

**WYOMING COMMUNITY  
DEVELOPMENT AUTHORITY**

**(WCDA)**

**2000**

**AFFORDABLE**

**HOUSING**

**ALLOCATION PLAN**

**(HOME, TAX CREDIT & TAX-EXEMPT PROGRAMS)**

## ALLOCATION PLAN

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## **I. OVERVIEW**

This Allocation Plan was designed to select those developments which satisfy the most pressing housing needs of the state, within the guidelines established by Section 42 (m)(1)(B) of the Internal Revenue Code or under HUD's HOME Investment Partnership Program at 24CFR Part 92. The three most significant criteria for HOME and Tax Credit approval are:

- Need
- Quality of Construction, and
- The characteristics of the households being served.

The **Low-Income Housing Tax Credit** was created by the Tax Reform Act of 1986 to encourage the construction and rehabilitation of housing for very low, low, and moderate-income individuals and families. Congress mandated that housing credit agencies adopt an "Allocation Plan" which defines the process used to distribute the Credit among projects.

The Tax Credit Program is a regulated and highly complicated program. Final interpretations of certain rules and regulations governing various facets of the program have not yet been issued by the U.S. Department of Treasury; consequently, additional requirements or conditions applying to the tax credit may be forthcoming. **It is strongly suggested that project sponsors interested in the Tax Credit Program contact their tax accountant and/or attorney before developing projects under the Tax Credit Program. While WCDA will endeavor to assist those persons applying for an allocation of tax credits, WCDA personnel are not tax or legal experts and applicants should not rely on WCDA for tax and/or legal advice.**

The total amount of Tax Credit available in Wyoming is disclosed in the Current Year Summary Attachment "A".

The **HOME Investment Partnership Program (HOME)** was created under Title II (the Home Investment Partnerships Act) of the National Affordable Housing Act of 1990, and is codified under 24CFR Part 92 (HOME Investment Partnerships Program). The general purposes of HOME include: 1.) the expansion of the supply of decent and affordable housing, particularly rental housing, for low and very-low-income Americans, 2.) strengthening the abilities of State and local governments to design and implement strategies for achieving adequate supplies of decent, affordable housing and 3.) extending and strengthening partnerships among all levels of government and the private sector, including for-profit and non-profit organizations, in the production and operation of affordable housing.

The **Consolidated Plans** for Housing and Community Development for the City of Casper, the City of Cheyenne, and the State of Wyoming ("Consolidated Plans") identify several priorities for housing.

## **II. APPLICATION PROCESS**

ALL projects applying for **Tax Credits** must comply with all aspects of the Wyoming Community Development Authority Affordable Housing Allocation Plan. This includes, but is not limited to, those projects applying for credits under the state Tax Credit Cap, and those projects utilizing Tax-Exempt Bond financing whether or not WCDA is the Bond Issuer.

ALL projects applying for **HOME** funds must comply with all pertinent aspects of the Wyoming Community Development Authority Affordable Housing Allocation Plan. This includes compliance with 24CFR Part 92 as detailed in the WCDA HOME Program Description (Allocation Plan Attachment G).

The application fee for **Tax Credits** is \$150 for projects with twenty units or less and \$500 for projects with over twenty units. This fee **must** be included with the application. Applications received without this fee will be returned. The application fees may be subject to change at a later date.

There is no application fee for projects which are only applying for **HOME** funds.

Those applying for funding under either program need to submit:

- ø a completed WCDA Application Form including all supplements and appropriate Exhibits (no substitutions or changes to any forms will be accepted),
- ø an Affirmative Fair Housing Marketing Agreement (See Application Exhibit A-1),
- ø a Previous Participation Statement and Authorization for Release of Information (See Application Exhibit A-3),
- ø an independent comprehensive, timely, and professional Market Study. At a minimum, the Market Study must include those items outlined in the Current Year Summary Attachment "B". (Those projects under 30 units will not be required to use a professional Market Study firm if they can provide the same type of information through other methods.) If the Market Study contradicts current economic statistics on file with WCDA, the project will not rank high in the needs category.
- ø projects located in entitlement cities (Cheyenne and Casper) must provide a **current** (no older than 6 months) signed letter of consistency with the Consolidated Plan from the applicable Jurisdiction, or
- ø projects located in non-entitlement cities (everywhere except Cheyenne and Casper) must provide a **current** (no older than 6 months) signed letter of support from the applicable Jurisdiction,
- ø all rental rehabilitation projects must provide a Capital Needs Assessment (including an Economic Feasibility Assessment of Expenses), stating the viability and long term feasibility of the project,

## II. APPLICATION PROCESS (Cont.)

- ø all Acquisition/Rental Rehabilitation projects must provide an appraisal. The acquisition price on which tax credits are allowed will be limited to the appraised value of the property prior to rehabilitation,
- ø the appropriate application fee, and
- ø Tax Credit Projects must submit a completed IRS form 8821 Tax Information Authorization (See Application Exhibit A-5).

Applicants must be current on **ALL** fees due and owing WCDA before an application will be accepted. Also, an application may be denied if it is determined that related projects are not progressing in a timely manner.

Incomplete applications will be returned. Applications once submitted are considered final for review and allocation purposes, although additional information and updates may be requested in order to complete the review process.

In addition, projects requesting tax credits from the non-profit set-aside need to submit a Non-Profit Certification (See Application Exhibit A-4) as to the non-profit's involvement in the project. This certification must be submitted with the application and updated annually throughout the compliance period.

WCDA reserves the right to reject an application, or assess negative points, if there are outstanding non-compliance issues, or if an applicant has a history of poor performance, under any program administered by WCDA, or under comparable programs in other states.

Applications (one copy) should be mailed or delivered to:

Tax Credits, or Tax Credits with HOME:

WCDA  
Gayle S. Brownlee  
Financial Assistant  
155 North Beech, P.O. Box 634  
Casper, WY 82602

HOME only:

WCDA  
HOME Funding Requests  
155 North Beech, P.O. Box 634  
Casper, WY 82602

### **III. SET-ASIDES**

#### **Tax Credit Program**

**Non-Profit Set-aside.** Ten percent (10%) of the total annual credit available is required to be set aside for projects in which 501(c)(3) and 501(c)(4) non-profit organizations materially participate in the development and management of the project. In the event that funds in the Set-Aside pool have been exhausted, applicants requesting an allocation under a specific set-aside will compete in the open pool. See Current Year Summary Attachment "A".

#### **HOME Program**

It is anticipated that the HOME Program will have \$3.5 million in funding available on an annual basis. For actual funding levels, see Current Year Summary, Attachment "A".

**Rural Community Set-aside.** This category allows local governments, housing authorities, and private developers working with these entities; from communities with a population less than 5,000 to apply for funds under the Rental Housing Production, Homeowner Rehabilitation and Homeownership programs. It is anticipated that \$350,000 will be available under this category.

**Direct Administration of Rental Housing Production projects and Homeownership Opportunities Programs.** Approximately \$2,275,000 will be set-aside in this category.

The funds for both the Rural Community Set-Aside and the Direct Administration Category will be distributed through a competitive application process. If through this process, not all of the funds are allocated in either category, WCDA will pool the remaining funds and allocate them to eligible projects meeting the minimum ranking criteria on a first-come, first-served basis.

**Small Project Opportunities Program.** Out of the \$2,275,000 (approximate) Direct Administration Category, approximately \$250,000 may be allocated to the "Small Project Opportunities" program. This sub-category allows for-profit or non-profit developers to request, through a year-round, first-come, first-serve basis, funds for rehabilitation (including acquisition) of existing properties. The program encourages rehabilitation of existing housing stock in projects of one-to- four units. The maximum per unit under the sub-category is \$12,500, with a maximum 8-year affordability period.

**Community Housing Development Organizations (CHDOs).** Fifteen percent (15%) of the Fiscal Year HOME funding allocation will be set aside for CHDO's. Applications will be accepted through a competitive application process, and then on a first-come, first-serve basis to projects meeting the minimum ranking criteria until all funds are allocated to eligible projects. Ten percent of this set aside is available to CHDOs for Project Specific Technical Assistance and Site Control Loans. No administrative fees are eligible. CHDO's may apply for administrative fees directly from WCDA's Administrative, CHDO Operations and Capacity Building, and Contingency Reserve Account.

**WCDA's Administrative, CHDO Operations/Capacity Building, and Project Contingency Reserve Account.** Approximately 10% of the HOME funding allocation will be set aside for this account.

## **IV. RESERVATION PROCESS**

WCDA will review all applications in each cycle for completeness and eligibility based on federal requirements. Applications will be selected for reservation based on the selection criteria outlined in this Allocation Plan. Preference will be given to those projects demonstrating need and quality of construction, serving (1) the lowest income occupants and (2) qualified households for the longest periods.

Applications for reservation of Tax Credits and HOME funds may be submitted in the Reservation Cycles outlined in the Current Year Summary Attachment "A".

A reservation fee equal to 3% of the annual **Tax Credit** amount approved by WCDA will be required at time of reservation. Projects utilizing tax-exempt financing will be required to pay a 3% commitment fee prior to issuance of the bonds. The reservation, and commitment fees may be subject to change at a later date. There is no reservation fee for projects which apply for **HOME** funds only.

**WCDA reserves the right not to reserve tax credits or HOME funding for any project, regardless of ranking under the project selection criteria, if it determines that a reservation for such project does not further the purpose and goals set forth in this plan. WCDA may recapture credits from defunct projects after providing notice and conducting an administrative hearing.**

WCDA reserves the right to allocate all or a portion of the available credits or HOME funds in any of its funding cycles.

The purpose of the Reservation Cycles is to enable WCDA to competitively review applications and to award Tax Credits and/or HOME funds to those projects that most aggressively address the selection criteria. If all of the state's annual credits and/or HOME funds are reserved after a particular cycle, remaining applications will be placed on a prioritized, based on score, waiting list for review in the event credits or funds become available at a later date. No waiting list will be carried past the calendar year end.

WCDA may rescind a Tax Credit or HOME Reservation if related projects are not progressing in a reasonable time frame as determined by WCDA in its sole discretion.

If there are insufficient Tax Credits or HOME funds remaining to allocate the minimum necessary to make the next project feasible, WCDA may award Tax Credits or HOME funds to the next highest scoring project for which the available Tax Credits or HOME funds are sufficient to meet that project's needs.

In general, federal law mandates that a Tax Credit allocation be made not later than the close of the calendar year in which a qualified building is placed in service. WCDA may make a carryover allocation of credits to a project which has incurred at least 10% of its reasonably expected costs in the project by calendar year end.

**Tax Credit Reservations and HOME fund Reservations are NOT transferable. Once a Reservation is granted, the project (as presented in the application, including but not limited to the project OWNER and other participating parties), may not be changed in any way without WCDA's prior written consent.**

## V. RESERVATION CRITERIA

Proposed projects will be selected for reservations based on primary and secondary criteria. Where an applicant's Market Analysis differs from the current economic statistics available to WCDA, the project may be ranked using the most significant data available to WCDA.

Primary Criteria	Minimum Required*	Maximum Points
1) Housing Needs Characteristics (possible 40 negative points)	82	194
2) Quality of Construction	10	125
3) Lower Income Targeting	10	20
4) Affordability Levels (monthly housing costs)	15	30
5) Extended Low-Income Use	2	35
<b>PRIMARY TOTAL</b>		<b>404</b>

\*All applications must meet each individual Primary Criteria minimum or the application will be rejected.

Secondary Criteria	Minimum Required+	Maximum Points
1) Project Location (possible 75 negative points)		25
2) Project Characteristics (possible 125 negative points)		36
3) Sponsor/Applicant Characteristics (possible 200 negative points)		50
4) Local Tax-Exempt Organization		5
5) Special Needs Housing		4
6) Public Housing Waiting Lists		2
7) Financial Support from Local Sources		45
8) Management Capacity (possible 200 negative points)		30
9) Equity in Project		30
<b>SECONDARY TOTAL</b>	<b>75</b>	<b>227</b>

+All applications must meet a 75 point minimum in the Secondary Criteria or the application will be rejected.

Bonus Criteria	Maximum Points
1) Syndication Rate (Tax Credit Projects Only)	30
2) Total Project Costs	60
3) HOME Funded Projects Without Tax Credits	30

**In order to be considered for points in any category, applications must include an explanation of how and why the applicant feels the criteria has been met.**



## **V. RESERVATION CRITERIA (Cont.)**

### **A. Primary Criteria**

#### **1. HOUSING NEEDS CHARACTERISTICS**

(Maximum 194 points - Must score a minimum of 82 points)

##### **a. NEED (Maximum 128 points)**

A Project will receive up to 128 points if the applicant can substantiate need for the specific housing for which it is applying:

Income levels	32 Points
Affordability levels (Monthly Housing costs)	32 Points
Unit Size	32 Points
Type of housing (family, elderly etc.)	32 Points

##### **b. VACANCY IN SUBSIDIZED PROJECTS (Maximum 10 points)**

If a project is placed in a community with substantiated vacancy rates in subsidized projects, the following points will be awarded:

0%	=	10 points
1%	=	9 points
2%	=	7 points
3%	=	4 points
4%	=	2 points
5%	=	1 points
6%+	=	0 points

##### **c. VACANCY IN COMMUNITY (Maximum 56 points)**

If a project is placed in a community with substantiated vacancy rates in that community, the following points will be awarded:

0%	=	56 points	6%	=	10 points
1%	=	50 points	7%	=	5 points
2%	=	45 points	8%	=	0 points
3%	=	35 points	9% – 12%	=	-20 points
4%	=	25 points	13%+	=	-40 points
5%	=	15 points			

Under the **HOME** program, for Homeownership and Homeowner Rehabilitation Projects, applicants may receive up to 66 points by demonstrating:

- i) Homeownership - a prevalent lack of affordable homeownership properties in the community, ie number of potential moderate income homeowners, average price of new and existing housing in the community, number of available units in the community.
- ii) Homeowner Rehabilitation - number of low and moderate income families in community, number of owner-occupied units in community which are substandard.

## **V. RESERVATION CRITERIA (Cont.)**

### **2. QUALITY OF CONSTRUCTION**

(Maximum 125 points – Must score a minimum of 10 points)

- a. A project will receive 10 points if it, meets the national building code (UBC, CABO, or BOCA), meets the Model Energy Code (MEC), and meets Accessibility Requirements under ADA. More restrictive codes or regulations may be required by local cities, counties or towns, but in no case may new construction projects (and to the maximum extent feasible for rehabilitation projects) fail to meet UBC, MEC, and ADA.
- b. To obtain additional points, applications must clearly demonstrate that the project undisputedly exceeds the minimum specified in Section 2, "A". The project may receive up to an additional 115 points in this area (See Current Year Summary Attachment "C" for more information on this category).

### **3. INCOME LEVELS (Maximum 20 points- Must score a minimum of 10 points)**

A proposal will receive points for eligible low-income units with income restricted to the percentage of HUD Median Income as stated below.

- a. Where income levels proposed meet those substantiated in the Market Analysis for the project, it will receive 10 points.
- b. Projects whose Market Analysis substantiates need for income levels at or below 41-50% of HUD Median Income will receive an additional 5 points.
- c. Projects whose Market Analysis substantiates need for income levels at or below 40% of HUD Median Income will receive an additional 10 points.

### **4. AFFORDABILITY LEVELS**

(Maximum 30 points - Must score a minimum of 15 points)

A proposal will receive a proportionate percentage of points for eligible low-income units where rent is restricted to 30% of the HUD Area Median Income as stated in the chart below.

30% and below	=	36 points
35% and below	=	24 points
40% and below	=	20 points
45% and below	=	16 points
50% and below	=	10 points
60% and below	=	6 points

[Example – 50% of the units restricted at 30% or less (50% of 36 points = 18), and 50% of the units restricted at 50% or less (50% of 10 points = 5). Thus 18 + 5 = 23 total points.]

## **V. RESERVATION CRITERIA (Cont.)**

### **AFFORDABILITY LEVELS (Cont)**

In order to receive points in this category, rents including any subsidy, must be limited to the percentages chosen. Projects will be underwritten at the rent level chosen. If using HOME funds, the maximum rent level must be at or below the Low HOME Rent as defined in the HOME Program Application.

Under the HOME program, for Homeownership and Homeowner Rehabilitation Projects, the application must demonstrate how the proposed project meets the needs of the homeowners on a monthly cost basis. Max points = 30.

5. **Extended Low-Income Use**

(Maximum 35 points - Must score a minimum of 2 points)

A proposal will receive the following points for extending the federally required initial compliance and/or affordability period where the owner waives the option to sell and agrees to follow the restrictions as set forth in the Tax Credit Application:

Years	Points
5+	2
10+	3
15+	5
20+	10
25+	17
35+	35

**At the time of allocation, a Restrictive Land Use Covenant shall be executed between the applicant and WCDA to define the terms and length of the affordability period.** (Tax Credit Project See page 17, Home project see Attachment “E”)

Under the **HOME** program, for Homeownership and Homeowner Rehabilitation Projects, Homeownership projects must have a minimum affordability period of five years, with extended affordability based on the per-unit subsidy (see HOME Application Attachments). Under Homeowner Rehab., projects have a similar affordability requirement. Projects meeting these minimums will score 24 points in this category.

## **V. RESERVATION CRITERIA (Cont.)**

### **B. Secondary Criteria**

#### **1. PROJECT LOCATION (Maximum 25 points)**

- a. A project may receive up to 25 points for being within a proximity of 1 ½ miles (½ mile for elderly) of appropriate services needed by the residents occupying the units.
- b. Inappropriate locations such as locations in flood areas, noise areas, airport clear zones, and those sites listed in the EPA CERCLIS data base, etc., may receive up to a negative 75 points.

Under the **HOME** program, for Homeownership and Homeowner Rehabilitation projects, where proximity of project(s) is not within the specified radius, the application needs to detail particular strategy or necessity which makes non-conforming project location vital to the community.

#### **2. PROJECT CHARACTERISTICS (Maximum 36 points)**

- a. **PROJECT DESIGN** (Maximum 25 points)  
A project may receive up to 25 points for the design of the project provided it addresses the need outlined in the Market Study for the appropriate unit size and type. Applicants must describe the aesthetics that promote or enhance the quality of life for the tenants.
- b. **INNOVATIVE CONSTRUCTION FEATURES** (Maximum 5 points)  
A proposal may receive up to 5 points for innovative construction features, e.g. quality cost effective construction, or energy conservation above and beyond code requirements and normal construction practices, or innovative site planning.
- c. **PROJECT SITE CONTROL** (Maximum 3 points)  
A proposal will receive up to 3 points for having control of the site.
- d. **PROPER ZONING** – (Maximum 3 points)  
A proposal will receive up to 3 points for having the proper zoning.
- e. **TOTAL PROJECT COSTS** – (Up to a negative 125 points)  
Project submitted with Total Project Costs above the tolerance level published in the Current Year Summary Attachment “A”, may receive up to a negative 125 points.

#### **3. SPONSOR/APPLICANT CHARACTERISTICS (Maximum 50 points)**

- a. A proposal will receive up to the following points if the sponsor has had experience developing housing:
  - i) With no Federally imposed Restrictions 20 Points
  - ii) With Federally imposed Rent & Income Restrictions 30 Points
  - iii) Using HOME, CDBG, and/or Tax Credits 50 Points

## **V. RESERVATION CRITERIA (Cont.)**

### **SPONSOR/APPLICANT CHARACTERISTICS (Cont.)**

- b. Sponsors or Developers who have had a project placed or in the process of being placed in foreclosure, receivership, or similar legal action, or sponsors/developers associated with any project that has a history of poor performance, will receive up to a negative 200 points.

### **4. PARTICIPATION OF LOCAL TAX-EXEMPT ORGANIZATIONS**

(Maximum 5 points)

A proposal will receive up to 5 points for support from a local tax-exempt organization which results in reduced project costs or operating costs.

### **5. SPECIAL NEEDS HOUSING - (Maximum 4 points)**

A proposal will receive up to four points for providing service to a special needs population, including but not limited to any one of the following populations:

- homeless
- frail elderly
- chronically mentally ill
- physically disabled
- developmentally disabled

### **6. PUBLIC HOUSING WAITING LISTS - (Maximum 2 points)**

Proposals that commit to giving preference to individuals and families on the public housing waiting lists, and commit to limiting the gross rent accepted from all sources to not exceed the maximum as presented in the application, will receive 2 points.

### **7. FINANCIAL SUPPORT OR CONTRIBUTIONS FROM LOCAL SOURCES**

(Maximum 45 points)

- a. which result in reduced project costs and reduced federal subsidy.
- b. A proposal will receive up to 15 points for non-financial support derived from non-federal sources (i.e. donated real estate, waiver of local fees etc.), which results in reduced project costs and reduced federal subsidy.

### **8. MANAGEMENT CAPACITY (Maximum 30 points)**

- a. A proposal will receive up to the following points if the Management Team has had experience managing housing:

- |      |   |           |
|------|---|-----------|
| i)   | with no Federally imposed restrictions            | 12 points |
| ii)  | with Federally imposed Rent & Income Restrictions | 18 Points |
| iii) | using HOME, CDBG, and/or Tax Credits              | 30 Points |

- b. Managers who have had a project placed or in the process of being placed in foreclosure, receivership, or similar legal action, or managers associated with any project that has a history of poor performance, may receive up to a negative 200 points.

## **V. RESERVATION CRITERIA (Cont.)**

### Secondary Criteria (Cont.)

9. **EQUITY IN PROJECT** (Maximum 30 points)
  - a. A proposal will receive up to 10 points if it has donated labor or materials that reduce project costs above and beyond values used to meet HOME Match requirements.
  - b. A proposal will receive up to 10 points if it has donated Land, as long as federal funds were not used to acquire the land for purposes of donation to a particular project.
  - c. A proposal will receive up to 10 points if it has donated support services throughout the compliance period.

### **C. Bonus Criteria**

1. **SYNDICATION RATE** (Maximum 30 points)--**For projects utilizing Tax Credits**  
Projects submitted with a syndication rate above the tolerance level published in the Current Year Summary Attachment "A" Item "3", will receive the following points:

above tolerance	Points
5%	20
6%	25
7%	30

2. **TOTAL PROJECT COSTS** (Maximum 60 points)  
Projects submitted with Development costs below the tolerance level published in the Current Year Summary Attachment "A", will receive the following points:

below tolerance	Points
5%	20
6%	30
7%	40

3. **HOME FUNDED PROJECTS WITHOUT TAX CREDITS** (Maximum 30 points)
  - a. For Cities, Counties and Towns applying for eligible HOME Projects, who request less than the maximum administrative fee of 10% of the total project, there will be bonus points awarded as follows:

Admin fee at or below	Points
8%	10
6%	15
4%	20
2%	25
0%	30

## V. RESERVATION CRITERIA (Cont.)

### HOME FUNDED PROJECTS WITHOUT TAX CREDITS (Cont.)

b. For Homeownership or Rental Production Projects (excluding Cities, Counties and Towns), where the **combined** Developer and Builder fees are less than the 15% maximums allowed in the Current Year Summary, Part VII, there will be bonus points awarded as follows:

Combined fees at or below	Points
9%	5
7%	15
5%	30

## **VI. MAXIMUM ALLOCATIONS**

WCDA in its sole discretion reserves the right to limit funding to 60% of available credits or HOME funds to any one project.

Federal law mandates that, although a proposed development may be eligible for a 9% or a 4% tax credit amount, WCDA may not allocate more credit than is necessary for the financial feasibility of the project and its viability as a qualified low-income housing project throughout the compliance period. Accordingly, WCDA may designate a lesser amount of credits than otherwise permissible, as it solely determines.

Section 102(d) of the 1989 HUD Reform Act requires HUD to certify that any new or additional HUD assistance for a project is "not more than is necessary to provide affordable housing" after taking into account any other governmental support. Therefore, WCDA reserves the right to disclose a project's application information to appropriate Federal, State or Local authorities and take the necessary actions to accomplish the intent of the subsidy layering rules. WCDA does not perform the Subsidy Layering Review. Projects needing the Subsidy Layering Review must be submitted to HUD.

WCDA will evaluate each proposed Tax Credit project's financial feasibility and its viability at three different times; time of application, time of allocation, and the date the building is placed in service. This financial evaluation will take into consideration:

- A. Sources and uses of funds; (Rural Development equity requirements must be listed and included in the Sources of Funds.)
- B. Total financing planned for the project;
- C. Proceeds expected to be generated from the sale of tax credits;
- D. Annual operating expenses;
- E. Debt coverage ratio;
- F. Vacancy rate;
- G. Total project costs;
- H. Any other relevant factors.

HOME funding is evaluated in much the same manner as Tax Credits (with the exclusion of item C. above). This evaluation occurs at the time of application and continues during the course of project construction.



## **VII. LIMITATIONS AND REQUIREMENTS**

All projects must adhere to the following limitations and/or requirements:

- A. WCDA reserves the right to negotiate lower Developer and Builder fees on projects when there is an identity of interest among parties.
- B. Quarterly progress reports must be filed with the WCDA outlining progress toward completion. These reports must be received by the 1<sup>st</sup> day of March, June, September, and December, until 8609's are issued (for Tax Credits) or HOME project completion reports have been completed.
- C. Participating parties must demonstrate adequate experience and capacity to perform the duties in which they are applying for funds, both in Project Development and Property Management. The purpose of requiring experience is not to deter newcomers to the program, but rather to encourage partnerships. All projects with experienced participants.
- D. All parties must sign a release form allowing WCDA to check their references.
- E. All projects must meet or exceed the Minimum Specifications as published in the Current Year Summary Attachment "E". Tax Credits and/or HOME funds may be pulled if any violations are found and the participants may be banned from participating in the program.
- F. At final application the architect (if utilized) and the developer must sign a certification and acknowledgement that the project meets or exceeds all specifications, and they have read and understand consequences of violating these minimums.
- G. Copies of Federal Cost Certifications for Rural Development, FHA, and Tax-Exempt financed projects must be submitted at final cost certification.
- H. The maximum subsidy may not exceed the level published by WCDA in the Current Year Summary Attachment "A" (the reasonable value of donated local government incentives will not be included in the total cost calculation).
- I. Project Design and Materials must comply with all applicable codes, rules and regulations, including but not limited to; zoning, building, and energy codes, accessibility requirements, and other local, state and federal requirements. At a minimum, all new construction projects must meet a national building code (UBC, CABO, or BOCA), must meet the Model Energy Code, and must meet Accessibility Requirements under ADA. More restrictive codes or regulations may be required by local cities, counties, or towns, but in no case may new construction projects fail to meet UBC, MEC and ADA.

## **VII. LIMITATIONS AND REQUIREMENTS (Cont.)**

All **Rental** projects must adhere to the following limitations and/or requirements:

- A. The Maximum annual operating expenses will be limited as published in the Current Year Summary Attachment “A”.
- B. The Debt coverage ratio, using rent at the committed amount, must be between 1.10 [1.05 for RHS] and 1.25 for foreclosable debt.
- C. Vacancy rate not to exceed 5%.
- D. Operating Reserves to be equal to four months of projected operating expenses, plus debt service payments, and annual reserve payments. The initial Operating Reserves may be provided in the form of a guaranty from a source acceptable to WCDA, but must be fully capitalized by the project within 36 months of being placed in service.
- E. Replacement Reserves to equal a minimum of \$200.00 per unit annually for New Construction and \$300.00 per unit annually for rehabilitation developments.
- F. Rental Rehabilitation projects
  1. Rehabilitation projects must have a minimum expenditure of twelve thousand five hundred dollars (\$12,500) of actual rehabilitation hard costs per unit in Life, Safety, Health, or Code Requirements which includes required major systems repairs or replacements of
    - Electrical
    - Heating
    - Roofing
    - Foundation/Structural
    - Major energy upgrades
  2. No more than 30% of rehabilitation costs can go for required General Property Improvements, (non-Life, Safety, Health, or Code Requirements).
  3. The acquisition price on which Housing Credits are allocated will be limited to the appraised value of the property prior to rehabilitation.

## **VII. LIMITATIONS AND REQUIREMENTS (Cont.)**

All **Tax Credit** projects must adhere to the following limitations and/or requirements:

- A. For Tax Credit projects, owners must have appropriate title to the Real Property at time of Carryover and must submit documentation of such with the Carryover Package.
- B. IRS Rules and Regulations outline costs which are not allowed in Eligible Basis. In addition to those, WCDA does not allow the following costs in Eligible basis:
  - 1. Appraisals
  - 2. Construction interest after the Placed in Service Date
  - 3. Demolition
  - 4. Donated Services (such as cost reductions for HOME Match). Donated Services are also not included in the Gap calculation for total costs or sources of funds.
- C. Tax Credit projects submitted with a syndication rate below the published tolerance level in the Current Year Summary Attachment "A", will be underwritten at the average rate published.
- D. Extended Initial Compliance Period - Federal law requires a 15-year initial low income use and a 15 year extended use period with an option to sell the project at the end of the initial period. WCDA requires the initial compliance period to be a minimum of 20 years.
- E. Violations of the WCDA Restrictive Land Use Covenant are considered non-compliance issues and reportable to the IRS. (See Compliance Monitoring Package)
- F. Developer fees will be limited to no more than 15% of development costs. Development costs are defined as total project costs minus all acquisition costs, developer's fees, syndication costs, reserves and consultant's fees. (Total Project Costs are out of pocket money and do not include donated services, donated materials, and/or waived fees.) Special Consideration may be given for project size, project characteristics, and/or project location.
- G. Eligible consultant fees are defined as Architect's Fee and Engineer's Fee. All other consultant fees will be permitted only within the Developer's Fee limit.
- H. Builder's fees will be limited as follows:
  - 1. Builder's Profit will be limited to no more than 6% of the construction costs.
  - 2. Builder's Overhead will be limited to no more than 2% of the construction costs.
  - 3. General Requirements will be limited to no more than 6% of the construction costs.Construction costs equal, On-Site Work plus New Structures, Rehabilitation, and Accessory Structures.

## **VIII. EVALUATION & ALLOCATION**

### **Tax Credit Program**

In addition to adopting a qualified allocation plan, housing credit agencies must also evaluate each Tax Credit project to insure that the project receives only the amount of credit necessary to assure project feasibility and viability throughout the credit period. Therefore, evaluations will be performed by WCDA at the following times: 1) when the application is received, 2) when an allocation is made, and 3) when the project is placed-in-service.

WCDA will make allocations of tax credits at the time an eligible project or portion of a project, which has received a reservation, is placed-in-service (available for rental occupancy), or when an application has been received for a Carryover Allocation.

The Tax Credit amount allocated is based on WCDA's determination of the qualified basis for the project or portion of the project. A Cost Certification, a certification of sources of funds (financing, grants, etc.), the amount of funds received from the syndication of the credits, and the percentage of the housing credit dollar amount used for project costs other than the costs of intermediaries, by an independent qualified professional is required for a Carryover Allocation (See Carryover Allocation Package) and a Final Allocation (See Final Allocation Package of Tax Credits).

The Tax Credit allocation may be reduced to comply with federal law based on WCDA's final review of the project.

WCDA will provide a Tax Credit Carryover or Final Allocation package to applicants upon request. Carryover allocations may be requested as soon as an eligible project has met the 10% requirement. Final allocations may be requested as soon as an eligible building is placed-in-service. Tax Credit Applications for Carryover or Final allocations must be received by WCDA not later than December 1 of the appropriate year. Projects may be assessed a penalty-fee of 3% of the Annual Tax Credit amount for packages received after December 1. WCDA may establish different deadlines prior to year-end for allocation requests in order to permit timely processing of documents.

Applicants must be current on all fees before IRS form 8609 will be issued.

## **IX. DISCLAIMER**

WCDA's review of documents submitted in connection with this allocation is for its own purposes. **WCDA MAKES NO REPRESENTATIONS TO THE OWNER OR ANYONE ELSE AS TO COMPLIANCE WITH THE INTERNAL REVENUE CODE, TREASURY REGULATIONS, OR ANY OTHER LAWS OR REGULATIONS GOVERNING LOW-INCOME HOUSING TAX CREDITS OR HOME PROGRAM.**

The Tax Credit and HOME amounts allocated shall be made solely at the discretion of the Authority, but in no way represents or warrants to any sponsor, investor, lender or others that the project is, in fact, feasible or viable.

The Allocation Plan, Current Year Summary, Application Form, Tax Credit Carryover and Tax Credit Final Allocation Packages, Compliance Monitoring Procedure Plan, HOME Program Description and Consolidated Plan may be amended, from time to time, as guidelines and regulations are issued under Section 42 of the Internal Revenue Code, or under 24CFR Part 92 HOME Investment Partnerships Program, or as WCDA deems necessary to carry out the goals of these programs.

No board member, agent or employee of WCDA shall be personally liable concerning any matters arising out of, or in relation to, the allocation of the Low-Income Housing Tax Credit, or the allocation of HOME Investment Partnerships Program funds.

The information concerning housing needs (See Current Year Summary Attachment "A") in the State of Wyoming will be used as a guide by the WCDA in its review of applications; however, applicants must provide their own information concerning housing needs to support their applications. WCDA makes no representations about the accuracy of its information, which was provided by a third party source. Developers should not rely on nor use such information in underwriting the feasibility of their project or assessing local demand.

**WYOMING COMMUNITY  
DEVELOPMENT AUTHORITY  
(WCDA)  
2000  
CURRENT YEAR  
SUMMARY**

2000  
Current Year Summary

ATTACHMENT "A"

---

**Item 1** - The total amount of credit available in Wyoming for 2000 is estimated as follows:

*Per Capita Credits	\$ 601,133
Returned Credits	105,589
TOTAL AVAILABLE	\$ <u>706,722</u>
Set-aside for non-profits (10%)	\$ 70,672

\* Based on 1999 calendar year population figures of 480,907.

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**Item 2** – Reservation Cycles for the year 2000.

<u>Cycle Number</u>	<u>Submission Deadline</u>
1	Postmarked by February 29, 2000
2	Open - In the event that unused credits or funds remain following Reservation Cycle 1, WCDA may accept additional applications.

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**Item 3** – The tolerance range for the Syndication rate is 72.5% - 76.5%. The average is 74.5%

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**Item 4** - The Maximum annual operating expenses, minus real estate taxes plus reserves, not to exceed \$170.00 per unit per month.

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2000  
Current Year Summary

ATTACHMENT "A" (Cont.)

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**Item 5 – Qualified Census Tract Numbers and Difficult to Develop Areas  
(For Tax Credit Projects Only)**

**QUALIFIED CENSUS TRACT NUMBERS  
METROPOLITAN AREAS**

Casper	0001.00
	0002.00
	0013.02
Cheyenne	0001.00

**QUALIFIED CENSUS TRACT NUMBERS  
NON-METROPOLITAN AREAS**

Albany	9629.00
	9630.00
	9633.00
	9634.00
Fremont	9826.00
	9832.00
Hot Springs	9876.00
Platte	9592.00
Sweetwater	9715.00

**DIFFICULT DEVELOPMENT AREAS**

None



2000  
Current Year Summary

ATTACHMENT "A" (Cont.)

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**Item 6 – Maximum HOME Subsidy per unit:**

Maximum/Minimum HOME Expenditure

The maximum, average subsidy per HOME assisted unit is established by HUD. Maximum Subsidy limits for Wyoming are as follows:

<u>0-Bdrm</u>	<u>1-Bdrm</u>	<u>2-Bdrm</u>	<u>3-Bdrm</u>	<u>4-Bdrm</u>
\$43,100	\$49,500	\$60,200	\$77,800	\$85,400

These maximum per unit subsidies may go higher in some areas of the state. Contact WCDA for those areas.

Only units receiving HOME monies are considered "HOME Assisted Units". HOME expenditure limits, rent and occupancy rules only apply to HOME Assisted Units. The minimum HOME expenditure per HOME Assisted Unit cannot be less than an average of \$1,000 per unit.

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**Item 7 – Maximum Eligible Basis for Tax Credit projects:**

For underwriting the allocation of Tax Credits, the maximum Eligible Basis will be limited to no more than 125 % of the HOME Maximum per unit subsidy limit. (See Item 6)

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**Item 8 – Anticipated HOME Funding:**

Based on previous year's allocations, the WCDA **anticipates** approximately \$3.5 million in available HOME funding.

2000  
Current Year Summary

ATTACHMENT “B”

Market Study Requirements

Minimum Market Study requirements:

- a statement of the competence of the market analyst;
- a description of the proposed site;
- demographic analysis of the number of households in the market area which are income eligible and can afford to pay the rent;
- geographic definition and analysis of the market area;
- analysis of practically available operating expenses and turnover rates of comparable properties in the market area;
- projected operating funds and expenses, when available at the time of the study; and
- expected market absorption of the proposed rental housing, including a description of the effect on the market area.

2000  
Current Year Summary

ATTACHMENT "C"  
Income Limits

		1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8+ PERSON
-----A D J U S T E D I N C O M E L I M I T S-----									
HUD HOME PROGRAM INCOME LIMITS (FEBRUARY 1999)									
STATE : WYOMING									
PROGRAM									
MSA	: Casper, WY	9000	10250	11550	12850	13850	14900	15900	16950
	FY 1999 MEDIAN FAMILY INCOME: 42300	15000	17100	19250	21400	23100	24800	26550	28250
	30% LIMITS	18000	20520	23100	25680	27720	29760	31860	33900
	60% LIMITS	23950	27400	30800	34250	37000	39700	42450	45200
	LOW-INCOME								
MSA	: Cheyenne, WY	9200	10500	11850	13150	14200	15250	16300	17350
	FY 1999 MEDIAN FAMILY INCOME: 43600	15350	17500	19700	21900	23650	25400	27150	28900
	30% LIMITS	18420	21000	23640	26280	28380	30480	32580	34680
	60% LIMITS	24550	28050	31550	35050	37850	40650	43450	46250
	LOW-INCOME								
COUNTY	: Albany County	9000	10250	11550	12850	13850	14900	15900	16950
	FY 1999 MEDIAN FAMILY INCOME: 41300	15000	17100	19250	21400	23100	24800	26550	28250
	30% LIMITS	18000	20520	23100	25680	27720	29760	31860	33900
	60% LIMITS	23950	27400	30800	34250	37000	39700	42450	45200
	LOW-INCOME								
COUNTY	: Big Horn County	9000	10250	11550	12850	13850	14900	15900	16950
	FY 1999 MEDIAN FAMILY INCOME: 35500	15000	17100	19250	21400	23100	24800	26550	28250
	30% LIMITS	18000	20520	23100	25680	27720	29760	31860	33900
	60% LIMITS	23950	27400	30800	34250	37000	39700	42450	45200
	LOW-INCOME								
COUNTY	: Campbell County	9000	10250	11550	12850	13850	14900	15900	16950
	FY 1999 MEDIAN FAMILY INCOME: 54700	15000	17100	19250	21400	23100	24800	26550	28250
	30% LIMITS	18000	20520	23100	25680	27720	29760	31860	33900
	60% LIMITS	23950	27400	30800	34250	37000	39700	42450	45200
	LOW-INCOME								
COUNTY	: Carbon County	9000	10250	11550	12850	13850	14900	15900	16950
	FY 1999 MEDIAN FAMILY INCOME: 42400	15000	17100	19250	21400	23100	24800	26550	28250
	30% LIMITS	18000	20520	23100	25680	27720	29760	31860	33900
	60% LIMITS	23950	27400	30800	34250	37000	39700	42450	45200
	LOW-INCOME								
COUNTY	: Converse County	9000	10250	11550	12850	13850	14900	15900	16950
	FY 1999 MEDIAN FAMILY INCOME: 40000	15000	17100	19250	21400	23100	24800	26550	28250
	30% LIMITS	18000	20520	23100	25680	27720	29760	31860	33900
	60% LIMITS	23950	27400	30800	34250	37000	39700	42450	45200
	LOW-INCOME								
COUNTY	: Crook County	9000	10250	11550	12850	13850	14900	15900	16950
	FY 1999 MEDIAN FAMILY INCOME: 40000	15000	17100	19250	21400	23100	24800	26550	28250
	30% LIMITS	18000	20520	23100	25680	27720	29760	31860	33900
	60% LIMITS	23950	27400	30800	34250	37000	39700	42450	45200
	LOW-INCOME								

2000  
Current Year Summary

ATTACHMENT "C" (Cont.)  
Income Limits

		-----A D J U S T E D I N C O M E L I M I T S-----							
		1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
HUD HOME PROGRAM INCOME LIMITS (FEBRUARY 1999)									
STATE : WYOMING									
PROGRAM									
COUNTY :	Fremont County								
FY 1999 MEDIAN INCOME:	35300	9000	10250	11550	12850	13850	14900	15900	16950
	30% LIMITS	15000	17100	19250	21400	23100	24800	26550	28250
	VERY LOW-INCOME	18000	20520	23100	25680	27720	29760	31860	33900
	60% LIMITS	23950	27400	30800	34250	37000	39700	42450	45200
	LOW-INCOME								
COUNTY :	Goshute County								
FY 1999 MEDIAN INCOME:	34000	9000	10250	11550	12850	13850	14900	15900	16950
	30% LIMITS	15000	17100	19250	21400	23100	24800	26550	28250
	VERY LOW-INCOME	18000	20520	23100	25680	27720	29760	31860	33900
	60% LIMITS	23950	27400	30800	34250	37000	39700	42450	45200
	LOW-INCOME								
COUNTY :	Hot Springs County								
FY 1999 MEDIAN INCOME:	39200	9000	10250	11550	12850	13850	14900	15900	16950
	30% LIMITS	15000	17100	19250	21400	23100	24800	26550	28250
	VERY LOW-INCOME	18000	20520	23100	25680	27720	29760	31860	33900
	60% LIMITS	23950	27400	30800	34250	37000	39700	42450	45200
	LOW-INCOME								
COUNTY :	Johnson County								
FY 1999 MEDIAN INCOME:	37200	9000	10250	11550	12850	13850	14900	15900	16950
	30% LIMITS	15000	17100	19250	21400	23100	24800	26550	28250
	VERY LOW-INCOME	18000	20520	23100	25680	27720	29760	31860	33900
	60% LIMITS	23950	27400	30800	34250	37000	39700	42450	45200
	LOW-INCOME								
COUNTY :	Lincoln County								
FY 1999 MEDIAN INCOME:	39300	9000	10250	11550	12850	13850	14900	15900	16950
	30% LIMITS	15000	17100	19250	21400	23100	24800	26550	28250
	VERY LOW-INCOME	18000	20520	23100	25680	27720	29760	31860	33900
	60% LIMITS	23950	27400	30800	34250	37000	39700	42450	45200
	LOW-INCOME								
COUNTY :	Niobrara County								
FY 1999 MEDIAN INCOME:	34300	9000	10250	11550	12850	13850	14900	15900	16950
	30% LIMITS	15000	17100	19250	21400	23100	24800	26550	28250
	VERY LOW-INCOME	18000	20520	23100	25680	27720	29760	31860	33900
	60% LIMITS	23950	27400	30800	34250	37000	39700	42450	45200
	LOW-INCOME								
COUNTY :	Park County								
FY 1999 MEDIAN INCOME:	41000	9000	10250	11550	12850	13850	14900	15900	16950
	30% LIMITS	15000	17100	19250	21400	23100	24800	26550	28250
	VERY LOW-INCOME	18000	20520	23100	25680	27720	29760	31860	33900
	60% LIMITS	23950	27400	30800	34250	37000	39700	42450	45200
	LOW-INCOME								
COUNTY :	Platte County								
FY 1999 MEDIAN INCOME:	35100	9000	10250	11550	12850	13850	14900	15900	16950
	30% LIMITS	15000	17100	19250	21400	23100	24800	26550	28250
	VERY LOW-INCOME	18000	20520	23100	25680	27720	29760	31860	33900
	60% LIMITS	23950	27400	30800	34250	37000	39700	42450	45200
	LOW-INCOME								

2000  
Current Year Summary

ATTACHMENT "C" (Cont.)  
Income Limits

		-----A D J U S T E D I N C O M E-----							
		1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8+PERSON
-----L I M I T S-----									
COUNTY :	Sheridan County								
FY 1999 MEDIAN FAMILY INCOME:	42400	9000	10250	11550	12850	13850	14900	15900	16950
		15000	17100	19250	21400	23100	24800	26550	28250
		18000	20520	23100	25680	27720	29760	31860	33900
		23950	27400	30800	34250	37000	39700	42450	45200
COUNTY :	Sublette County								
FY 1999 MEDIAN FAMILY INCOME:	37900	9000	10250	11550	12850	13850	14900	15900	16950
		15000	17100	19250	21400	23100	24800	26550	28250
		18000	20520	23100	25680	27720	29760	31860	33900
		23950	27400	30800	34250	37000	39700	42450	45200
COUNTY :	Sweetwater County								
FY 1999 MEDIAN FAMILY INCOME:	55000	9000	10250	11550	12850	13850	14900	15900	16950
		15000	17100	19250	21400	23100	24800	26550	28250
		18000	20520	23100	25680	27720	29760	31860	33900
		23950	27400	30800	34250	37000	39700	42450	45200
COUNTY :	Teton County								
FY 1999 MEDIAN FAMILY INCOME:	56500	11850	13550	15250	16950	18300	19650	21000	22350
		19900	22600	25450	28250	30500	32750	35050	37300
		23760	27120	30540	33900	36600	39300	42060	44760
		31650	36150	40700	45200	48800	52450	56050	59650
COUNTY :	Uinta County								
FY 1999 MEDIAN FAMILY INCOME:	47500	9000	10250	11550	12850	13850	14900	15900	16950
		15000	17100	19250	21400	23100	24800	26550	28250
		18000	20520	23100	25680	27720	29760	31860	33900
		23950	27400	30800	34250	37000	39700	42450	45200
COUNTY :	Washakie County								
FY 1999 MEDIAN FAMILY INCOME:	36500	9000	10250	11550	12850	13850	14900	15900	16950
		15000	17100	19250	21400	23100	24800	26550	28250
		18000	20520	23100	25680	27720	29760	31860	33900
		23950	27400	30800	34250	37000	39700	42450	45200
COUNTY :	Weston County								
FY 1999 MEDIAN FAMILY INCOME:	39800	9000	10250	11550	12850	13850	14900	15900	16950
		15000	17100	19250	21400	23100	24800	26550	28250
		18000	20520	23100	25680	27720	29760	31860	33900
		23950	27400	30800	34250	37000	39700	42450	45200

2000  
Current Year Summary

ATTACHMENT "D"  
Rent Limits

U.S. DEPARTMENT OF HUD STATE : WYOMING		----- FEB. 1999 HOME PROGRAM RENT S -----						
MSA	PROGRAM	EFFICIENCY	1-BEDROOM	2-BEDROOM	3-BEDROOM	4-BEDROOM	5-BEDROOM	6-BEDROOM
MSA : Casper, WY	LOW HOME RENT LIMIT	316	367	468	556	620	685	749
	HIGH HOME RENT LIMIT	316	367	468	642	748	808	867
	FOR INFORMATION ONLY:							
	FAIR MARKET RENT	316	367	468	642	759	872	986
	50% RENT LIMIT	375	401	481	556	620	685	749
65% RENT LIMIT	466	501	604	689	748	808	867	
MSA : Cheyenne, WY	LOW HOME RENT LIMIT	357	413	492	569	635	700	766
	HIGH HOME RENT LIMIT	357	413	598	706	767	829	889
	FOR INFORMATION ONLY:							
	FAIR MARKET RENT	357	413	598	764	926	1067	1206
	50% RENT LIMIT	383	410	492	569	635	700	766
65% RENT LIMIT	478	514	618	706	767	829	889	
COUNTY : Albany County	LOW HOME RENT LIMIT	305	383	481	556	620	685	749
	HIGH HOME RENT LIMIT	305	383	510	689	748	808	867
	FOR INFORMATION ONLY:							
	FAIR MARKET RENT	305	383	510	709	838	963	1089
	50% RENT LIMIT	375	401	481	556	620	685	749
65% RENT LIMIT	466	501	604	689	748	808	867	
COUNTY : Big Horn County	LOW HOME RENT LIMIT	290	334	428	556	620	685	749
	HIGH HOME RENT LIMIT	290	334	428	568	653	750	848
	FOR INFORMATION ONLY:							
	FAIR MARKET RENT	290	334	428	568	653	750	848
	50% RENT LIMIT	375	401	481	556	620	685	749
65% RENT LIMIT	466	501	604	689	748	808	867	
COUNTY : Campbell County	LOW HOME RENT LIMIT	314	334	428	556	620	685	749
	HIGH HOME RENT LIMIT	314	334	428	570	673	773	867
	FOR INFORMATION ONLY:							
	FAIR MARKET RENT	314	334	428	570	673	773	874
	50% RENT LIMIT	375	401	481	556	620	685	749
65% RENT LIMIT	466	501	604	689	748	808	867	
COUNTY : Carbon County	LOW HOME RENT LIMIT	290	334	428	556	620	685	749
	HIGH HOME RENT LIMIT	290	334	428	568	653	750	848
	FOR INFORMATION ONLY:							
	FAIR MARKET RENT	290	334	428	568	653	750	848
	50% RENT LIMIT	375	401	481	556	620	685	749
65% RENT LIMIT	466	501	604	689	748	808	867	

2000  
Current Year Summary

ATTACHMENT "D" (Cont.)  
Rent Limits

U.S. DEPARTMENT OF HUD STATE : WYOMING		PROGRAM													
COUNTY		EFFICIENCY		1-BEDROOM		2-BEDROOM		3-BEDROOM		4-BEDROOM		5-BEDROOM		6-BEDROOM	
		290	334	334	428	428	556	620	620	653	685	685	749	749	848
Converse County	LOW HOME RENT LIMIT	290	334	334	428	428	556	620	620	653	685	685	749	749	848
	HIGH HOME RENT LIMIT	290	334	334	428	428	556	620	620	653	685	685	749	749	848
	FOR INFORMATION ONLY:														
	FAIR MARKET RENT	290	334	334	428	428	556	620	620	653	685	685	749	749	848
	50% RENT LIMIT	375	401	401	481	481	556	620	620	653	685	685	749	749	848
Crook County	65% RENT LIMIT	466	501	501	604	604	689	748	748	808	808	867	867	867	867
	LOW HOME RENT LIMIT	290	334	334	428	428	556	620	620	653	685	685	749	749	848
	HIGH HOME RENT LIMIT	290	334	334	428	428	556	620	620	653	685	685	749	749	848
	FOR INFORMATION ONLY:														
	FAIR MARKET RENT	290	334	334	428	428	556	620	620	653	685	685	749	749	848
Fremont County	50% RENT LIMIT	375	401	401	481	481	556	620	620	653	685	685	749	749	848
	65% RENT LIMIT	466	501	501	604	604	689	748	748	808	808	867	867	867	867
	LOW HOME RENT LIMIT	290	334	334	428	428	556	620	620	653	685	685	749	749	848
	HIGH HOME RENT LIMIT	290	334	334	428	428	556	620	620	653	685	685	749	749	848
	FOR INFORMATION ONLY:														
Goshen County	FAIR MARKET RENT	290	334	334	428	428	556	620	620	653	685	685	749	749	848
	50% RENT LIMIT	375	401	401	481	481	556	620	620	653	685	685	749	749	848
	65% RENT LIMIT	466	501	501	604	604	689	748	748	808	808	867	867	867	867
	LOW HOME RENT LIMIT	290	334	334	428	428	556	620	620	653	685	685	749	749	848
	HIGH HOME RENT LIMIT	290	334	334	428	428	556	620	620	653	685	685	749	749	848
Hot Springs County	FOR INFORMATION ONLY:														
	FAIR MARKET RENT	290	334	334	428	428	556	620	620	653	685	685	749	749	848
	50% RENT LIMIT	375	401	401	481	481	556	620	620	653	685	685	749	749	848
	65% RENT LIMIT	466	501	501	604	604	689	748	748	808	808	867	867	867	867
	LOW HOME RENT LIMIT	290	334	334	428	428	556	620	620	653	685	685	749	749	848
Johnson County	HIGH HOME RENT LIMIT	290	334	334	428	428	556	620	620	653	685	685	749	749	848
	FOR INFORMATION ONLY:														
	FAIR MARKET RENT	290	334	334	428	428	556	620	620	653	685	685	749	749	848
	50% RENT LIMIT	375	401	401	481	481	556	620	620	653	685	685	749	749	848
	65% RENT LIMIT	466	501	501	604	604	689	748	748	808	808	867	867	867	867

2000  
Current Year Summary

ATTACHMENT "D" (Cont.)  
Rent Limits

U.S. DEPARTMENT OF HUD STATE : WYOMING		----- FEB. 1999 H O M E P R O G R A M R E N T S -----													
		PROGRAM		EFFICIENCY 1-BEDROOM		2-BEDROOM		3-BEDROOM		4-BEDROOM		5-BEDROOM		6-BEDROOM	
COUNTY :	Lincoln County	290	334	428	556	620	685	749							
	LOW HOME RENT LIMIT	290	334	428	556	620	685	749							
	HIGH HOME RENT LIMIT	290	334	428	556	620	685	749							
	FOR INFORMATION ONLY:														
	FAIR MARKET RENT	290	334	428	556	620	685	749							
	50% RENT LIMIT	375	401	481	589	748	808	867							
	65% RENT LIMIT	466	501	604	689	748	808	867							
COUNTY :	Niobrara County	290	334	428	556	620	685	749							
	LOW HOME RENT LIMIT	290	334	428	556	620	685	749							
	HIGH HOME RENT LIMIT	290	334	428	556	620	685	749							
	FOR INFORMATION ONLY:														
	FAIR MARKET RENT	290	334	428	556	620	685	749							
	50% RENT LIMIT	375	401	481	589	748	808	867							
	65% RENT LIMIT	466	501	604	689	748	808	867							
COUNTY :	Park County	290	334	428	556	620	685	749							
	LOW HOME RENT LIMIT	290	334	428	556	620	685	749							
	HIGH HOME RENT LIMIT	290	334	428	556	620	685	749							
	FOR INFORMATION ONLY:														
	FAIR MARKET RENT	290	334	428	556	620	685	749							
	50% RENT LIMIT	375	401	481	589	748	808	867							
	65% RENT LIMIT	466	501	604	689	748	808	867							
COUNTY :	Platte County	290	334	428	556	620	685	749							
	LOW HOME RENT LIMIT	290	334	428	556	620	685	749							
	HIGH HOME RENT LIMIT	290	334	428	556	620	685	749							
	FOR INFORMATION ONLY:														
	FAIR MARKET RENT	290	334	428	556	620	685	749							
	50% RENT LIMIT	375	401	481	589	748	808	867							
	65% RENT LIMIT	466	501	604	689	748	808	867							
COUNTY :	Sheridan County	290	334	428	556	620	685	749							
	LOW HOME RENT LIMIT	290	334	428	556	620	685	749							
	HIGH HOME RENT LIMIT	290	334	428	556	620	685	749							
	FOR INFORMATION ONLY:														
	FAIR MARKET RENT	290	334	428	556	620	685	749							
	50% RENT LIMIT	375	401	481	589	748	808	867							
	65% RENT LIMIT	466	501	604	689	748	808	867							
COUNTY :	Sublette County	323	364	428	556	620	685	749							
	LOW HOME RENT LIMIT	323	364	428	556	620	685	749							
	HIGH HOME RENT LIMIT	323	364	428	556	620	685	749							
	FOR INFORMATION ONLY:														
	FAIR MARKET RENT	323	364	428	556	620	685	749							
	50% RENT LIMIT	375	401	481	589	748	808	867							
	65% RENT LIMIT	466	501	604	689	748	808	867							



2000  
Current Year Summary

ATTACHMENT "D" (Cont.)  
Rent Limits

U.S. DEPARTMENT OF HUD STATE : WYOMING		----- FEB. 1999 HOME PROGRAM RENTS ----- EFFICIENCY 1-BEDROOM 2-BEDROOM 3-BEDROOM 4-BEDROOM 5-BEDROOM 6-BEDROOM					
COUNTY	PROGRAM	302	428	556	620	685	749
Sweetwater County	LOW HOME RENT LIMIT	334	428	556	620	685	749
	HIGH HOME RENT LIMIT	334	428	570	673	773	867
	FOR INFORMATION ONLY:						
	FAIR MARKET RENT	334	428	570	673	773	874
	50% RENT LIMIT	375	481	556	620	685	749
Teton County	65% RENT LIMIT	466	604	689	748	808	867
	LOW HOME RENT LIMIT	388	636	734	818	904	988
	HIGH HOME RENT LIMIT	388	655	881	961	1093	1178
	FOR INFORMATION ONLY:						
	FAIR MARKET RENT	388	655	881	961	1105	1249
Uinta County	50% RENT LIMIT	495	636	734	818	904	988
	65% RENT LIMIT	622	804	920	1007	1093	1178
	LOW HOME RENT LIMIT	304	428	556	620	685	749
	HIGH HOME RENT LIMIT	304	428	569	688	791	867
	FOR INFORMATION ONLY:						
Washakie County	FAIR MARKET RENT	304	428	569	688	791	894
	50% RENT LIMIT	375	481	556	620	685	749
	65% RENT LIMIT	466	604	689	748	808	867
	LOW HOME RENT LIMIT	290	428	556	620	685	749
	HIGH HOME RENT LIMIT	290	428	568	653	750	848
Weston County	FOR INFORMATION ONLY:						
	FAIR MARKET RENT	290	428	568	653	750	848
	50% RENT LIMIT	375	481	556	620	685	749
	65% RENT LIMIT	466	604	689	748	808	867
	LOW HOME RENT LIMIT	290	428	556	620	685	749
	HIGH HOME RENT LIMIT	290	428	568	653	750	848
	FOR INFORMATION ONLY:						
	FAIR MARKET RENT	290	428	568	653	750	848
	50% RENT LIMIT	375	481	556	620	685	749
	65% RENT LIMIT	466	604	689	748	808	867

2000  
Current Year Summary

ATTACHMENT "E"

Property Development Standards

At a minimum, applicants must demonstrate their projects meet all applicable codes and regulations for new construction or rehabilitation, including but not limited to: Model Energy Code (MEC), Uniform Building Code (UBC) and Accessibility Requirements under the American with Disabilities Act (ADA). In order to receive significant ranking points for project quality, the application must demonstrate in a narrative form, those steps the applicant has taken to create a project above and beyond the minimums.

Project components that significantly improve the Life, Safety and Health of occupants will be considered for additional points. Further, facets of the project that contribute to ease of maintenance, long term viability, and appeal of the project will be considered to be significant.

The applicant must clearly, concisely and undisputedly demonstrate that the project is significantly higher in quality than the minimums. This can be accomplished through straight narration, as well as with the addition of pertinent site plans, building elevations, and exhibits of similar types of developments.

Significant ranking upgrades include, but are not limited to, upgraded or unique features in categories such as:

- Floor coverings
- Windows
- Natural lighting
- Bedroom Size
- Unit Size
- Unit Configuration
- Efficiency in heating/cooling plants
- Efficiency in use of floor space
- Durability in roofing and siding materials
- Quality and design of windows
- Landscape accessibility
- Landscaping design, low maintenance functions
- Other maintenance reducing features
- Innovative heating, cooling plant
- Garages
- Storage Units

2000  
Current Year Summary

ATTACHMENT "F"

Housing Needs

The foregoing information concerning housing needs in the State of Wyoming will be used as a guide by the WCDA in its review of applications; however, WCDA makes no representations about the accuracy of such information, which was provided by a third party source. Developers should not rely on nor use such information in underwriting the feasibility of their project or assessing local needs or demand without further research and study.

2000  
Current Year Summary

ATTACHMENT "G"

HOME Program Description

## HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

For Federal Fiscal Year 2000, the State of Wyoming through the Wyoming Community Development Authority (WCDA) is **anticipating** a \$3,500,000 allocation of HOME funds.

### 1. EXECUTIVE SUMMARY

The HOME Program was created under Title II (the Home Investment Partnerships Act) of the National Affordable Housing Act of 1990. The general purposes of HOME include:

- Expansion of the supply of decent and affordable housing, particularly rental housing, for low and very-low-income Americans.
- Strengthening the abilities of State and local governments to design and implement strategies for achieving adequate supplies of decent, affordable housing.
- Extending and strengthening partnerships among all levels of government and the private sector, including for-profit and non-profit organizations, in the production and operation of affordable housing.

HOME provides funding to meet both the short-term goal of increasing the supply and availability of affordable housing and long-term goals of building partnerships between State and local governments, private and non-profit organizations, while strengthening their capacity to meet the housing needs of low and very low-income residents.

For FY 1994 and subsequent years, there are match requirements that must be met under the HOME Program. Matching funds are the local contribution to the partnership. Match obligations must be met in the fiscal year they occur.

The State of Wyoming **anticipates** receiving an annual allocation in HOME funds of approximately \$3,500,000. See the WCDA Affordable Housing Allocation Plan, Attachment A for actual funding levels. These HOME funds will be allocated to local governments, Community Housing Development Organizations (CHDOs), Public Housing Authorities, Non-profit Organizations and for-profit developers of Low-income housing as described below. All projects outside of Casper and Cheyenne must be developed pursuant to the State's Consolidated Plan for Housing and Community Development. Casper and Cheyenne projects must be developed pursuant to their respective local Consolidated Plans. All projects must have a letter of support from the local government.

HOME funds must be spent quickly. The time frames for committing and expending funds are very short. From the time WCDA signs a HOME Investment Partnerships Agreement for HOME funds with the Department of Housing and Urban Development, the following time frames apply:

## **CRITICAL TIME-FRAMES**

- 24 months to enter into written agreements with an Owner/Developer to reserve HOME funds.
- 24 months to commit funds in the HOME Cash and Management Information System for specific projects.
- Five years to actually expend funds.

## **2. ELIGIBLE PROGRAM BENEFICIARIES**

The HOME Program beneficiaries are homeowners, homebuyers and tenants with very-low and low-incomes (See WCDA Funding Application for details). No HOME funds can be used to benefit property owners or tenants with gross annual incomes greater than 80 percent of HUD's median income. Specific participant eligibility criteria vary depending upon the category of assistance being provided. Program Beneficiary Requirements will be defined within each eligible category listed below.

## **3. DISTRIBUTION OF FUNDS**

The State of Wyoming, through the Wyoming Community Development Authority, will use HOME funds for the following major activities:

- a. Rental Housing Production**
  1. Rehabilitation
    - Rehabilitation
    - Conversion
    - Reconstruction
    - Rehab and refinance
  2. Acquisition and/or Rehabilitation
  3. New Construction
  
- b. Homeowner Rehabilitation**
  1. Rehabilitation
  2. Rehabilitation and refinance
  
- c. Homeownership Opportunities**
  1. Subdivision development pass-through
  2. Interest Rate Buydown
  3. Down Payment/Closing Cost Assistance
  4. Acquisition of a new or existing homes
  5. Bridge Loans/Construction loans
  6. Lease-purchase programs

#### **4. RENTAL HOUSING PRODUCTION PROVISIONS**

There are three important things to remember about HOME assisted Rental Housing:

- Rents are **strictly** controlled
- Tenants must be low-income. In fact, most tenants in HOME assisted units must be very low-income.
- Both occupancy and rents must be maintained and monitored for a minimum affordability period of 5 to 20 years depending upon the amount of HOME funds provided per unit and the type of project (new or existing). Actual project affordability may exceed 20 years.

Both the rent and income targeting requirements are enforced by deed restrictions and specify remedies for breach of the provisions.

##### **a. ELIGIBLE PROPERTY TYPES**

- One or more buildings on a single site that are under common ownership, management and financing.
- Scattered sites are eligible as one project as long as the sites are under common ownership, management and financing, and receive HOME assistance as part of a single undertaking.
- There are no limits on the number of units per project.
- There are no preferences for unit size and style except for what is identified in the applicable Consolidated Plan.
- Properties may be privately or publicly owned.

##### **b. INITIAL HOME RENTS**

Every HOME assisted unit is subject to rent controls designed to make sure that rents are affordable to very low-income households. These maximum rents may be referred to as HOME RENTS. HOME RENTS are subject to change annually and will be made available to applicants by WCDA.

LOW HOME RENT - 100% of HOME assisted units must have rents that are at or below the LOW HOME RENT. This requirement may be modified on a case by case basis at the discretion of WCDA and within the limits of the Federal Regulations.

The Low Home Rent is the lower of the 50% rent limit and the Fair Market Rent as shown on attached Exhibit K.

The maximum allowable HOME RENTS must be reduced if the tenant pays for utilities. Utility adjustments are made in accordance with the utility allowances prepared by the local Public Housing Authority. Utility adjustments proposed by owners/developers for specific projects must be approved by WCDA.

**c. AFFORDABILITY PERIOD**

HOME assisted **Rental** units are rent controlled for varying lengths of time depending upon the average amount of HOME funds invested per unit:

<u>RENTAL HOUSING ACTIVITY</u>	<u>PER UNIT HOME \$</u>	<u>MINIMUM AFFORDABILITY PERIOD</u>
Rehab or Acquisition of Existing	<\$15,000/unit	5 years
	\$15,000 - \$40,000	10 years
	>\$40,000	15 years
New Construction	all amounts	20 years

Maximum monthly rents and utility allowances must be recalculated annually by the owner. They are reviewed and approved by WCDA. Rent increases may be permitted, but tenants must be given at least 30 days written notice before increases are implemented.

Any increases are also subject to other provisions of the lease agreements and subject to approval by WCDA.

**d. OCCUPANCY OF HOME ASSISTED RENTAL UNITS**

There are two Federal constraints on occupancy:

1. **INCOME TARGETING:**  
90% of the units assisted with HOME Funds for rental housing must be used to assist tenants who have annual incomes that are 60% or less of the area median income. The remaining of dwelling units assisted with such funds may be used to assist families with household incomes between 60% and 80% of median.
  
2. **PROJECT REQUIREMENT:**  
In projects with five or more rental units, or in the case of an owner of multiple one or two unit projects with a total of five or more rental units, not less than 20% of the rental units must be occupied by very low-income families bearing rents not greater than the low-income rents determined by HUD, less any tenant paid utilities.

Owners of rental housing funded with HOME funds are required to have a written occupancy policy in place prior to the occupancy of HOME-assisted units. This policy should outline who is eligible for the units and be consistent with Fair Housing Laws. The HOME regulations list a number of prohibited lease



provisions and some required lease provisions with which owners should become familiar. WCDA has a Suggested Occupancy Policy and a list of these provisions that owners can adapt for their project.

**e. DETERMINING THE INITIAL INCOME ELIGIBILITY OF HOME TENANTS**

The income of each tenant must be determined initially in accordance with 24 CFR 92.203. One of the following three definitions of "annual income" must be used:

1. Annual Income as defined under the Section 8 Housing Assistance Payments programs in 24 CFR Part 5.609.
2. Annual Income as reported under the Census long-form for the most recent available decennial Census.
3. Adjusted Gross Income as defined for purposes of reporting under IRS Form 1040 for individual Federal annual income tax purposes.

For most projects, WCDA will require the definition of Annual Income as defined under Section 8 Housing Assistance Program (HAP)(24CFR Part 5.609).

Initial income determination will require third party verification. Verification information may not be more than six months old. WCDA will require that the owner have written verification of current income on file for each tenant.

**f. ANNUAL RECERTIFICATION OF INCOME**

The annual incomes of tenants in HOME projects must be re-examined each year during the period of affordability. The project owner must re-examine each tenant's annual income in accordance with one of the following three options:

1. Examine third party source documents evidencing annual income.
2. Obtain from the family a written statement of the amount of the family's annual income and family size, along with a certification that the information is complete and accurate.
3. Obtain a written statement from the administrator of a government program under which the family receives benefits and which examines each year the annual income of the family. The statement must indicate the tenant's family size and state the amount of the family's annual income.

WCDA will require that the owner of HOME assisted rental units report at least once a year on the annual income of all tenants.

**g. INCREASES IN TENANT INCOME**

Tenants occupying HOME assisted units whose annual incomes exceed 80% of median (that is, they are no longer low-income) may stay in their HOME assisted apartments. Over income tenants (those who no longer qualify as low income) in HOME assisted units must pay no less than 30% of their adjusted monthly income for rent and utilities. Adjusted income is calculated according to the rules for the Section 8 Program. In general, adjustments are made by deducting from the annual income certain allowances.

For rental housing with Low-Income Housing Tax Credits and for units under local rent controls, when a tenant's income increases above 80 percent of the area median income, that tenant's rent will not have to be adjusted to 30 percent of the family's income.

WCDA will review the owner's recertification of tenant income annually. WCDA will review rent and utility allowances annually. WCDA will perform on-site inspection for compliance with Section 8 Housing Quality Standards:

- Annually for projects with more than 25 units.
- Once every two years for projects containing 5 - 25 units
- Once every three years for projects containing 1-4 units.

WCDA will review the owner's compliance with Written Agreements annually.

**h. ELIGIBLE ACTIVITIES FOR RENTAL HOUSING PRODUCTION**

The following activities are eligible for rental housing production with HOME funds:

1. REHABILITATION -
  - a. Rehabilitation of existing structures.  
Rehabilitation and Refinancing to permit or continue affordability under 24 CFR 92.252.

(1) Rehabilitation must be the primary eligible activity requiring at least \$5,000 of required rehab. costs per unit.

(2) A review of the owner's management practices will be made in order to determine that disinvestment in the property has not occurred, that the long term needs of the project can be met and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated;

(3) The refinancing must be made for the purposes of maintaining current affordable units or creating additional affordable units.

(4) The minimum required period of affordability would be 15 years.

(5) Refinancing is an eligible activity throughout the State of Wyoming under the HOME Program.

(6) HOME funds cannot be used to refinance multifamily loans made or insured by any Federal program, including CDBG.

- b. Conversion - Conversion of an existing structure from an alternative use to affordable, residential housing is an eligible activity and is considered rehabilitation. If conversion involves additional units beyond the walls of an existing structure, the project will be deemed new construction.
  - c. Reconstruction - Reconstruction is defined as the rebuilding, on the same lot, of housing standing on a site at the time of project commitment. The number of housing units on the lot may not be decreased or increased as part of a reconstruction project, but the number of rooms per unit may be increased or decreased. Reconstruction also includes replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing.
- 2. ACQUISITION - Acquisition of an eligible property is eligible as part of a rental housing project.
  - 3. NEW CONSTRUCTION - New Construction is an eligible use of HOME funds. New Construction is also defined as housing that has received an initial certificate of occupancy or equivalent document within a one-year period before the commitment of HOME funds to the project.

## **5. HOMEOWNER REHABILITATION**

City or County governments, Public Housing Authorities, and non-profits may apply for HOME Funds for Homeowner Rehabilitation programs.

### **a. THE ELIGIBLE PROPERTY OWNER**

The owner must have a gross annual income that does not exceed 80 percent of HUD's median income for the area. Third party written verification of income will be required. The owner must own the property. A family or individual owns the property if they: **1)** have fee simple title to the property; or **2)** maintain a 99 year leasehold interest in the property; or **3)** have ownership or membership in a cooperative; **and 4)** do not have any restrictions or encumbrances that would unduly restrict the good and marketable nature of the ownership interest. The owner must occupy the property as a principal residence.

**b. THE ELIGIBLE PROPERTY TYPE**

An eligible property is any single family property, occupied as a principal residence by the owner in which the value of the property, after rehabilitation, does not exceed the FHA 203 (b) Single Family Mortgage limits in effect at the time of HOME funds commitment. See the WCDA HOME and Tax Credit funding application for these limits.

All properties must also meet HUD's site and environmental requirements summarized in Section X.

**6. HOMEOWNERSHIP OPPORTUNITIES**

City or County governments, Public Housing Authorities, non-profits and for-profit developers may apply for the HOME funds for Homeownership programs. Homeownership programs may include Down Payment and Closing Cost Assistance, Subdivision Development pass-through funds, Acquisition and Rehab. programs, interest rate buydown programs, lease-purchase programs, bridge loans or construction loans.

**a. ELIGIBLE HOMEBUYERS**

The homebuyer must have a gross annual income that does not exceed 80 percent of HUD's median income for the area. Third party written verification of income will be required. The homebuyer must be purchasing the property to occupy as their principal residence.

**b. THE ELIGIBLE PROPERTY TYPE**

Any single family property, occupied as a principal residence by the owner is eligible as long as the appraised value and purchase price at acquisition, if standard, or after any repair needed to meet property standards, must not exceed the FHA 203 (b) Mortgage limits for single family properties listed above. HUD site and environmental requirements must also be met as summarized in Section X.

**c. GUIDELINES FOR RESALE AND RECAPTURE**

All communities and/or developers wishing to use HOME funds for Homeownership Projects will be required to adhere to the following recapture requirement:

All HOME funds must be recaptured if the house is sold prior to the end of the affordability period. The maximum amount of HOME subsidy per unit is \$20,000. These funds may be allocated as an amortizing loan or as a 2% deferred loan. The term of the loan should be for the period of affordability. If the house is sold prior to the end of the period of affordability, the HOME funds plus accrued interest must be paid in full. If the net proceeds are not sufficient to recapture the entire HOME subsidy, the subsidy may be reduced pro-rata based on the time the borrower owned and occupied the residence in comparison to the required affordability period.

**d. AFFORDABILITY REQUIREMENT FOR HOMEOWNERSHIP**

The period of affordability is the higher of HUD's minimum period of affordability under the code (1) or WCDA's minimum period of affordability (2) as shown below:

(1) HUD's minimum period of affordability for Homeownership is as follows:

\$0 - \$15,000 of HOME funds per unit	5 years
\$15,001 - \$40,000 of HOME funds per unit	10 years
Over \$40,000 of HOME funds per unit	15 years

**OR**

(2) WCDA's minimum period of affordability for Homeownership with HOME funds is one (1) year of affordability for every \$1,000 of HOME funds.

For example, if a homebuyer received a HOME second mortgage in the amount of \$7,000, the period of affordability will be 7 years (WCDA's minimum). If a homebuyer received a HOME second mortgage in the amount of \$3,000, the period of affordability will be 3 years (HUD's minimum).

Resale is not anticipated to be part of a homeownership program. However, if it makes sense to consider a Resale aspect for a particular project, the Resale Requirements will follow HUD regulations at 24 CFR Part 92.254.

**e. LEASE PURCHASE**

The home must be purchased within 36 months if a lease-purchase agreement in conjunction with a homebuyer program is used to acquire the housing.

**7. ALLOCATION OF FUNDS**

**a. RURAL COMMUNITY SET-ASIDE**

Approximately \$350,000 - available for local governments and Public Housing Authorities for Homeowner Rehabilitation, Rental Housing Production or Homeownership, in Communities with less than 5,000 population. For-profit and non-profit developers may apply at the request of the local government. For actual funding levels, see WCDA Affordable Housing Allocation Plan, Current Year Summary Attachment "A".

**b. DIRECT ADMINISTRATION CATEGORY--WCDA**

Approximately \$2,275,000 - available for Rental Housing Production, Homeownership and Homeowner Rehab. programs under which non-profit developers, for-profit developers, Local Governments, and public housing authorities may apply. Applications are anticipated to be accepted in February of each year. Projects are ranked competitively against the Ranking Criteria listed below. For actual funding levels, see WCDA Affordable Housing Allocation Plan, Current Year Summary Attachment "A".

**Small Project Opportunities Program (SPOP)**– \$250,000 has been set-aside from the Direct Administration Category for rehabilitation of existing units. The program encourages rehabilitation of existing housing stock in projects of one-to-four units. Vacant units will be a priority under this set-aside. The maximum HOME funds allowable under this sub-category will be 50% of the rehabilitation costs not to exceed \$12,500 per unit. The project owner must have their own funds for half of the rehabilitation costs. Under this set-aside, HOME funds may **not** be used for acquisition.

The minimum amount of HOME funds that may be expended is \$1,000 per HOME assisted unit meaning that there must be at least \$2,000 per unit of eligible rehab costs.

Tenants must be at or below 60% of HUD’s median income as determined by family size (Exhibit J). Rents are strictly controlled and the rent plus tenant paid utilities may not exceed the Low HOME Rent as shown on Exhibit K.

The affordability period for projects in this set-aside is 5 to 8 years depending upon the amount of HOME funds provided per unit. Housing that is rehabilitated with HOME funds must meet all applicable local codes, local rehabilitation standards and zoning ordinances. In absence of local codes, the properties must meet HUD Section 8 Housing Quality Standards.

WCDA will underwrite all projects to determine feasibility of project in regards to rents, income of tenants and operating expenses and reserves. All projects must have reasonable operating proformas in order to be considered under this program. All federal requirements for HOME funding apply to this set-aside.

WCDA will not fund projects where the post-rehab value exceeds 105% Loan to Value. All applications must be submitted with a local government letter of support. Applications will be accepted at the opening of the HOME application period each year and will be available throughout the year until all funds are committed to projects. If it does not appear that all funds under this set-aside will be committed to projects before September 30<sup>th</sup> of each year, the funding may revert to the Administration and Contingency Reserve for use in other projects.

**c. CHDOs - COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS**

**Community Housing Development Organizations (CHDOs).** Fifteen percent (15%) of the Fiscal Year HOME funding allocation will be set aside for CHDO's. Applications will be accepted through a competitive application process during the initial application period at the beginning of each year, and then on a first-come, first-serve basis to projects meeting the minimum ranking criteria until all funds are allocated to eligible projects. Ten percent of this set aside is available to CHDOs for Project Specific Technical Assistance and Site Control Loans for items such as feasibility studies, consulting fees, architectural and engineering fees, etc. No administrative fees are eligible. CHDO's may apply for operating costs directly from WCDA's Administrative, CHDO Operations and Capacity Building, and Contingency Reserve Account. For actual funding levels, see WCDA Affordable Housing Allocation Plan, Current Year Summary Attachment “A”.

**d. ADMINISTRATION AND CONTINGENCY RESERVE**

Ten percent (10%) of Fiscal Year HOME allocation - for administrative costs, CHDO operations and Capacity Building and for a reserve for project over-runs that cannot be met from other funding sources.

**8. PROPERTY STANDARDS**

Housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In absence of a local code for new construction or rehabilitation, HOME-assisted new construction or rehabilitation must meet: as applicable, one of three model codes-- Uniform Building Code, National Building Code or Standard Building Code, or the Council of American Building Officials one or two family code, or the Minimum Property Standards in 24 CFR 200.925 or 200.926.

Newly constructed housing must meet the current edition of the Model Energy Code published by the Council of American Building Officials.

Since HOME regulations require that HOME-assisted units meet a minimum property standard, HOME funds **cannot** be used for emergency repair programs.

**9. ELIGIBLE REHABILITATION COSTS**

**a. Development Hard Costs** - The actual rehabilitation costs including:

- Costs to meet Section 8 HQS
- Costs to meet rehabilitation standards
- Essential improvements
- Energy-related improvements
- Lead-based paint hazards
- Improvements for handicapped persons
- Repair or replacement of major housing systems in danger of failure
- Incipient repairs and general property improvements of a non-luxury nature

**b. Demolition Costs** when part of a rehabilitation project.

**c. Site improvements** and utility connections can be funded with HOME funds only when conducted in conjunction with HOME eligible activities.

**d. Related Soft Costs** - reasonable and necessary costs, including:

- Architectural, engineering or related professional services (inspection, work write-ups) to a third party.
- Financing costs such as loan points, credit and title costs, recordation fees, building permits, legal fees, appraisals, developer fees.
- Relocation costs (permanent and temporary), affirmative marketing, and fair housing information services.

## **10. SITE REQUIREMENTS**

HOME projects must be located on a site eligible for federal financial assistance. The types of items that are reviewed when looking at a site are listed below:

- The site's proximity to noise sources such as railroads, highways or busy streets, and airports or military airfields.
- The site and the project must have a clearance from the state historic preservation office.
- The site cannot be in a 100-year flood plain.
- Lead-based paint and asbestos are concerns and must be dealt with in accordance with HUD and state requirements.
- The site's proximity (within 3,000 feet) to a hazardous waste site listed on the CERCLIS list.
- Are there above ground storage tanks with hazardous materials visible from the site?

WCDA will also do a site visit to determine the site's suitability for the type of housing being proposed. All funded projects will have to meet HUD's environmental review process. Site selection is extremely important and is evaluated and ranked under Program Design.

## **11. ELIGIBLE FORMS OF FINANCIAL ASSISTANCE**

- Interest-bearing loans
- Non-interest-bearing loans
- Interest subsidies that leverage other monies
- Deferred payment loans
- Forgivable loans
- Grants
- Alternative forms must be approved by HUD



## 12. MATCHING REQUIREMENTS

HUD requires that 25% of the HOME funds are matched by a non-federal eligible matching contribution. Matching funds are the local contribution to the partnership. Match obligations must be met in the fiscal year they occur.

### a. Forms of matching contribution.

The match obligations can be met with:

- Cash from a non-federal source (**owner's cash is not eligible as match**)
- Value of waived taxes, fees or charges
- Value of donated land or real property
- Cost of infrastructure improvements not made with federal resources associated with HOME projects
- Proceeds from multifamily and single family affordable housing project bond financing validly issued by a State or local government or an agency or instrumentality of the State or local government
- Reasonable value of donated site-preparation and construction materials not acquired with Federal resources.
- Reasonable rental value of the donated use of site preparation or construction equipment
- The value of donated or voluntary labor or professional services
- The value of sweat equity
- The direct cost of supportive services provided to families residing in HOME-assisted units during the period of affordability
- The direct cost of homebuyer counseling services provided to families that acquire a property with HOME assistance

### b. Size of the Match

Every HOME project requires a 25% match contribution meaning that 25% of the HOME funds in a project must be matched by non-federal funds. For FY 2000, applicants will only be required to provide a match of 4.5% because WCDA has been able to accumulate banked match over the past several years.

This also means there will not be WCDA Match Pool funding available for this year as there has been in previous years. However, if projects require an additional financing source, they may apply to WCDA for funding from the WCDA Housing Trust Fund.

**c. Sources of Match**

Match providers will include a wide array of local providers, both public and private. These may include:

- Local tax funded initiatives
- Tax assessing offices
- Water and sewer departments
- Streets and sidewalk departments
- Redevelopment agencies
- Public housing agencies
- State agencies
- State tax funded initiatives
- Charitable Organizations/Foundations
- Private sector organizations
- Lending institutions
- Corporate donations/commitments

**13. DOUBLE DIPPING ON HOME ASSISTED PROJECTS**

Except for the first year after project completion, no further HOME funds can be used during the relevant period of affordability. The period of affordability will vary depending on the type of HOME activity.

**14. HOME INVESTMENT PER UNIT--Maximum/Minimum HOME Expenditure**

The maximum, average subsidy per HOME assisted unit is established by HUD. Maximum Subsidy limits for Wyoming can be found in the WCDA Affordable Housing Allocation Plan, Attachment A.

Only units receiving HOME monies are considered "HOME Assisted Units". HOME expenditure limits, rent and occupancy rules only apply to HOME Assisted Units.

Project developers using the **Federal Low-Income Housing Tax Credit** need to contact WCDA for special limitations when applying for HOME funds.

## **15. RESERVATION CRITERIA**

See Affordable Housing Allocation Plan

## **16. POLICIES & PROCEDURES**

### **a. AFFIRMATIVE MARKETING**

It is the affirmative marketing policy of WCDA to inform the public, homeowners, landlords and potential tenants about the Federal Fair Housing laws and the affirmative marketing goals by:

1. Making this program available for public review. An overview of the marketing policy is included.
2. Upon qualification and selection of a HOME project, the owner will be notified of Equal Opportunity requirements.
3. All advertising and literature used for the HOME program will carry the Equal Housing Opportunity logo or slogan.
4. Copies of media releases, advertisements, and announcements where the HOME program was presented, will be maintained.
5. Affirmative marketing to the general public, landlords, tenants and homeowners will be done by the placement of Public Notices in the applicable local newspapers. The Casper Star-Tribune is considered the major Wyoming newspaper having statewide circulation.

As projects are completed, owners will send written notices containing information about the project (size of units, rent, etc.) to agencies such as the Department of Family Services and the local Salvation Army. There is no Fair Housing Agency in Wyoming.

Information on the Fair Housing Act will be distributed at conferences, meetings, and OUTREACH sessions. Local Housing Task Forces that are set up through the OUTREACH Program will be encouraged to set Fair Housing as one of their Task Force Objectives.

6. WCDA has prepared a Housing Guide that briefly describes WCDA's housing programs. This guide will be used to affirmatively market the HOME Program to the general public, tenants, and owners.
7. Throughout the year, WCDA has opportunities to affirmatively market the HOME Program on a statewide basis to realtors, lenders, and other housing and redevelopment officials at meetings and seminars in which WCDA participates.

8. Landlords will be advised that they must comply with Equal Housing Opportunity laws and their literature must contain the Equal Housing Opportunity logo. All projects will be required to display a fair housing poster when advertising vacancies. If it is found that a landlord is failing to follow the affirmative marketing requirements and blatantly ignoring fair housing laws, WCDA may enforce the default section of the HOME Agreement and Promissory Note.
9. If landlords are seeking tenants to fill vacant units, they will be provided assistance by WCDA in outreach methods for contacting groups and ethnic organizations to ensure equal access is provided. Landlords will be required to send written notices of vacancies to employment centers, places of worship or other community organizations that work with low-income persons.
10. Landlords of HOME assisted units will be required to keep records of families who apply for housing and document those cases where someone was denied housing. At a minimum, these records will contain data regarding income, family size, and minority status. Landlords will be required to keep copies of all media releases and advertisements for vacancies.
11. Any alleged housing discrimination complaints will be forwarded to the U. S. Department of Housing and Urban Development.
12. WCDA will monitor units of general local government to encourage their adoption of affirmative marketing procedures. On-site monitoring will be performed as required by HUD HOME Regulations will be reviewed for compliance.

**b. MINORITY BUSINESS ENTERPRISE & WOMEN - OWNED BUSINESS ENTERPRISE (MBE & WBE) OUTREACH PROGRAM (24 CFR 92.350 & 92.351)**

WCDA will keep on file the names of agencies that have lists of MBE and WBE businesses that have been identified in source documents developed by agencies such as the Wyoming Business Council, and the Wyoming Highway Department. HOME applicants may request copies of these documents as they are updated.

WCDA will encourage general contractors on projects being funded with HOME funds to solicit bids from MBE/WBE businesses. WCDA will maintain project records on the use and participation of WBE and MBE.

WCDA will promote the use of MBE/WBE in the HOME program when advertising the HOME Program in the media. Cheryl G. Gillum, WCDA Director of Housing Programs has been assigned the oversight responsibilities of the MBE/WBE program.

## **17. HOME PROGRAM DEFINITIONS**

### **Adjusted Income**

Adjusted income is used in HOME to compute actual tenant payment. for tenants who are required to pay 30% of their Adjusted Income for rent and utilities. Adjusted income is annual (gross) income reduced by deductions for dependents, elderly households, medical expenses, handicap assistance expenses and child care.

### **Affordability**

Affordability requirements are the HOME regulations at 24 CFR Part 92 that relate to the cost of housing both at initial occupancy and over established timeframes, as prescribed in the HOME Final Rule. Affordability requirements vary depending upon the nature of the HOME assisted activity (i.e. homeownership or rental housing; new construction vs. rehabilitation).

### **Annual (Gross) Income**

The HOME Program allows for the use of one of three "Annual Income" definitions as described in Section IV E. Annual Income is used for homeowner, homebuyer and tenant eligibility and targeting purposes.

### **Commitment**

The written, legally binding agreement between the Participating Jurisdiction (or other entity) providing HOME funds to a project, and the project owner. Once a commitment occurs HUD expects construction to start or a purchase to occur within six months.

HUD recognizes the commitment when the project set-up report is entered in the Cash and Management Information System.

### **Community Housing Development Organization (CHDO)**

A Community Housing Development Organization (CHDO) is a private, non-profit organization that meets a series of qualifications prescribed in the HOME Regulations. CHDOs must receive at least 15 percent of a participating jurisdiction's annual allocation of HOME funds.

### **HOME Assisted Units**

A term that refers to units within a HOME project where HOME funds are used and rent, occupancy, or resale/recapture restrictions apply.

### **HOME Funds**

HOME funds include all appropriations for the HOME Program, plus all repayments and interest or other return on the investment of these funds.

### **Low-Income Families**

Families whose annual incomes do not exceed 80 percent of the median income for the area (adjusted for family size). HUD may establish income ceilings higher or lower than 80 percent of median income for an area on an exception basis.

### **New Construction**

For purposes of the HOME Program, new construction is any project with commitment of HOME funds made within one year of the date of initial certificate of occupancy. Any project that includes the creation of additional dwelling units outside the existing walls of a structure is also considered new construction.

### **Project**

A site or an entire building or two or more buildings, together with the site or sites on which the building or buildings is/are located, that are under common ownership, management and financing and are to be assisted with HOME funds, under a commitment by the owner, as a single undertaking. If there is more than one site associated with the project, the sites must be within a four (4) block area.

### **State Recipient**

Any unit of local government designated by a state to receive HOME funds. The state is responsible for ensuring the HOME funds allocated to State Recipients are used in accordance with the HOME regulations and other applicable laws.

### **Subrecipient**

Means a public agency or non-profit organization selected by a participating jurisdiction to administer all or a portion of the participating jurisdiction's HOME Program. A public agency or non-profit organization that receives HOME funds solely as a developer or owner of housing is not a subrecipient.

### **Targeting**

Requirements of the HOME Program relating to the income or other characteristics of households that may occupy HOME assisted units.

### **Very Low-Income**

Families whose incomes (adjusted for family size) does not exceed 50 percent of the median income for the area. HUD may establish income ceilings higher or lower than 50 percent of median income for an area on an exception basis.

## Subpart H -- Other Federal Requirements under HOME

- § 92.350 Other Federal requirements.
- § 92.351 Affirmative marketing; minority outreach program.
- § 92.352 Environmental review.
- § 92.353 Displacement, relocation, and acquisition.
- § 92.354 Labor.
- § 92.355 Lead-based paint.
- § 92.356 Conflict of interest.
- § 92.357 Executive Order 12372.

§ 92.350 Other Federal requirements.

- (a) The Federal requirements set forth in 24 CFR part S, subpart A, are applicable to participants in the HOME program. The requirements of this subpart include: nondiscrimination and equal opportunity; disclosure requirements; debarred, suspended or ineligible contractors; and drug-free workplace.
- (b) The nondiscrimination requirements at section 282 of the Act are applicable. These requirements are waived in connection with the use of HOME funds on lands set aside under the Hawaiian Homes Commission Act. 1920 (42 Stat. 108).

### **92.351 Affirmative marketing; minority outreach program.**

- (a) *Affirmative marketing.*
  - (1) Each participating jurisdiction must adopt affirmative marketing procedures and requirements for rental and homebuyer projects containing 5 or more HOME-assisted housing units. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing with out regard to race, color, national origin, sex, religion, familial status or disability. (The affirmative marketing procedures do not apply to families with Section 8 tenant-based rental housing assistance or families with tenant-based rental assistance provided with HOME funds.)
  - (2) The affirmative marketing requirements and procedures adopted must include:
    - (i) Methods for informing the public, owners, and potential tenants about Federal fair housing laws and the participating jurisdiction's affirmative marketing policy (e.g., the use of the Equal Housing Opportunity logotype or slogan in press releases and solicitations for owners, and written communication to fair housing and other groups):
    - (ii) Requirements and practices each owner must adhere to in order to carry out the participating jurisdiction's affirmative marketing procedures and requirements (e.g. use of commercial media, use of community contacts, use of the Equal Housing Opportunity logotype and display of fair housing poster):

- (iii) Procedures to be used by owners to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing without special outreach (e.g., use of community organizations, places of worship, employment centers, fair housing groups, or housing counseling agencies);
  - (iv) Records that will be kept describing actions taken by the participating jurisdiction and by owners to affirmatively market units and records to assess the results of these actions; and
  - (v) A description of how the participating jurisdiction will annually assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.
- (3) A State that distributes HOME funds to units of general local government must require each unit of general local government to adopt affirmative marketing procedures and requirements that meet the requirement in paragraphs (a) and (b) of this section.
- (b) *Minority outreach* A participating jurisdiction must prescribe procedures acceptable to HUD to establish and oversee a minority outreach program within its jurisdiction to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts entered into by the participating jurisdiction with such persons or entities, public and private, in order to facilitate the activities of the participating jurisdiction to provide affordable housing authorized under this Act or any other Federal housing law applicable to such jurisdiction. Section 85.36(e) of this title describes actions to be taken by a participating jurisdiction to assure that minority business enterprises and women business enterprises are used when possible in the procurement of property and services.

**§ 92.352 Environmental review.**

- (a) *General.* The environmental effects of each activity carried out with HOME funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR parts 50 and 58.
- (b) *Responsibility for review.*
  - (1) The jurisdiction (e.g., the participating jurisdiction or State recipient) or insular area must assume responsibility for environmental review, decision-making, and action for each activity that it carries out with HOME funds, in accordance with the requirements imposed on a recipient under 24 CFR part 58. No funds may be committed to a HOME activity or project before the completion of the environmental review and approval of the request for release of funds and related certification, except as authorized by 24 CFR part 58.



- (2) A State participating jurisdiction must also assume responsibility for approval of requests for release of HOME funds submitted by State recipients.
- (3) HUD will perform the environmental review, in accordance with 24 CFR part 50, for a competitively awarded application for HOME funds submitted to HUD by an entity that is not a jurisdiction.

### § 92.353 Displacement, relocation, and acquisition

- (a) *Minimizing displacement.* Consistent with the other goals and objectives of this part, the participating jurisdiction must ensure that it has taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of a project assisted with HOME funds. To the extent feasible, residential tenants must be provided a reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary, and affordable dwelling unit in the building/complex upon completion of the project.
- (b) *Temporary relocation.* The following policies cover residential tenants who will not be required to move permanently but who must relocate temporarily for the project. Such tenants must be provided:
  - (1) Reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporarily occupied housing and any increase in monthly rent/utility costs.
  - (2) Appropriate advisory services, including reasonable advance written notice of:
    - (i) The date and approximate duration of the temporary relocation;
    - (ii) The location of the suitable, decent, safe, and sanitary dwelling to be made available for the temporary period;
    - (iii) The terms and conditions under which the tenant may lease and occupy a suitable, decent, safe, and sanitary dwelling in the building/complex upon completion of the project; and
    - (iv) The provisions of paragraph (b)(1) of this section.
- (c) *Relocation assistance for displaced persons.*
  - (1) *General.* A displaced person (defined in paragraph (c)(2) of this section) must be provided relocation assistance at the levels described in, and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655) and 49 CFR part 24. A "displaced person" must be advised of his or her rights under the Fair Housing Act and, if the comparable replacement dwelling used to establish the amount of the replacement housing payment to be provided to a minority person is located in an area of minority concentration, the minority person also must be given, if possible, referrals to comparable and suitable, decent, safe, and sanitary replacement dwellings not located in such areas.

(2) *Displaced Person.*

- (i) For purposes of paragraph (c) of this section, the term displaced person means a person (family individual, business, nonprofit organization, or farm, including any corporation, partnership or association) that moves from real property or moves personal property from real property, permanently, as a direct result of acquisition, rehabilitation, or demolition for a project assisted with HOME funds. This includes any permanent, involuntary move for an assisted project, including any permanent move from the real property that is made:
  - (A) After notice by the owner to move permanently from the property, if the move occurs on or after:
    - (1) The date of the submission of an application to the participating jurisdiction or HUD, if the applicant has site control and the application is later approved; or
    - (2) The date the jurisdiction approves the applicable site, if the applicant does not have site control at the time of the application; or
  - (B) Before the date described in paragraph (c)(2)(i)(A) of this section, if the jurisdiction or HUD determines that the displacement resulted directly from acquisition, rehabilitation, or demolition for the project; or
  - (C) By a tenant-occupant of a dwelling unit, if any one of the following three situations occurs:
    - (1) The tenant moves after execution of the agreement covering the acquisition, rehabilitation, or demolition and the move occurs before the tenant is provided written notice offering the tenant the opportunity to lease and occupy a suitable, decent, safe, and sanitary dwelling in the same building/complex upon completion of the project under reasonable terms and conditions. Such reasonable terms and conditions must include a term of at least one year at a monthly rent and estimated average monthly utility costs that do not exceed the greater of:
      - (j) The tenant's monthly rent before such agreement and estimated average monthly utility costs; or
      - (ji) The total tenant payment, as determined under 24 CFR 5.613, if the tenant is low-income, or 30 percent of gross household income, if the tenant is not low-income; or
    - (2) The tenant is required to relocate temporarily, does not return to the building/complex, and either
      - (j) The tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation; or

(ji) Other conditions of the temporary relocation are not reasonable; or

(3) The tenant is required to move to another dwelling unit in the same building/complex but is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move, or other conditions of the move are not reasonable.

(ii) Notwithstanding paragraph (c)(2)(i) of this section, a person does not qualify as a displaced person if:

- (A) The person has been evicted for cause based upon a serious or repeated violation of the terms and conditions of the lease or occupancy agreement, violation of applicable federal, State or local law, or other good cause, and the participating jurisdiction determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance. The effective date of any termination or refusal to renew must be preceded by at least 30 days advance written notice to the tenant specifying the grounds for the action.
- (B) The person moved into the property after the submission of the application but, before signing a lease and commencing occupancy, was provided written notice of the project, its possible impact on the person (e.g., the person may be displaced, temporarily relocated, incur a rent increase), and the fact that the person would not qualify as a "displaced person" (or for any assistance under this section) as a result of the project;
- (C) The person is ineligible under 49 CFR 24.2(g)(2); or
- (D) HUD determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the project.

(iii) The jurisdiction may, at any time, ask HUD to determine whether a displacement is or would be covered by this rule.

(3) *Initiation of negotiations.* For purposes of determining the formula for computing replacement housing assistance to be provided under paragraph (c) of this section to a tenant displaced from a dwelling as a direct result of private-owner rehabilitation, demolition or acquisition of the real property, the term initiation of negotiations means the execution of the agreement covering the acquisition, rehabilitation, or demolition.

(d) *Optional relocation assistance.* The participating jurisdiction may provide relocation payments and other relocation assistance to families, individuals, businesses, nonprofit organizations, and farms displaced by a project assisted with HOME funds where the displacement is not subject to paragraph (c) of this section. The jurisdiction may also provide relocation assistance to persons covered under paragraph (c) of this section beyond that required. For any such assistance that is not required by State or local law, the jurisdiction must adopt a written policy available to the public that describes the optional relocation assistance that it has elected to furnish and provides for equal relocation assistance within each class of displaced persons.

- (e) *Residential anti-displacement and relocation assistance plan.* The participating jurisdiction shall comply with the requirements of 24 CFR part 42, subpart B.
- (f) *Real property acquisition requirements.* The acquisition of real property for a project is subject to the URA and the requirements of 49 CFR part 24, subpart B.
- (g) *Appeals.* A person who disagrees with the participating jurisdiction's determination concerning whether the person qualifies as a displaced person, or the amount of relocation assistance for which the person may be eligible, may file a written appeal of that determination with the jurisdiction. A low-income person who is dissatisfied with the jurisdiction's determination on his or her appeal may submit a written request for review of that determination to the HUD Field Office.

**§ 92.354 Labor.**

(a) *General*

- (1) Every contract for the construction (rehabilitation or new construction) of housing that includes 12 or more units assisted with HOME funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a - 276a-5), to all laborers and mechanics employed in the development of any part of the housing. Such contracts must also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 - 332).
- (2) The contract for construction must contain these wage provisions if HOME funds are used for any project costs in § 92.206, including construction or non-construction costs, of housing with 12 or more HOME-assisted units. When HOME funds are only used to assist homebuyers to acquire single-family housing, and not for any other project costs, the wage provisions apply to the construction of the housing if there is a written agreement with the owner or developer of the housing that HOME funds will be used to assist homebuyers to buy the housing and the construction contract covers 12 or more housing units to be purchased with HOME assistance. The wage provisions apply to any construction contract that includes a total of 12 or more HOME-assisted units, whether one or more than one project is covered by the construction contract. Once they are determined to be applicable, the wage provisions must be contained in the construction contract so as to cover all laborers and mechanics employed in the development of the entire project, including portions other than the assisted units. Arranging multiple construction contracts within a single project for the purpose of avoiding the wage provisions is not permitted.
- (3) Participating jurisdictions, contractors, subcontractors, and other participants must comply with regulations issued under these acts and with other Federal laws and

regulations pertaining to labor standards and HUD Handbook ~344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs), as applicable. Participating jurisdictions must require certification as to compliance with the provisions of this section before making any payment under such contract.

- (b) *Volunteers.* The prevailing wage provisions of paragraph (a) of this section do not apply to an individual who receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered and who is not otherwise employed at any time in the construction work. See 24 CFR part 70.
- (c) *Sweat equity.* The prevailing wage provisions of paragraph (a) of this section do not apply to members of an eligible family who provide labor in exchange for acquisition of a property for homeownership or provide labor in lieu of, or as a supplement to, rent payments.

### **§ 92.355 Lead-based paint**

Housing assisted with HOME funds is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821 *et seq.*) and 24 CFR part 35. The lead-based paint provisions of § 982.401~), except 24 CFR 982.4010(1)(i), also apply, irrespective of the applicable property standard under § 92.251. In a project in which not all units are assisted with HOME funds, the lead-based paint requirements apply to all units and common areas in the project. Unless otherwise provided, the participating jurisdiction is responsible for testing and abatement activities.

### **§ 92.356 Conflict of Interest**

- (a) *Applicability.* In the procurement of property and services by participating jurisdictions, State recipients, and sub-recipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, apply. In all cases not governed by 24 CFR 85.36 and 24 CFR 84.42, the provisions of this section apply.
- (b) *Conflicts prohibited.* No persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.
- (c) *Persons covered.* The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the participating jurisdiction, State recipient, or sub-recipient which are receiving HOME funds.
- (d) *Exceptions: Threshold requirements.* Upon the written request of the participating jurisdiction, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME Investment Partnerships Program and the effective and efficient administration of the participating jurisdiction's program or project. An exception may be considered only after the participating jurisdiction has provided the following:

(1) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and

(2) An opinion of the participating jurisdiction's or State recipient's attorney that the interest for which the exception is sought would not violate State or local law.

(e) *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the participating jurisdiction has satisfactorily met the requirements of paragraph (d) of this section, HUD will consider the cumulative effect of the following factors, where applicable:

- (1) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;
- (2) Whether the person affected is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
- (3) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted activity in question;
- (4) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (c) of this section;
- (5) Whether undue hardship will result either to the participating jurisdiction or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and
- (6) Any other relevant considerations.

(f) *Owners and Developers*

- (1) No owner, developer or sponsor of a project assisted with HOME funds (or officer, employee, agent, elected or appointed official or consultant of the owner, developer or sponsor) whether private, for profit or non-profit (including a community housing development organization (CHDO) when acting as an owner, developer or sponsor) may occupy a HOME-assisted affordable housing unit in a project. This provision does not apply to an individual who receives HOME funds to acquire or rehabilitate his or her principal residence or to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.
- (2) *Exceptions.* Upon written request of a housing owner or developer, the participating jurisdiction (or State recipient, if authorized by the State participating

jurisdiction) may grant an exception to the provisions of paragraph (f)(1) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME program and the effective and efficient administration of the owner's or developer's HOME-assisted project. In determining whether to grant a requested exception, the participating jurisdiction shall consider the following factors:

- (i) Whether the person receiving the benefit is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted housing, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class:
- (ii) Whether the person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted housing in question:
- (iii) Whether the tenant protection requirements of § 92.253 are being observed:
- (iv) Whether the affirmative marketing requirements of § 92.351 are being observed and followed; and
- (v) Any other factor relevant to the participating jurisdiction's determination, including the timing of the requested exception.

#### **§ 92.357 Executive Order 12372**

- (a) *General.* Executive Order 12372, as amended by Executive Order 12416 (3 CFR, 1982 Comp., p. 197 and 3 CFR, 1983 Comp., p. 186) (Intergovernmental Review of Federal Programs) and HUD's implementing regulations at 24 CFR part 52, allow each State to establish its own process for review and comment on proposed Federal financial assistance programs.
- (b) *Applicability.* Executive Order 12372 applies to applications submitted with respect to HOME funds being competitively reallocated under subpart J of this part to units of general local government.

#### **§ 92.358 Consultant activities**

No person providing consultant services in an employer-employee type relationship shall receive more than a reasonable rate of compensation for personal services paid with HOME funds. In no event, however, shall such compensation exceed the limits in effect under the provisions of any applicable statute (e.g., annual HUD appropriations acts which have set the limit at the equivalent of the daily rate paid for Level IV of the Executive Schedule, see the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Pub. L. 104-204 (September 26, 1996)). Such services shall be evidenced by written agreements between the parties which detail the responsibilities, standards, and compensation. Consultant services provided under an independent contractor relationship are not subject to the compensation limitation of Level W of the Executive Schedule.