	
Average Vacancy	
Property Manager	
Address	
Phone	

Development Name/Address	
Ownership Principals	
Date Placed in Service	
Development Period	
Type of Financing	
Average Vacancy	
Property Manager	
Address	
Phone	

Development Name/Address	
Ownership Principals	
Date Placed in Service	
Development Period	
Type of Financing	
Average Vacancy	
Property Manager	
Address	
Phone	

Part III – Needs Assessment

Document the need in the community for the type of project your organization plans to undertake in the City of Chesapeake.

Part IV – Project Description

A. Narrative

Provide a description of the proposed project that addresses the items outlined in the instruction manual.

Part IV – Project Description

B. Project Description Forms

Name of Project	
Address	

1. Timing of Acquisition by CHDO

Timing of Acquisition by CHDO (Select One)	
CHDO applicant is owner and already controls site by deed or long-term lease If checked, go to number four below.	
CHDO is to acquire property by deed or long-term lease If checked, complete number two below.	
CHDO is to serve as developer for the project on behalf of owner If Checked, complete number three below.	
Other (attach explanation)	

2. Type of Site Control Exercised by Applicant

Applicant controls site by (Select One & Attach Document)	
Option - attach document (expiration date: _____)	
Purchase Contract – attach document (expiration date: _____)	
Site Control Agreement With Property Owner - attach document	
Other Arrangement (attach explanation)	

3. Ownership Information (Only complete if the CHDO will develop but not own the property.)

Owner's Name	
Contact Person	
Address Street, City, State, Zip	
Federal Tax I.D. Number	
Phone	
Type of entity: (Indicate if Limited Partnership)	

B. Project Description Forms (continued)

4. Development Team Information - Complete the following as applicable to your development team.

	Name/Address	Phone
Accountant		
Attorney		
Architect		
Contractor		
Consultant		
Management Entity (For Rental Projects)		

5. Other Administrator Managed Properties (For Rental Project Applications Only) List any developments currently managed by the Management Entity, if any, indicated in item number four above. Attach extra sheets if necessary.

DEVELOPMENT NAME:	
Address:	
Owner Contact Name and Phone:	
Number of Units:	
Type of Financing:	
Management Agent and Phone:	
Address:	
Managed Since:	

Note: For those projects involving scattered-site rental units or single-family homes, applicant should provide site description information (Items 6-9 below) for each site or property.

B. Project Description Forms (continued)

6. Site Description

Name of Project	
Address	

Area of site (in acres)	
-------------------------	--

	Yes	no
Is site properly zoned for your proposed project?	<input type="checkbox"/>	<input type="checkbox"/>
If no, is site currently in the process of rezoning?	<input type="checkbox"/>	<input type="checkbox"/>

7. Structure and Units

Development's Structural Features (indicate all that apply):	
Row House/Townhouse	<input type="checkbox"/>
Apartments	<input type="checkbox"/>
Detached Single-family	<input type="checkbox"/>
Other (please specify)	<input type="checkbox"/>
Total number of units in development	
Total Gross Floor Area of development (sq. ft.)	
Age of Structure (years)	

8. Photographs

Include photographs of the site(s) and the existing residential structure(s). Provide interior pictures, which document the necessity of the proposed work.

9. Plans and Specifications

Include a site map, site plan, floor plans, elevations, specifications and work write-ups as applicable.

Part V – Project Budget

A. Project Budget

Complete a Project Budget form for the type of project proposed. See Appendix I for Homeownership Project Budget Format. See Appendix II for Rental Project Budget Format.

B. Sources of Funds (Note: Local CHDO Set-Aside Requests should be indicated in items 3 and 5 of this section.)

1. CONSTRUCTION FINANCING List individually the sources of construction financing:

Source of Funds	Date of Application	Date of Commitment	Conditional or Firm Commitment (C or F)	Amount of Funds	Name of Contact Person & Phone #

NOTE: Attach letter(s) of commitment or intent for each source of funds.

2. PERMANENT FINANCING List individually the sources of all permanent financing in order of lien position:

Source of Funds	Date of Application	Date of Commitment	Conditional or Firm Commitment (C or F)	Amount of Funds	Name of Contact Person & Phone #

NOTE: Attach letter(s) of commitment or intent for each source of funds.

Total Permanent Finance \$_____ Total Annual Debt Service Cost \$_____

B. Sources of Funds (continued)

3. GRANTS List all grants provided for the project not including CHDO-HOME funds:

Source of Funds	Date of Application	Date of Commitment	Conditional or Firm Commitment (C or F)	Amount of Funds	Name of Contact Person & Phone #

NOTE: Attach letter(s) of commitment or intent for each source of funds.

4. MATCH List Sources of match and their value:

Source of Match	When will match be available?	Value of Match

The HOME program requires that a 25 percent match of federal HOME dollars spent on a project. Match must be derived from non-federal sources. Match sources may include the following non-federal resources: cash contributions, forbearance of fees, donated real property, on and off site infrastructure for HOME-assisted projects, proceeds from affordable housing project bond financing, value of site preparation and construction materials costs, value of donated labor and professional services, sweat equity of the expected homebuyer of a homeowner unit, direct costs of supportive services for an assisted unit, and/or the cost of homebuyer counseling. Please see the HOME Program regulations for further information about eligible forms of match, match restrictions and prohibited forms of match. Applicable sections of the regulation are Title 24 Code of Federal Regulations Part 92 Section 218-221 (24CFR92.218-221). Applicants may also contact Avis Hinton with questions about match.

B. Sources of Funds (continued)

5. FUNDING SUMMARY AMOUNT OF CHDO SET-ASIDE FUNDS NEEDED:

	Amount
Total Development Costs (From Project Budget)	
Less <u>Total of All Sources of Funds other than CHDO</u>	
Less Equity that Sponsor will Fund (Source of Equity: _____)	
Equals The Amount of <u>Chesapeake CHDO Funds</u> Requested for Project (Financing Gap)	

NOTE: Possible equity sources include cash investment, contributed land, sweat equity (for first-time homeownership projects) and/or contributed building material.

7. INFORMATION REGARDING CHDO SET-ASIDE FUNDS REQUEST

Type of CHDO Assistance	Amount Requested
CHDO Grant	
CHDO Loan	
Total CHDO Assistance	

If CHDO loan assistance is proposed, please indicate the terms and conditions of the loan (i.e. the interest rate, length of time, etc.) required to make the project feasible in the space below:

B. Sources of Funds (continued)

7. COST-BENEFIT OVERVIEW:

Total Funds Required For Project (Including CHDO Assistance & Equity)	
Total Number Of Units Assisted Through Project	
Cost Per Unit (Total Funds/Total Units)	
CHDO Cost Per Unit (CHDO Funds/Total Units)	

Part VI – Performance Measurements

Provide project goals, objectives, outputs and performance indicators using the format presented in the instruction manual.

Part VII – Project Time Line

For scattered site housing, complete project schedule for each property unless work on all properties will occur simultaneously.

<u>ACTIVITY</u>	<u>COMPLETION TARGET DATE</u>
<p><i>Site Activities</i></p> <p>Option/Contract Site Acquisition Zoning Approval Site Plan Approval</p>	<p>_____ _____ _____ _____</p>
<p><i>Financing</i></p> <p><u>Rehabilitation/Construction Loan</u> Loan Application Conditional Commitment Firm Commitment</p>	<p>_____ _____ _____</p>
<p><u>Permanent Loan</u> Loan Application Conditional Commitment Firm Commitment</p> <p><u>Other Loans & Grants</u> <u>Indicate Type & Source:</u> Application Award/Commitment</p> <p><u>Other Loans & Grants</u> <u>Indicate Type & Source:</u> Application Award/Commitment</p>	<p>_____ _____ _____</p> <p>_____ _____</p> <p>_____ _____</p>
<p><i>Plans/Specifications/Working Drawings</i></p>	<p>_____</p>
<p><i>Building Permit Issued by City</i></p>	<p>_____</p>
<p><i>Closing and Transfer of Property to Owner</i></p>	<p>_____</p>
<p><i>Rehabilitation Construction Start</i></p>	<p>_____</p>
<p><i>Completion of Rehabilitation Construction</i></p>	<p>_____</p>
<p><i>Placed in Service Date</i></p>	<p>_____</p>

Part VIII – Other CHDO Activities

List current CHDO projects and funding commitments in Chesapeake.

List current CHDO projects and funding commitments in any other jurisdiction.

Indicate projected development activity in other jurisdictions over the next two years.

APPENDIX I – Project Budget for Homeownership Projects

<i>Acquisition</i>	Estimated Costs	Amount/Source of Funds
Acquisition Costs (Land + Existing Improvements)		
<u>Subtotal 1: (Acquisition Costs)</u>		

<i>Contractor Costs</i>	Estimated Costs	Amount/Source of Funds
Off-Site Improvements		
Site Work		
Other:		
Unit Structures (Rehabilitation)		
Accessory Building(s)		
Asbestos Removal		
Demolition		
Other:		
Other:		
General Requirements		
Builder's Overhead		
Builder's Profit		
Bonding Fee		
Other:		
Contractor's Overhead & Profit		
<u>Subtotal 2: (Contractor's/Builder's Costs)</u>		

APPENDIX I – Project Budget for Homeownership Projects (continued)

<i>Owner Costs</i>	Estimated Costs	Amount/Source of Funds
Building Permit		
Arch./Engineering Design Fee (\$__/_unit)		
Arch. Supervision Fee (\$____/_unit)		
Construction Loan Origination Fee		
Construction Interest (__% for ____ months)		
Taxes During Construction		
Insurance During Construction		
Cost Certification Fee		
Title and Recording		
Legal Fees for Closing		
Permanent Loan Fee (____%)		
Origination Fee (____%)		
Mortgage Insurance (____%)		
Environmental Study		
Structural/Mechanical Study		
Appraisal		
Market Study		
Lease-up/Start-up Reserve		
Operating Reserve		
Organization Cost		
Other:		
Contingency Reserve (____% of Contract)		
Owner Construction		
<u>Subtotal 3: (Owner's Costs)</u>		

APPENDIX I – Project Budget for Homeownership Projects (continued)

<i>Developer's Fees</i> (% of Subtotal 2 +3: __%)		
---	--	--

<u>Total Development Costs</u> (Subtotals 1+2+3+ Developer's Fees)		
--	--	--

APPENDIX II – Project Budget for Rental Projects

1. *Project Development Costs*

<i>Acquisition</i>	Estimated Costs	Amount/Source of Funds
Acquisition Costs (Land + Existing Improvements)		
<u>Subtotal 1: (Acquisition Costs)</u>		

<i>Contractor Costs</i>	Estimated Costs	Amount/Source of Funds
Off-Site Improvements		
Site Work		
Other:		
Unit Structures (Rehabilitation)		
Accessory Building(s)		
Asbestos Removal		
Demolition		
Other:		
Other:		
General Requirements		
Builder's Overhead		
Builder's Profit		
Bonding Fee		
Other:		
Contractor's Overhead & Profit		
<u>Subtotal 2: (Contractor's/Builder's Costs)</u>		

APPENDIX II – Project Budget for Rental Projects (continued)

I. Project Development Costs (Continued)

<i>Owner Costs</i>	Estimated Costs	Amount/Source of Funds
Building Permit		
Arch./Engineering Design Fee (\$_____/unit)		
Arch. Supervision Fee (\$_____/unit)		
Construction Loan Origination Fee		
Construction Interest (__ % for ___ months)		
Taxes During Construction		
Insurance During Construction		
Cost Certification Fee		
Title and Recording		
Legal Fees for Closing		
Permanent Loan Fee (____ %)		
Origination Fee (____ %)		
Mortgage Insurance (____ %)		
Environmental Study		
Structural/Mechanical Study		
Appraisal		
Market Study		
Lease-up/Start-up Reserve		
Operating Reserve		
Organization Cost		
Other:		
Contingency Reserve (____ % of Contract)		
Owner Construction		
Subtotal 3: (Owner's Costs)		

APPENDIX II – Project Budget for Rental Projects (continued)

<i>Developer's Fees</i> (% of Subtotal 2 +3: __%)		
<u>Total Development Costs</u> (Subtotals 1+2+3+ Developer's Fees)		

2. *Operating Budget*

a. Revenue

Tenant Type (50% or 60% median income)	Unit Type (Number of bedrooms)	Number of Units	Monthly Rent Per Unit	Total Monthly Rent

Total Monthly Income Derived From All Units [A]	
---	--

Plus Other Income Source (list): [B]	
Total Monthly Income [C = A + B]	
Annual Gross Potential Income [D = C * 12 months]	
Vacancy Allowance [E = D * Expected Rate of Vacancy]	
Annual Effective Gross Income (EGI) [D - E]	

APPENDIX II – Project Budget for Rental Projects (continued)

b. Operating Expenses

CATEGORY	COST
<p><u>Administrative:</u> Advertising/Marketing Management Fee (_____ % EGI) (_____ \$ Per Unit) Legal Accounting/Audit Administrative Payroll/Payroll Taxes Other Administrative</p>	<p>_____ _____ _____ _____ _____ _____</p>
<p><u>Maintenance:</u> Decorating Repairs Exterminating Grounds Expense Maintenance Payroll/Payroll Taxes Other Maintenance Long Term Maintenance Needs</p>	<p>_____ _____ _____ _____ _____ _____ _____</p>
<p><u>Operating:</u> Fuel (Heating/Hot Water) Electricity Water/Sewer Gas Trash Removal Other Payroll/Payroll Taxes Staff Apartments Insurance Real Estate Taxes Other Taxes Security Other Operating</p>	<p>_____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____ _____</p>
<p>Total Operating Expense (TOE)</p>	
<p>Total Operating Expense Per Unit (TOE/# units)</p>	

APPENDIX II – Project Budget for Rental Projects (continued)

3. *Cash Flow*

a. First Year

Annual EGI (from Section 2, Part a) [a]	
Total Operating Expenses (from Section 2, Part b) [b]	
Net Operating Income [a - b]	
Total Annual Debt Service (Part V, Item B2) [c]	
Cash Flow Available for Distribution [a - b - c]	

b. Years 2 - 5

	Year 2	Year 3	Year 4	Year 5
Gross Potential Income				
Less Vacancy Loss				
Effective Gross Income				
Less Operating Expenses*				
Net Income				
Less Debt Service				
Cash Flow				

*Applicants should anticipate higher operating costs over time due to increase in labor, energy and other expenses.

Estimated Annual Percentage Increase in Revenue _____%

Estimated Annual Percentage Increase in Expenses _____%

V. EVALUATION CRITERIA

Part I- GENERAL INFORMATION AND OVERVIEW

The chart below depicts a point allocation system, which will apply to all proposals submitted by Community Housing Development Organizations (CHDO’s) requesting Set-Aside Funds through the City of Chesapeake's HOME Program. Criteria for evaluating each section of the proposal immediately follows the point allocation chart.

<u>SECTION</u>	POINT ALLOCATION
Part I- GENERAL INFORMATION AND OVERVIEW	MANDATORY SUBMISSION - NO POINTS ASSIGNED
Part II- APPLICANT EXPERIENCE AND CAPACITY	20
Part III- NEEDS ASSESSMENT	15
Part IV- PROJECT DESCRIPTION	20 + up to 15 bonus points
Part V- PROJECT BUDGET	20
Part VI- PERFORMANCE MEASUREMENT	15
Part VII- PROJECT TIMELINE	10
Part VIII- OTHER CHDO ACTIVITIES	MANDATORY SUBMISSION – NO POINTS ASSIGNED
MANDATORY SUPPORT DOCUMENTS	NO POINTS ASSIGNED - HOWEVER, <u>FAILURE TO PROVIDE THESE DOCUMENTS REPRESENTS GROUNDS FOR IMMEDIATE REJECTION OF THE APPLICATION.</u>
TOTAL	100 + up to 15 bonus points

Applicants must complete General Information section and provide an Executive Summary for the proposed project. A duly authorized representative of the organization must sign the Statement of Applicant. Failure to provide the necessary signature will result in immediate rejection of the application.

Part II- APPLICANT EXPERIENCE (20 Points Total)

Narrative (15) Points

- Does the organization have the staff and financial resources to maintain current and proposed projects?
- Has the applicant previously undertaken affordable housing projects or activities? Does the applicant indicate the outcome of these projects or activities?
- If the applicant has not undertaken similar projects in the past, does it possess the necessary skills developed through the implementation of other projects?
- Has the applicant successfully demonstrated the ability to work with public and private funding sources on previous projects?
- Do the resumes of the staff members involved in this project demonstrate the skills and knowledge necessary to successfully undertake and complete the proposed project?

Experience Forms (5 Points)

- Does the applicant partially or fully own any housing developments in the City of Chesapeake? Elsewhere?
- Has the applicant previously developed any affordable housing in Chesapeake? Elsewhere?

Part III- NEEDS ASSESSMENT (15 Points)

- Does the applicant demonstrate a thorough understanding of the affordable housing problem in Chesapeake and if applicable, the designated target community?
- Does the applicant provide references to justify their needs assessment?
- Is the proposed project consistent with the Consolidated Plan?
- Does the applicant indicate the possible outcome of the identified problem if it is not addressed?
- Does the applicant indicate how addressing this problem might impact other needs in the community such as neighborhood revitalization?
- Does the applicant identify and substantiate gaps in current affordable housing programs?

Part IV- PROJECT DESCRIPTION (20 Points +up to 15 bonus points)

- Does the applicant plan to undertake any cooperative efforts with other community organizations?
- Does the applicant indicate the development of any cooperative relationships with private financial institutions to undertake the proposed project?

- Does the applicant identify how the program will address service gaps identified in the Needs Assessment?
- Does the applicant propose to focus resources in areas of special interest emphasized by CRHA (Target areas, Section 8 landlords, housing for elderly, housing for disabled, accessible housing)? Assign an additional three bonus points for each applicable category.

Part V- PROJECT BUDGET (20 Points)

- Are the costs assigned to each category reasonable for the Hampton Roads Region?
- Will CHDO funds be used to leverage other financial resources? If so, in what amount?
- Does the amount of funding from all sources (including CHDO Set-Aside Funds, Match Contributions, and Equity) meet or exceed the total development costs?
- Is the cost per unit assisted reasonable given the required funding? (Consider both overall funding and CHDO funding)
- Will the CHDO assistance required to meet the identified financing gap result in a return on investment for the City's HOME Program?
- Does the applicant clearly identify the sources and uses of the match?

For Homebuyer Projects:

- Are the development expenses reasonable and justified given the scope of the project?
- Will the project generate income for reinvestment in future HOME-eligible projects in Chesapeake?

For Rental Projects:

- Are the development and operating expenses reasonable and justified given the scope of the project?
- Is the cash flow sufficient given the rent/occupancy requirements and the affordability period?

Part VI- PERFORMANCE MEASUREMENT (15 Points)

- Do the goals clearly relate to the provision or development of affordable housing for low-income Chesapeake residents?
- Will the objectives listed under each goal lead to the advancement or accomplishment of the stated goal?
- Are the objectives measurable and reasonable given the project description?
- Does the applicant provide performance indicators for each goal?

Part VII - PROJECT TIMELINE (10 Points)

- _ Does the project schedule fully address the main steps required to successfully complete this project?
- _ Are the initiation and/or completion times indicated for each step practical given the scope of the proposed project?

MANDATORY SUPPORT DOCUMENTS (no points assigned)

The absence of any of the following documents will be considered sufficient grounds for immediate rejection of the proposal:

- _ Information indicating current project and funding commitments in Chesapeake and other jurisdictions as well as projected development activities for the next two years
- _ A copy of the organization's most recent financial statement and a current budget indicating projected revenue sources and expenditures
- _ A list of the organization's Board of Directors which indicates their city of residence, place of employment, and status as low income