

**WYOMING COMMUNITY  
DEVELOPMENT AUTHORITY  
(WCDA)  
2014  
AFFORDABLE  
HOUSING  
ALLOCATION PLAN  
(HOME, TAX CREDIT & TAX-EXEMPT  
PROGRAMS)**

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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 Partnerships Program at 24 CFR Part 92. The four most significant criteria for HOME and Tax Credit approval are:

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

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.

The total amount of Tax Credits 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 24 CFR 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.

**It is strongly suggested that project sponsors interested in the Tax Credit Program and/or HOME program contact their tax accountant and/or attorney before developing projects under either of these programs. While WCDA will endeavor to assist applicants, WCDA personnel are not tax or legal experts and applicants should not rely on WCDA personnel for tax and/or legal advice.**

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.

## **I. OVERVIEW**

In the event there are changes in federal law subsequent to the adoption of this Allocation Plan or additional regulatory guidance or clarifications regarding the Tax Credit Program and/or the HOME Investment Partnerships Program becomes available, the Agency may modify, supplement or make conforming amendments to this Allocation Plan and all related documents without formal amendment or additional public hearings. WCDA will notify applicants affected by these changes and in addition, information about such subsequent changes will be posted on the Agency's website at [www.wyomingcda.com](http://www.wyomingcda.com).

## II. APPLICATION PROCESS

ALL projects applying for **Tax Credits or Tax Exempt Bond Financing** 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 applying for credits when 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 24 CFR Part 92 as detailed in the WCDA HOME Program Description (Allocation Plan Current Year Summary Attachment “E”).

All projects receiving HOME funds and/or an allocation of Section 42 Tax Credits will be responsible for indemnifying WCDA in the event HUD and/or Treasury enforce any type of recapture or other penalties on the project.

The application fee for **Tax Credits** is \$250 for projects with twenty units or less and \$750 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 any of these programs need to submit:

- a completed WCDA Application Form including all supplements and appropriate Exhibits (The most **current** application must be used, no substitutions or changes to any forms will be accepted),
- an electronic version of the Application in excel format. Make sure it is not locked or a shared file.
- an Affirmative Fair Housing Marketing Agreement (See Application Exhibit A-1),
- a Previous Participation Statement and Authorization for Release of Information (See Application Exhibit A-3),
- Determination letter from the State Historic Preservation Office (SHPO) clearing the site for improvement or necessary mitigation requirements,
- HUD Environmental checklist,
- an independent comprehensive, timely, and professional Market Study. (Generally Market Studies are considered timely if less than 6 months old.) At a minimum, the Market Study must include those items outlined in the Current Year Summary Attachment “A” Item “11” and the Market Study Recap located in the Current Year Summary Attachment “B” Item “1”. If the Market Study contradicts current economic statistics on file with WCDA, the

## **II. APPLICATION PROCESS**

project may not rank in the needs category. A Market Study provider will be approved by WCDA if it can demonstrate to the Developer that it can meet the required elements as listed in the Affordable Housing Allocation Plan Current Year Summary Attachment “A” Item “11”, AND provide a completed Market Study Recap sheet found in the Affordable Housing Allocation Plan Current Year Summary Attachment “B” Item “1”. WCDA DOES NOT APPROVE INDIVIDUAL MARKET STUDIES. EACH DEVELOPER/OWNER IS RESPONSIBLE FOR PROVIDING A MARKET STUDY WHICH ACCURATELY REFLECTS THE INFORMATION NECESSARY FOR WCDA TO EVALUATE THE CURRENT AND FUTURE NEED FOR THE PROJECT BEING PROPOSED.

- Audited Financial Statements of Owner, Developer, General Partner, and all Guarantors.
- documentation showing that the CEO of the local jurisdiction has been notified and given specific information about the project (number of units, income levels, location, rent levels, type of funding anticipated, targeted population [family/elderly]),
- all rental rehabilitation projects must provide an Independent Third Party Capital Needs Assessment (including an Economic Feasibility Assessment of Expenses), stating the viability and long term feasibility of the project,
- all Acquisition/Rental Rehabilitation projects must provide a timely appraisal by an independent 3<sup>rd</sup> party. (Generally Appraisals are considered timely if less than 6 months old.) The acquisition price on which tax credits are allocated will be limited to the lesser of the sale price or the appraised value of the property prior to rehabilitation,
- Owners and/or Developers applying for federal funding for all Occupied Acquisition/Rental Rehabilitation projects must provide every tenant with a General Information Notice (GIN) per HUD requirements prior to the application being submitted. A copy of each GIN presented and proof of delivery must accompany the application for funding,
- all projects requesting credits that exceed the Total per unit Eligible Basis published by WCDA in the Current Year Summary Attachment “A”, must include documentation, satisfactory to WCDA, justifying the higher costs, and thus the higher Eligible Basis. [E.g. Three or more bids for construction items, current Real Estate listings for like properties in the area (to help justify high land costs), costs to address seismic or other unique building requirements, impact on the community, etc.], and
- the appropriate application fee.

Tax Credit Initial Allocations and HOME funded Initial Allocations are NOT transferable. Once an Initial Allocation is granted, the project (as presented in the application, including but not

## II. APPLICATION PROCESS

limited to the project location, OWNER and other participating parties) may not be changed in any way without WCDA's prior written consent. In addition, prior to application, it is highly recommended the owner verify the name they intend to use is available, i.e. obtaining a Certificate of Good Standing from the State.

Scattered Site projects are acceptable under this plan only if all units are covered under the same financing, and are located within the same city, or if none of the individual sites are within city limits, within the same county *However, the Primary Market Area defined in the Market Study must make sense.* To receive the 130% increase in basis allowed under Section 42 the **entire** project must also be located within a Qualified Census Tract or Difficult Development Area. While separate applications are required for projects located in different cities, projects may be bundled for outside financing and syndication purposes.

All housing that is constructed or rehabilitated must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In absence of a local code new construction or rehabilitation must meet: as applicable, the International Building Code (as applicable to the type of housing) of the International Code Council

Newly constructed housing must also meet the requirements of 24 CFR Part 92.251(a)(2)(i) through (V).

All 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 The site's proximity to above ground or underground storage tanks containing hazardous materials.
- Concentration of low income housing (Environmental Justice)

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 and HUD's site and neighborhood standards requirement at 24 CFR Part 92.202. Site selection is extremely important and is part of the evaluation and ranking process.

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 the developer or other key participants have other projects that are not progressing in a timely manner.

Incomplete applications may be returned. Applications once submitted are considered final and may not be revised. WCDA has the right not to fund a draw or issue IRS form(s) 8609 if the



## **II. APPLICATION PROCESS**

project is not progressing or has not been completed according to the original application. However, WCDA may ask for additional information and updates as needed.

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 the owner, management company or any material participant has outstanding non-compliance issues, or if an applicant, material participant or management company has a history of poor performance under any program administered by WCDA, or under comparable programs in other states or jurisdictions.

Developments which need additional Tax Credits or HOME funding to be viable must submit a new Application for funding with the Agency during a normal funding round. Said applications will not be considered for substitution of Tax Credits if their Application has substantially changed. In order to receive additional funding the project must successfully compete against other projects in that round. Further, the Agency may not consider any other Applications for Tax Credits, in its sole discretion, for a new development submitted by the same applicant (or related entity or material participant) during the same or following funding round for Tax Credits if it provides this extraordinary relief due to the Developer's inability to complete the project.

Notwithstanding anything herein to the contrary, the Agency may, in its sole discretion and in accordance with any such additional guidance or regulatory direction implementing amendments to Section 42 of the Code or 24 CFR Part 92 establish alternative, supplemental, or additional processing requirements and deadlines. Any such changes or supplements shall be effective upon written instruction by the Agency to the affected developments.

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

WCDA  
Attn: Federal Programs  
155 North Beech (82601)  
P.O. Box 634 (82602)  
Casper, WY

### **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”.

#### **Small Rural Project Set-aside.**

Small projects in rural areas are extremely difficult to develop. As such, a set-aside has been created for small rural projects allowing these projects to compete on a more even level. The amount of the set-aside is disclosed in the Current Year Summary Attachment “A”.

In order to qualify for the Small Rural Project Set-aside the following criteria applies:

- The project must be in a small community with a population under 10,000 and no communities with a population over 10,000 are within 20 miles of the project.
- The project must have 24 or fewer units
- The project must not be done in conjunction with a separate project in the same locale.

Due to the fact that Market Rents are typically lower than Tax Credit Rents in Rural areas, projects may have a 10% variance in Income and Rent levels when qualifying for the Small Rural Project Set-aside.

Other financing partners in small and/or rural projects typically require higher Reserve Accounts. WCDA in its sole discretion may remove these costs when analyzing the total projects costs for scoring purposes.

Many costs and risks associated with developing small projects are the same as they are for larger projects. Thus projects of 12 units or less that qualify under the Small Rural Project Set-aside will be allowed to earn a Developer Fee up to \$500,000 per project. Developer fees for projects of 13 to 24 units will be calculated per normal WCDA guidelines.

#### **HOME Program**

The anticipated amount of HOME Program funding available is disclosed in the Current Year Summary, Attachment “A”.

**Direct Administration Category** – The approximate amount of funding set-aside in this category for Rental Housing Production programs is outlined in the Current Year Summary, Attachment “A”. These funds will be distributed through a competitive application process. If through this process, not all of the funds are allocated in the specified funding cycles, WCDA will allocate them to eligible projects through a second competitive application process or to projects meeting the minimum ranking criteria on a first-come, first-served basis as determined by WCDA in its sole discretion.

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

**HOME/WRAP** – The approximate amount of funding set-aside in this category for HOME/WRAP programs is outlined in the Current Year Summary, Attachment “A”. These funds will be administered by WCDA similar to the WRAP program created under the Neighborhood Stabilization Program. If all the HOME funds are not allocated in the first funding cycle, WCDA may retain any funds under any of the set asides for this eligible activity. In addition, as Program income is received and the available funding is increased, such funds may also be used under this set-aside.

**Community Housing Development Organizations (CHDOs)** - Up to fifteen percent (15%) of the Fiscal Year HOME funding allocation will be set aside for CHDO's. Applications will be accepted from certified CHDO's for CHDO eligible activities through a competitive application process. If through this process, not all of the funds are allocated in the specified funding cycles, WCDA will allocate them to eligible projects through a second competitive application process or to projects meeting the minimum ranking criteria on a first-come, first-served basis as determined by WCDA in its sole discretion. Ten percent of this set aside may be available for which CHDOs may apply for Project Specific Technical Assistance and Site Control Loans.

**CHDO General (not project) Operating costs and Capacity Building Reserve** – Approximate funding as disclosed in the Current Year Summary Attachment “A” will be set-aside in this category. CHDO's may apply to WCDA on an annual basis, prior to September 1<sup>st</sup> of each year, for Operating Costs and/or Capacity building funds.

**Administration and Contingency Reserve** - Approximately 10% of the HOME funding allocation will be set aside for this account. WCDA Administrative costs, and a reserve for project over-runs that cannot be met from other funding sources, are all authorized uses for this set-aside.

If it appears that not all funds under any set-aside will be committed or utilized, the funding may revert to other set-asides as determined by WCDA at its sole discretion.

**Small Project Set-aside** – In recent years it has been evident that the small communities have been overlooked on their affordable housing needs. In order to create an incentive for developers to consider more rural areas, and satisfy HUD's geographic distribution requisite, this Small Project Set-Aside was created. The amount of the set-aside is disclosed in the Current Year Summary Attachment “A”.

In order to qualify for the Small Rural Project Set-aside the following criteria applies:

- The project must be in a small community with a population under 10,000 and no communities with a population over 10,000 are within 20 miles of the project.
- The project must have 24 or fewer units
- Project must not be done in conjunction with a separate project in the same locale.

Due to the fact that Market Rents are typically lower in rural areas, projects may have a 10% variance in Income and Rent Levels when qualifying for the Small Rural Project Set-aside.

## **IV. INITIAL ALLOCATION PROCESS**

WCDA will review all applications in each cycle for completeness and eligibility based on federal requirements and selection criteria. Applications will be selected for initial allocation based on the selection criteria outlined in this Allocation Plan.

Applications for initial allocation of Tax Credits and HOME funds may be submitted in the Initial Allocation Cycles outlined in the Current Year Summary Attachment "A".

Projects utilizing **Low Income Housing Tax Credits** will be required to pay a reservation fee equal to 3% of the annual Tax Credit amount approved by WCDA at time of Reservation. A 10% Carryover Fee equal to 2% of the annual Tax Credit amount approved by WCDA will be required at time of 10% Certification and a Final Allocation Fee of 2% of the annual Tax credit amount approved by WCDA will be required no later than at time of Final Application prior to issuance of the 8609(s), or a Final Allocation fee of 4% of the annual Tax Credit amount approved by WCDA will be required no later than at time of Final Application prior to issuance of the 8609(s) if no Carryover occurs.

Projects utilizing **tax-exempt financing** will be required to pay a 5% Commitment Fee upon issuance of the intent letter, and a Final Allocation Fee of 2% of the annual Tax Credit amount approved by WCDA will be required at time of Final Application. The initial allocation and commitment fees may be subject to change at a later date.

There is no initial allocation fee for projects that apply for **HOME** funds only.

**WCDA reserves the right not to allocate Tax Credits or HOME funding for any project, regardless of ranking under the project selection criteria, if it determines that an initial allocation 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 Tax Credits or HOME funds in any of its funding cycles. WCDA reserves the right to issue reservations for future year Tax Credit allocations.

In the event of a major natural disaster (the area has been declared a disaster area by federal, state, or local elected officials) or disruption in the financial markets, the WCDA may disregard any section of the Plan, including point scoring and evaluation criteria, that interferes with an appropriate response. This may include, but is not limited to, the right to immediately allocate HOME or Low Income Housing Tax Credits to any eligible project in such area that can meet the minimum point criterion. This may be done without opening a competitive application cycle and funding may be allocated even to the extent of forward allocating.

The purpose of the Initial Allocation Cycle 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. Upon the close of any cycle, any application(s) not funded that meet at least the minimum ranking criteria will be held on a waiting list. If another allocation cycle is

## **IV. INITIAL ALLOCATION PROCESS**

held, additional applications will be accepted and, along with those applications held on the waiting list, will be subjected to the review process as outlined in the Allocation Plan. All applications not funded in the current year will expire on December 31.

WCDA may rescind a Tax Credit or HOME Initial Allocation if it is determined that the developer or other key participants have other projects that 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 a project feasible, WCDA, at its sole discretion, may forward allocate or 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.

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

## V. INITIAL ALLOCATION CRITERIA

Proposed projects will be ranked based on primary and secondary criteria. Where an applicant's Market Study differs from the current economic statistics available to WCDA, the project may be ranked using the most significant data available to WCDA. Although projects may rank, WCDA reserves the right to add requirements to address financial and other concerns to the Initial Allocation Document, which it may have for the long-term viability of the project.

<b>Primary Criteria</b>	Negative Points	Minimum Required*	Maximum Points
<b>1) Housing Needs Characteristics</b>			
a) Need	-100	140	192
b) Vacancy in Community	- 40		56
c) Vacancy in Subsidized Projects	- 115		10
d) Geographic Distribution	-500		0
<b>SUB TOTAL HOUSING NEEDS CHARACTERISTICS</b>	<b>- 755</b>	<b>140</b>	<b>258</b>
<b>2) Quality of Construction</b>			
a) Minimum Construction Standards		1	1
b) Construction Standards Exceeded			85
c) Energy Efficiency and/or Sustainability Certification			35
d) HERS Rating			5
<b>SUB TOTAL QUALITY OF CONSTRUCTION</b>	<b>0</b>	<b>1</b>	<b>126</b>
<b>3) Income Levels</b>			
a) Meeting Market Study		10	10
b) Lower Income Targeting			5
c) Deep Income Targeting			10
<b>SUB TOTAL LOWER INCOME TARGETING</b>	<b>0</b>	<b>10</b>	<b>25</b>
<b>4) Affordability Levels (monthly housing costs)</b>			
		8	36
<b>5) Extended Low-Income Use</b>			
		2	35
<b>6) Community Revitalization in Qualified Census Tracts</b>			
			5
<b>PRIMARY TOTAL</b>			
	<b>- 655</b>	<b>161</b>	<b>485</b>

\*All applications must score the Minimum Required points under each individual Primary Criterion as well as the Minimum Required points under the Primary Total or the application will be rejected.

## V. INITIAL ALLOCATION CRITERIA

Secondary Criteria	Negative Points	Minimum Required+	Maximum Points
1) Project Location			
a) Appropriate Location			35
b) Concentration of Low-Income Housing			15
c) Inappropriate Location	- 200		
<b>SUBTOTAL PROJECT LOCATION</b>	<b>- 200</b>	<b>0</b>	<b>50</b>
2) Project Characteristics			
a) Project Design	- 75		40
b) Private-Public Partnerships			25
c) Site Control			3
d) Proper Zoning			3
e) Tiering Income and Rents	-200		
f) Subsidy	-200		
g) Other Supportive Financing			5
h) Community Revitalization Plan			5
<b>SUBTOTAL PROJECT CHARACTERISTICS</b>	<b>-475</b>	<b>0</b>	<b>81</b>
3) Sponsor/Applicant Characteristics			
a) Experience and Credibility			40
b) Poor Performance	-200		0
c) Financial Capacity		5	10
<b>SUBTOTAL SPONSOR/APPLICANT CHARACTERISTICS</b>	<b>-200</b>	<b>5</b>	<b>50</b>
4) Public Housing Waiting Lists	0	2	2
5) Families or Individuals with Children	0	0	4
6) Financial Support from Local Sources			35
7) Management Capacity			
Poor Performance	-200		
<b>SUBTOTAL MANAGEMENT CAPACITY</b>	<b>-200</b>	<b>0</b>	<b>0</b>
8) Total Project Costs	-1,000	0	0
9) Owner/General Partner Equity in Project	0	0	20
<b>SECONDARY TOTAL</b>	<b>-2,075</b>	<b>55+</b>	<b>242</b>

+ Applications must score the Minimum Required points under each Secondary Criterion as well as the Minimum Required points under the Secondary Total or the application will be rejected.

## V. INITIAL ALLOCATION CRITERIA

<b>Tie Breaker Criteria</b>	<b>Negative Points</b>	<b>Minimum Required+</b>	<b>Maximum Points</b>
1) Total Project Costs	0	0	40
2) Reduced Fees	0	0	30
<b>Tie Breaker TOTAL</b>	0	0	70

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



## V. INITIAL ALLOCATION CRITERIA

### A. Primary Criteria

#### 1. HOUSING NEEDS CHARACTERISTICS

(Maximum 258 points - Must score a minimum of 140 points)

a. NEED (Maximum 192 points and up to negative 100 points)

A Project will receive up to 192 points **if the applicant can substantiate need for the specific housing for which it is applying**: (must include where tenants are currently residing [in town, out of town, relatives, subsidized housing, and/or substandard housing])

Income levels 28 Points

Income Levels being served vs. Income Levels identified in the Market Study.

Affordability levels (Monthly Housing costs) 48 Points

Proposed monthly housing expense (rents, and utilities) vs. monthly housing expense being charged in the community.

Up to a negative 100 points may be assessed if the weighted average of the proposed rents are above market rate rents for the area.

Avoiding Concentration of Low Income Households 28 Points

As concentration of Low-Income/Affordable housing units increase in the vicinity fewer points are awarded. WCDA will consider data available for comparable and market rate units located within the census tract for all project sizes. Additionally, WCDA will consider data within a .25 mile radius for projects of 12 units or less, a .5 mile radius for projects between 13 and 24 units and a 1 mile radius for projects greater than 24 units.

Appropriate Housing 10 Points

Appropriate housing for the need identified in the Market Study i.e. Family vs. elderly vs. special needs.

Type of housing construction 16 Points

Apartment, duplex, stick built, modular, manufactured etc.)

Saturation (Units needed vs. Proposed) 48 Points

Absorption Rate 14 Points

b. VACANCY IN COMMUNITY (Maximum 56 points)

If a project is placed in a community, aka Primary Market Area (PMA) with substantiated vacancy rates in that community, the following points will be awarded:

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

## **V. INITIAL ALLOCATION CRITERIA**

c. **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	5% =	-2 points
1% =	7 points	6% =	-5 points
2% =	5 points	7% =	-7 points
3% =	2 points	8% =	-10 points
4% =	0 points	9% =	-15 points

\*Projects located in or adjacent to a census tract which contains a comparable property with a vacancy rate of greater than 10%, or within 1 mile of comparable property with a vacancy rate of greater than 10%, will receive -100 points.

d. **GEOGRAPHIC DISTRIBUTION** (Up to negative 500 points)

In an effort to equitably distribute funding throughout the state, negative points will be assessed based on the number of affordable units (regardless of source) awarded funding in the last four years compared to population of the city where the proposed project will be located. Projects proposing newly constructed units will be assessed 150 negative points for every one percent (1%) of affordable units the proposed community has received in relation to their population the previous four (4) years and project proposing rehabilitated units will be assess seventy-five negative (-75) points for every one percent (1%) of funded affordable units the proposed community has received in the previous four (4) years in relation to their population. (Example: Total units funded in last 4 years = 200; population of community 50,000 =  $200/50,000 = .4\%$ ;  $.04 \times 150 = 60$  negative points.)

## **2. QUALITY OF CONSTRUCTION**

(Maximum 126 points)

a. **MINIMUM CONSTRUCTION STANDARDS** (Must score a minimum of

1 point) A project will receive 1 point if it, meets the International Building Code (as applicable to the type of housing) of the International Code Council and the local code adopted by the presiding jurisdiction and the Minimum Property Standards at 24 CFR Part 92.251(a)(2)(i) through (V), 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 the applicable Code of the International Code Council..

b. **CONSTRUCTION STANDARDS EXCEEDED** - 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 85 points in this area (See Current Year Summary Attachment "A" Item "10" for more information on this category).

## V. INITIAL ALLOCATION CRITERIA

c. ENERGY EFFICIENCY AND/OR SUSTAINABILITY CERTIFICATION –

One point will be awarded for each of the following sustainable building strategies implemented. Must be certified by project architect (Maximum 35 points):

- Built above 100 year floodplain defined by FEMA
- Locate trees/planting to provide shade for 50% of hardscapes
- Drought resistant plants and landscaping
- Keep all exterior wood at least 12” above soil
- Seal external cracks, joints, etc. with caulking and install pest proof screens
- Include no wood to concrete connections, or separate connections with dividers
- Average flow rate of lavatory faucets is < 2.00 gpm
- Average flow rate for all showers is <2.00 gpm per stall
- Average flow rate for all toilets is <1.30 gpf
- Toilets are dual flush or toilets meet the epa water sense specification
- Investigate local options for waste diversion and document diversion rate for construction waste
- No unvented combustion appliances
- Carbon monoxide monitors in each unit
- Space water heating equipment designed with closed combustion or space and water heating equipment has power vented exhaust or space and water heating equipment located in detached or open air facility.
- Active fan radon venting system
- Intermittent ventilation
- Passive ventilation
- Install heat recovery system
- Energy Star labeled bathroom exhaust fans
- Permanent walk-off mats at each entry
- Central vacuum system with exhaust to outdoors
- Insulation meets R-value requirements of IECC
- Insulation meets HERS Grade II specifications
- Insulation exceeds R-value requirements of IECC by 5%
- Insulation meets HERS Grade I specifications
- At least R-6 insulation around ducts in unconditioned spaces
- At least R-3 insulation around pipes in unconditioned spaces
- Design and size HVAC equipment using ACCA Manual J or equivalent

## V. INITIAL ALLOCATION CRITERIA

- Install efficient heating and cooling equipment
- Install Energy Star programmable thermostat
- Energy Star lighting throughout the project
- Motion controlled exterior lighting
- Energy Star Refrigerator, dishwasher, ceiling fans (if applicable) and washer and dryer (if applicable)
- Low VOC paints, stains, finishes adhesives and sealants and carpet
- Formaldehyde free shelves, cabinets, countertops and insulation

d. HERS RATING - Up to 5 points will be awarded if the developer commits to obtaining an Energy Star Certification from a HERS rater for every unit.

### 3. **INCOME LEVELS** (Maximum 25 points)

A proposal will receive points for eligible low-income units with income restricted to the percentage of HUD Median Income as stated below. Due to the complexity involved throughout the compliance period, it is recommended no more than 2 income levels are used.

- a. MEETING MARKET STUDY (Must score a minimum of 10 points)  
Where income levels proposed **meet those substantiated in the Market Study** for the project, it will receive 10 points.
- b. LOWER INCOME TARGETING - Where income levels proposed **meet those substantiated in the Market Study** for income levels between 41-50% of HUD Median Income will receive a pro rata share of 5 points.
- c. DEEP INCOME TARGETING - Where income levels proposed **meet those substantiated in the Market Study** for income levels at or below 40% of HUD Median Income will receive a pro rata share of 10 points.

### 4. **AFFORDABILITY LEVELS**

(Maximum 36 points - Must score a minimum of 8 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. Due to the complexity involved through out the compliance period, it is recommended no more than 2 rent levels are used.

30% and below	=	36 points
35% and below	=	30 points
40% and below	=	24 points
45% and below	=	18 points
50% and below	=	12 points
60% and below	=	8 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 12 points = 6). Thus 18 + 6 = 24 total points.]

## V. INITIAL ALLOCATION CRITERIA

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.

Rent restrictions float within the project. When a household's income increases above the limit for that unit, the next available unit must be rented at the lower level. Every effort must be made to insure the required income and rent levels are attained at all times throughout the compliance period. As such, projects with multiple rent and or income levels must recertify each household on an annual basis.

A proposal will receive 2 points if 4% or more of the units are set aside for transitioning homeless households. This would include Gross rent under \$200.00 a month and working with other organizations to provide payment of utilities.

**5. EXTENDED LOW-INCOME USE** (Maximum 35 points - Must score a minimum of 2 points.)

A proposal will receive the following points for committing to a WCDA Compliance Period over and above HUD's Affordability or IRS' Compliance Period where the owner waives the option to sell and agrees to follow the restrictions as set forth in their Application:

<u>Example for Tax Credit Project</u>			
IRS Required Years	Additional Initial Years	Total Years Restricted	Points
15	5+	20	2
15	10+	25	3
15	15+	30	5
15	20+	35	10
15	25+	40	17
15	35+	50	35

<u>Example for HOME Rental Rehab Projects Less than \$15,000/unit</u>			
HOME Required Years	Additional Initial Years	Total Years Restricted	Points
5	5+	10	2
5	10+	15	3
5	15+	20	5
5	20+	25	10
5	25+	30	17
5	35+	40	35

## V. INITIAL ALLOCATION CRITERIA

<u>Example for HOME Rental Rehab. Projects, \$15,000 - \$40,000/unit</u>			
HOME Req. Years	Additional Initial Years	Total Years Restricted	Points
10	5+	15	2
10	10+	20	3
10	15+	25	5
10	20+	30	10
10	25+	35	17
10	35+	45	35

<u>Example for HOME Rental Rehab. Projects Over \$40,000/unit</u>			
HOME Req. Years	Additional Initial Years	Total Years Restricted	Points
15	5+	20	2
15	10+	25	3
15	15+	30	5
15	20+	35	10
15	25+	40	17
15	35+	50	35

<u>Example for HOME Rental New Construction Projects All Amounts</u>			
HOME Req. Years	Additional Initial Years	Total Years Restricted	Points
20	5+	25	2
20	10+	30	3
20	15+	35	5
20	20+	40	10
20	25+	45	17
20	35+	55	35

**The Affordability Period must be equal to or greater than the term and amortization period of HOME financing.**

Tax Credit Projects requesting credits that exceed the total per unit Eligible Basis published by WCDA in the Current Year Summary Attachment “A”, must score a minimum of 35 points in the Extended Use Category.

At the time of allocation, a Restrictive Land Use Covenant and/or HOME Agreement shall be executed between the applicant and WCDA to define the terms and length of the affordability period.

## V. INITIAL ALLOCATION CRITERIA

**6. COMMUNITY REVITALIZATION IN QUALIFIED CENSUS TRACTS**  
(Maximum 5 points)

A proposal will receive up to 5 points if the project being developed, is located in a Qualified Census Tract and contributes to a concerted Community Revitalization Plan. Until “Community Revitalization Plan” (CRP) has been formally defined by HUD or the IRS, a Developer may provide a letter from the local jurisdiction, or the state, that the project sits in a CRP area.

**B. Secondary Criteria**

**1. PROJECT LOCATION** (Maximum 50 points, and/or up to negative 200 points).  
As project location is an integral part of the scoring process Developers must attend the site visit scheduled by WCDA.

- a. **APPROPRIATE LOCATION** - A project may receive up to 35 points for being within a proximity of 1 ½ miles (½ mile for elderly) of appropriate services needed by the residents occupying the units (must list services and distance from project to be eligible to receive points).

<b>Distance from other locations</b>					
		Points			Points
Employment opportunities	3	Elementary School			2
Fire	2	Junior or Middle School			2
Police	2	High School			2
Proximity to Public Transit	3	College			1
Hospital	2	Convenience Store			1
Senior Center	3	Church			1
Bank	2	Post Office			1
Doctor Offices	2	Park			1
Laundry Mat - if facilities not on site	3	Recreation			1
Grocery Store	3	Library			1
Is there a Grocery Store that delivers?		Discount Store			1
Pharmacy	2				
Is there a Pharmacy that delivers?					

- b. **CONCENTRATION OF LOW-INCOME HOUSING** – A project may receive up to 15 points if it is demonstrated that the project will not contribute to a concentration of Low-Income housing. WCDA will consider the proportion of affordable housing stock relative to the rental market within the census tract of the proposed project. Additionally, WCDA will consider data within a .25 mile radius for projects of 12 units or less, a .5 mile radius for projects between 13 and 24 units and a 1 mile radius for projects greater than 24 units to ensure the micro climate does not achieve a disproportionate share of affordable housing relative to the Primary Market Area.

## **V. INITIAL ALLOCATION CRITERIA**

- c. **INAPPROPRIATE LOCATIONS** - Inappropriate locations such as locations in 100-year flood areas, noise areas, areas of concentrated low-income, near hazardous site areas (above ground storage tanks of hazardous materials), airport clear zones, those sites listed in the EPA CERCLIS data base, other hazards outlined by HUD in their Environmental Review Requirements and other items of concern such as topography of the site or surrounding area and other issues that may require an abnormal amount of land to be purchased or an unusual amount of site work known or discovered by WCDA, etc., may receive up to a negative 200 points. The points will be assigned as follows (more than one category may apply):

Points	Location contains:
-200	Items that can NOT be mitigated
-175	Mitigation required, but not addressed or budgeted in the application
-150	Mitigation required which has been addressed but not budgeted
-50	Mitigation May be required, not addressed and not budgeted (each item)
-20	Mitigation required which has been addressed and cost is included in the budget (each item)
-100	Located in a commercial area
-150	Located in a light industrial area
-200	Located in an industrial area
	Location or Site has issues relating to or lacks close proximity to:
-75	basic living needs
-50	services
-25	conveniences (parking etc.)

### **2. PROJECT CHARACTERISTICS**

(Maximum 81 points, and/or up to negative 475 points)

- a. **PROJECT DESIGN** (Maximum 40 points, or up to negative 75 points)  
A project may receive up to 40 points, or up to negative 75 points, for the design of the project provided it addresses the need outlined in the Market Study for the appropriate unit size, project size and type.  
Applicants must describe the amenities that promote or enhance the quality of life for the tenants.

Examples:	Self Clean Oven	Frost Free Refrigerator
Microwave	Garbage Disposal	2 bath in 2 bedroom units
Dishwasher	Stove Exhaust Fan	Wash/Dry Hookups in units
Playground	Air conditioning	Supply of Washer and Dryer
Laundry Room	Emergency Call	High speed internet in each unit
Computer Room	Patio/Balconies	Exterior Storage
Garages	Community Room	Historic Character preserved
Preserves Project Based Rental Assistance		



## **V. INITIAL ALLOCATION CRITERIA**

Points will also be awarded taking into consideration the type of financing (conventional vs. subsidized), total amount of subsidy, and cost reduction items (i.e. substantiated lower lot costs, value engineering etc.).

- b. **PRIVATE – PUBLIC PARTNERSHIPS (Maximum 25 points)**  
To encourage private sector financing up to 25 points will be awarded for projects that have non-WCDA and non-subsidized private financing as a portion of the permanent financing package.
  - ii)
- 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. **TIERING INCOME AND RENTS**  
If more than two income/rent levels are proposed a negative 10 points will be assessed for each income/rent category over the limit of 2 in each bedroom size.
- f. **SUBSIDY - Projects requesting tax credits that exceed the total per unit Eligible Basis or projects where all subsidy sources exceed the limits published by WCDA in the Current Year Summary Attachment “A”, will receive a negative 10 to 200 points. Projects with HOME, or WCDA Housing Trust Fund as the only or majority of the funding sources may receive up to a negative 200 points.**
- g. **OTHER SUPPORTIVE FINANCING – Projects with other committed Below Market Interest Rate Permanent Financing will receive up to 5 points. (i.e. USDA Rural Development – Rural Housing Service, other first mortgage financing)**
- h. **REVITALIZATION AREA OR REDUCTION OF BARRIERS IN COMMUNITY (Maximum 5 points)**
  - i. A proposal will receive up to 5 points if the current project involves use of existing housing as part of a community revitalization plan. Until “Community Revitalization Plan” (CRP) has been formally defined by HUD or the IRS, a Developer may provide a letter from the local jurisdiction, or the state, that the project sits in a CRP area and/or
  - ii. A proposal will receive up to 10 points if the community is actively reducing barriers associated with Affordable Housing i.e.:
    - Reducing or waiving fees or real estate tax concessions for Affordable Housing.

## **V. INITIAL ALLOCATION CRITERIA**

- Within the last year the Jurisdiction has convened or funded comprehensive studies, commissions, or hearings, or has established a formal ongoing process, to review, the rules, regulations, development standards and processes of the jurisdiction to assess their impact on the supply of Affordable Housing.
- Within the last year the Jurisdiction has initiated regulatory reforms as a result of the above.
- Jurisdiction has a single consolidated permit application process for housing development that includes building, zoning, engineering, environmental and related permits or “fast track” permitting and approvals for all affordable housing projects.
- Reduction or waiver of parking or green space requirements for all affordable housing developments.
- The jurisdiction has funded, directly or through partnerships, comprehensive studies of current and estimated housing needs taking into account the anticipated growth of the region, for existing and future residents, including low-, moderate-, and middle-income families for at least the next five years.
- Lower cost land development requirements for Affordable Housing developments, i.e. higher density, narrower streets, sidewalks on only one side of the street etc.

### **3. SPONSOR/APPLICANT CHARACTERISTICS**

(Maximum 40 points, and/or up to negative 200 points)

- a. EXPERIENCE AND CREDIBILITY - A proposal will receive up to 40 points based on the developer's experience, financial stability and credibility in developing the proposed housing. Items considered include, but are not limited to, number of projects successfully completed, like projects completed with like sources, experience with WCDA or other allocating agencies (must provide contact person to verify experience with other allocating agencies). A proposal will receive up to the following points if the sponsor has had experience developing housing which resulted in successful, compliant projects:

i)	With no Federally imposed Restrictions	10 Points
ii)	With Federally imposed Rent and Income Restrictions and cross cutting federal regulations	30 Points
iii)	Using HOME and/or Tax Credits	40 Points

Developers will be classified by amount of experience and experience relevant to the type of project proposed. Based on this experience, developers will be classified as Tier 1, Tier 2 or Tier 3 defined as follows:

## **V. INITIAL ALLOCATION CRITERIA**

Tier 1 - Any developer who receives 35-40 points for Sponsor/Applicant Characteristics shall be classified as a Tier 1 developer and will only have to meet minimum requirements as set forth in the Affordable Allocation Plan for construction progress reporting throughout the construction period.

Tier 2 - Any developer who receives 20-34 points for Sponsor/Applicant Characteristics shall be classified as a Tier 2 developer and will be required to submit monthly progress reports and quarterly physical inspections will be performed throughout the construction period by the Wyoming Community Development Authority. Tier 2 developers will be required to engage a property management firm that has successful experience with the Low Income Housing Tax Credit and/or HOME Investment Partnerships program within the State of Wyoming and has no outstanding compliance issues.

Tier 3 - Any developer who receives 0-19 points for Sponsor/Applicant Characteristics shall be classified as a Tier 3 developer and will be required to partner with a Tier 1 developer.

- b. POOR PERFORMANCE – Up to a negative 200 points will be assessed for any or all of the following:
- Non-compliance with WCDA restrictions with no effort to correct will be assessed the full negative points.
  - Physical and/or Financial condition of any and all existing projects
  - Frequency, conditions and type of waivers requested from WCDA or other allocating agencies on previously funded projects
  - Poor performance by Sponsors and developers, including but not limited to failure to provide all close out documents within 6 months of being placed in service, liens filed against projects, etc.
  - Number of returned or recaptured allocations or awards
  - Number of cleared and/or outstanding compliance issues.
  - Sponsors or Developers with projects in the process of or in foreclosure, receivership, or similar legal action
  - Financial stability of developer including, but not limited to, analysis of liquidity, short and long term liabilities and total assets and cross-collateralization.
  - If a Developer, sponsor, related entity or material participant has ever been removed from a project or given a project back to a Syndicator, Investor or other financial source.
  - Inconsistent information in the application and attachments.
  - Line item variances between original budget and actual costs greater than 10%

## **V. INITIAL ALLOCATION CRITERIA**

- c. **FINANCIAL CAPACITY** – (Maximum 10 pts. Must score a minimum of 5 pts.)  
Developer must be able to substantiate Financial Capacity. Responsible entity must show financial capacity by having a net worth and liquidity sufficient to cover current and future liabilities, Net worth should be no less than equal to or greater than the cost of the project, 20% of which should be in liquid assets.
4. **PUBLIC HOUSING WAITING LISTS** - (Maximum 2 pts. Must score a minimum of 2 pts.)  
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 percentage as presented in the application, will receive 2 points.
5. **HOUSING NEEDS FOR FAMILIES OR INDIVIDUALS WITH CHILDREN** (Maximum 4 points)  
A proposal will receive up to 4 points for targeting unit occupancy to Families or Individuals with Children.
6. **SUPPORT OR CONTRIBUTIONS FROM LOCAL SOURCES** (Maximum 35 points, measured on significance and overall impact to the project.)  
A proposal will receive up to 35 points for financial support or contributions from local sources derived from non-federal sources (i.e. donated real estate, labor, materials, cash, or waiver of local fees etc.), which results in reduced project costs and reduced federal subsidy only to the extent that the project costs do not exceed the maximum costs outlined in Section 9 below. In order to receive points, documentation from the provider of the Financial Support must be provided showing award and specifics of the Financial Support (i.e. Grant award notification, **firm** commitment of Below Market Interest Rate loan).
7. **MANAGEMENT CAPACITY** (Up to a negative 200 points)  
Up to a negative 200 points will be assessed for any or all of the following:
- Physical condition of any and all existing projects
  - Frequency, conditions and type of waivers requested from WCDA on previously funded projects
  - Managers associated with any project that has a history of poor performance
  - Number of cleared compliance issues
  - Number of outstanding compliance issues
  - Ongoing maintenance issues
  - Managers who have had a project placed or in the process of being placed in foreclosure, receivership, or similar legal action

## V. INITIAL ALLOCATION CRITERIA

8. **TOTAL PROJECT COSTS** - Projects submitted with Total Project Costs above the tolerance level published in the Current Year Summary Attachment “A”, will receive up to a negative 10 points for every 1% over the tolerance level. WCDA reserves the right to waive, all or a portion of the assessment of negative points, if in WCDA’s sole discretion, high project costs are justifiable from information provided by the applicant.

9. **OWNER/GENERAL PARTNER EQUITY IN PROJECT**

(Maximum 20 points, measured on significance and overall impact to the project)  
 A proposal will receive up to 20 points for financial support or contributions from the Owner or General Partner derived from non-federal sources (i.e. donated real estate, labor, materials, cash, or waiver of local fees etc.), which results in reduced project costs and reduced federal subsidy only to the extent that the project costs do not exceed the maximum costs outlined in Section 9 above less the donated equity. In order to receive points, documentation must be provided to support value of donation (i.e. appraisal for land donation).

C. **Tie Breaker Criteria** – Tie Breaker Criteria will only be used in the event of a tie.

1. **TOTAL PROJECT COSTS** (Maximum 40 points)

a. **NEW CONSTRUCTION** - New Construction rental 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	below tolerance	Points
10%-14%	5	15%-19%	15
20%-24%	30	25% +	40

b. **REHABILITATION PROJECT** (Maximum 40 points)  
 Rehabilitation projects will receive up to 40 points for amenities and/or cost-effective upgrades incorporated into the rehabilitation.

2. **REDUCED FEES**  
 (Maximum 30 points)

a. For Projects where the **combined** Developer and Builder fees are less than 15%, there will be bonus points awarded as follows:

Combined fees		Combined fees	
at or below	Points	at or below	Points
13%	1	7%	15
11%	3	5%	30
9%	5		

## 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. WCDA reserves the right to redirect funds within a project between HOME, Tax Credits, and/or other resources available to WCDA which best utilizes the available resources.

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.

WCDA may designate a project as being in a Difficult Development Area, thereby receiving up to a 30% increase in the Eligible Basis, if the project needs the increase to be financially feasible. See definition of Difficult Development Area in the Current Year Summary Attachment "A" Item "14".

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. Projects needing the Subsidy Layering Review may need to 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;
- 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. All projects will be underwritten and the calculation of the amount of Tax Credits awarded shall not exceed the Anticipated Eligible Basis multiplied by the lesser of the 3 month or the 6 month average published IRS Applicable Percentage.
- I. Any other relevant factors.

Projects must meet the limitations and restrictions as outlined in the Allocation Plan at each underwriting. Thus, the amount of credit allocated to a project may change at any of these evaluation times.

HOME funding is evaluated in much the same manner as Tax Credits with the exclusion of the proceeds expected to be generated from the sale of tax credits. This evaluation occurs at the time of application and continues during the course of project construction. Projects must meet the

## **VI. MAXIMUM ALLOCATIONS**

limitations and restrictions as outlined in the Allocation Plan at each underwriting. Thus, the terms of the HOME funds may change at any of these evaluation times

## **VII. LIMITATIONS AND REQUIREMENTS**

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

- A. All Projects must provide a Narrative as outlined in the Current Year Summary Attachment “D” Item “1”.
- B. WCDA reserves the right to negotiate lower Developer and Builder fees on projects when there is an identity of interest among parties.
- C. A Quarterly Progress Report (See Current Year Summary Attachment “D” Item “2”) 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.
- D. All parties must sign a release form allowing WCDA to check their references.
- E. The land purchased for the project must be of appropriate size for the proposed project. (i.e. additional land may not be purchased in hopes of a second phase.) Partial Releases will not be granted by WCDA for unused land.
- F. All projects must meet or exceed the Minimum Specifications as published in the Current Year Summary Attachment “A”. The Tax Credit Allocation and/or HOME funds may be pulled if any violations are found and the participants may be banned from participating in the program.
- G. All projects must supply both a Performance and a Payment Bond.
- H. Once the project is completed and placed in service the architect 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. (See Current Year Summary Attachment “B”)
- I. Copies of Federal Cost Certifications for Rural Development, FHA, and Tax-Exempt financed projects must be submitted at final cost certification.
- J. All projects that exceed the Total per unit Costs published by WCDA in the Current Year Summary Attachment “A”, must include documentation, satisfactory to WCDA, justifying the higher costs. (e.g. three or more bids for construction items, current Real Estate listings for like properties in the area, impact on the community, etc.)
- K. 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, projects must meet as applicable, the International Building Code (as applicable to the type of housing) of the International Code Council, the local code adopted by the presiding jurisdiction, the requirements of 24 CFR Part 92.251(a)(2)(i) through (V) and meet Accessibility Requirements under ADA. More restrictive codes or regulations may be



## VII. LIMITATIONS AND REQUIREMENTS

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

required by local cities, counties, or towns, but in no case may new construction projects fail to meet the above.

- L. All projects must submit proof the project will not be located in a 100-year flood plain.
- M. Projects returning a current allocation of funding (HOME, HTF and/or Tax Credits) and submitting a new application for any type of funding may jeopardize the allocation of the other WCDA funding sources and WCDA may, in its sole discretion, rescind the allocation of the other funding sources if a new allocation is not awarded.
- N. The Purchase Price of Land and or projects, which are not considered arms length transactions, or are from related parties is restricted to the lesser of:
  - i. the appraised value of the land and or buildings to be owned by the project, as determined by an appraisal that is less than 6 months old; or
  - ii. the pro-rata share of the **Original Purchase Price**, if the Original purchase was within one year of application; or
  - iii. if owned by a related project which was provided subsidy, the land acquisition price shall be zero.
- O. All projects must meet the minimum and maximum levels (i.e. income, rent, Purchase Price, etc.) in effect and published as of 30 days prior to the application deadline date. These minimums and maximums will be used by WCDA when underwriting the project.
- P. If at any time WCDA becomes aware of a Fair Housing violation it will be reported to the appropriate officials which may include but will not be limited to HUD, and/or the Department of Justice.
- Q. WCDA staff, or their delegate, will conduct an on-site physical progress review, as dictated in Sponsor Characteristics, upon notice of project completion before 10% retainage and 8609's are released.
- R. Restricted Budget Differential – Project must make every effort to have costs allocated to the appropriate categories from the first initial application. Variances in line items in excess of 10% must be approved in writing by WCDA and may result in negative points in future applications.

## **VII. LIMITATIONS AND REQUIREMENTS**

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

- A. When underwriting a project, the Annual Operating Expenses that will be used are published in the Current Year Summary Attachment "A".
- B. When underwriting a project, the Debt Coverage Ratio, using rent at the committed amount, must be between 1.20 [1.15 for RHS] and 1.25 for foreclosable debt plus HOME Investment Partnerships Program loans. In addition, projects that have a Deferred Developer fee, the Debt Coverage Ratio must for foreclosable debt plus HOME Investment partnership Program loans and Deferred Developer Fee must be between 1.10 and 1.20. (Deferred Developer fee will be included in the Debt Coverage Ratio at 0% with a 12 year amortization). Projects with 12 units or less, at the sole discretion of WCDA, may be allowed to achieve a Debt Coverage Ratio of 1.3 in order to insure long term financial viability.
- C. When underwriting a project, the following vacancy rate shall be used:
- | Units   | Vacancy Rate |
|---------|--------------|
| 1 - 25  | 10%          |
| 25 - 36 | 8%           |
| 36>     | 7%           |
- D. Operating Reserves to be equal to four to six months of projected operating expenses, plus debt service payments, and annual reserve payments. Operating reserves in excess of six months will not be considered when calculating eligible basis or performing the gap calculation. WCDA may in its sole discretion allow a higher Operating Reserve in the event the higher reserve is required by another Agency providing financing.
- E. Minimum Replacement Reserves must equal \$250.00 per unit annually for New Construction developments for seniors and \$300.00 per unit annually for new construction for families and developments involving rehabilitation. The required contributions must be placed in a restricted access Reserve Account which would require a signature from WCDA for any withdrawals which equal 5% or greater of the total account balance.
- F. Preference must be given to individuals and families on the public housing waiting lists, and projects must commit to limiting the gross rent accepted from all sources to not exceed the maximum as presented in the application.
- G. Rental Rehabilitation projects
1. Rehabilitation projects must have a minimum expenditure of thirty thousand dollars (\$30,000) of actual rehabilitation hard costs (not including General Requirements, Contractor Overhead or Profit) per unit in Life, Safety, Health, or Code Requirements which includes required major systems repairs or replacements of:
    - Electrical
    - Heating
    - Roofing

## **VII. LIMITATIONS AND REQUIREMENTS**

All **Rental** projects must adhere to the following limitations and/or requirements (Cont.):

- Foundation/Structural
- Major energy upgrades

Creation of additional units and/or common space (i.e. community room, laundry room, or an office) is considered new construction, not rehabilitation.

2. No more than 30% of rehabilitation costs can go for required General Property Improvements, (non-Life, Safety, Health, or Code Requirements).
3. **A Capital Needs Assessment must be provided by an unrelated Professional Capital Needs Assessment provider to include a unit by unit breakdown and budget at time of application. The CNA must include an estimate of the remaining useful life of major systems and estimates of replacement costs. Major systems include: structural support, roofing, cladding, weather proofing (windows, doors, siding, gutters), plumbing, electrical and heating, ventilations, and air conditioning.**

The assessment should include an opinion as to the proposed budget for recommended improvements and should identify critical building systems or components that have reached or exceeded their expected useful lives. The Assessment should also include a projection of recurring probable expenditures for significant systems and components impacting use and tenancy, which are not considered operation or maintenance expenses, to determine the appropriate replacement reserve deposits on a per unit per year basis. The assessment should examine and analyze the following:

- Site, including topography, drainage, pavement, curbing, sidewalks, parking, ingress and egress, landscaping, amenities, water, sewer, storm drainage, and gas and electric utilities and lines;
- Structural systems, both substructure and superstructure, including exterior walls and balconies, exterior doors and windows, roofing system, and drainage;
- Interiors, including unit and common area finishes, carpeting, tile, plaster walls, paint condition, etc.), unit kitchen finishes, cabinets and appliances, unit bathroom finishes and fixtures, and common area lobbies and corridors; and
- Mechanical systems, including plumbing and domestic hot water, HVAC, electrical, lighting fixtures, fire protection, and elevators.

4. Financial Statements including Income and Expense statements for at least the past 10 years must be provided.
  5. The acquisition price on which Housing Credits are allocated will be limited to the lesser of the sale price or the appraised value of the property prior to rehabilitation.
- H. When calculating maximum rents, all rents must be rounded **down** to the next dollar.
- I. Projects must submit Financial Statements including a copy of the Management Letter to WCDA by March 31 of each year during the compliance period. (Audited if available)
- J. All projects submitted with an interest rate, for the permanent financing, above the market rate will be underwritten at the average market rate.

## VII. LIMITATIONS AND REQUIREMENTS

All **Rental** projects must adhere to the following limitations and/or requirements (Cont.):

- K. Rents committed to as a percentage of Area Median Income will be used in the Land Use Restrictive Covenants Agreement, cash flows, and ranking criteria.
- L. There may be **no** more than a 5% differential between rent and income levels.
- M. The Utility Allowance source may not change from what is disclosed in the original Application throughout the compliance period without prior written permission from WCDA. (The project will be re-underwritten to verify it still meets the Allocation Plan requirements and if additional restrictions would be required.) The Utility Allowance Sources allowed are:
- HUD Utility Schedule Model
  - Utility Company Estimate
  - Energy Consumption Model as defined in §1.42-10 by a properly licensed engineer

Sub-metering is NOT allowed.

If a project is anticipating the use of HOME and LIHTC funding, the HUD Utility Schedule Model **MUST** be used during the application process. Once the project is built and has an energy consumption history it may utilize the Energy Consumption Model as defined in §1.42-10 by a properly licensed engineer. However the same method must be used for every unit in the project.

The local Public Housing Authority Estimate may be used on a Tax Credit project IF no HOME funds were utilized.

- N. Rental projects will be monitored for compliance by WCDA. A Compliance Manual, including submission requirements and forms is located on our web site, or you may obtain a copy by contacting Judy Koski at WCDA at 307-265-0603. Failure to provide information, and in the format as required in the Manual, will be considered non-compliance and reported to the IRS. It is important to note that an owner's representative must be present during all times during the inspection, preferably a maintenance staff person familiar with the building systems and an administrative person familiar to the residents. WCDA policy forbids any inspector from going into any unit or part thereof unaccompanied. Monitoring time at each property is limited and we request that you help monitors in maintaining their schedule. Failure to provide assistance will result in a failed unit, possible loss of credit, and/or a re-inspection that will be billed to the owner. The IRS now requires that unit inspections be performed on the same units that are selected for file review. Units where admittance is not possible for any reason will be failed and/or subject to re-inspection at the owner's expense. Any unit issue corrected before the inspector leaves the property will be cleared. If an owner chooses to have a re-inspection done the owner will be responsible for any additional fees and/or costs associated with the re-inspection. And if it can not be completed until after the close of that correction period, an IRS form 8823 will be issued.

## **VII. LIMITATIONS AND REQUIREMENTS**

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

- A. Projects must be prepared to provide WCDA, within 30 days of notification of funding, the exact legal description of property and other information necessary to conduct an Environmental Review. Final plans for the project must be filed with the local jurisdiction within 75 days of notification of funding.
- B. Construction must be scheduled to start within 6 months from notification of funding award.
- C. Final HOME Awards cannot be executed until firm financing is in place for ALL other funding sources. Thus, Firm Commitments from all funding sources must be provided to WCDA within 90 days of notification of award of funding.
- D. The owner/applicant must secure appropriate title prior to funding. Appropriate title includes Fee Simple Title. All Lease forms of ownership must be Pre-approved by WCDA **PRIOR** to Application.
- E. Extended Title Insurance must be provided including lien, survey and easement coverage, coverage for rights, interests or claims not shown of public record, and a foundation endorsement.
- F. The Title Company will act as disbursement agent for all construction funds.
- G. No HOME funds can be disbursed until firm commitments are received from all funding sources. Thus, firm commitments must be received no later than six months from notification of funding.
- H. WCDA will determine the HOME repayment terms in accordance with the Allocation Plan limits and restrictions when the HOME documents are prepared for closing after the first mortgage rate and term have been set.
- I. The amortization period and term of the HOME loan must be equal to or less than the Affordability Period.
- J. 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.
- K. All HOME Match must be documented at time of application by the Source providing the Match that Grant has been awarded or Fee Reduction has been approved, or by lending institution providing a firm commitment of a Below Market Interest Rate Loan in order to receive allowable points.
- L. All projects seeking funding from the CHDO set-aside, must submit a CHDO application and supporting documentation with each application.

## **VII. LIMITATIONS AND REQUIREMENTS**

All **HOME Program** projects must adhere to the following limitations and/or requirements(Cont):

- M. The following Alta endorsements will be required on Title Policies
- Zoning (3.1 Improved or 3.2 Land Under Development)
  - Environmental Protection Lien (8.1)
  - Covenants, Conditions and Restriction (9.3)
  - Access and Entry (17)
  - Tax Parcels (18 Single Tax Parcel, 18.1 Multiple Tax Parcels)
  - Contiguity (19 Multiple Parcels, 19.1 Single Parcel)
  - Minerals Surface Damage (100.29)
  - Location (22)

## **VII. LIMITATIONS AND REQUIREMENTS**

All **HOME Program Rental Projects** must adhere to the following limitations and/or requirements:

- A. When combining HOME funds with the Tax Credit program, HOME funds must be amortized at 3% for 30 -40years and debt service on the HOME funds must start no later than six months after the date the project is Placed-In-Service.
- B. Rental Projects must restrict rents on HOME units to not exceed the Low-HOME rent.
- C. Maximum rents for HOME units are outlined in each project's HOME Agreement. These limits do not automatically change when HUD Income Limits change. Increases must be approved in writing by WCDA. Requests for increases will be reviewed no more than once a year, and the project cannot have had any outstanding compliance issues within the previous year.
- D. HOME units in Rental Projects are floating within the project. When a household's income increases above the limit for that unit, the next available unit must be rented at the lower level. Every effort must be made to insure the income and rent levels are attained at all times throughout the compliance period. As such, projects with multiple rent and or income levels must recertify every household on an annual basis, and the lease for every unit (HOME and non-HOME) must include all of HUD's required provisions.
- E. The Affordability Period for HOME projects does not begin until all documentation, sufficient to close out the project, has been reviewed by WCDA. This includes, but is not limited to, tenant (beneficiary) information and the final draw has been requested from HUD.
- F. All HOME Rental Project Owners must attend and pass the required testing to obtain a Compliance Certification by a nationally recognized firm; Spectrum Enterprises, Housing Credit College by Elizabeth Moreland Consulting, or other firms as approved by WCDA, prior to the project applying for an award of HOME funds or provide a Certification showing they have completed the training in the past 5 years.
- G. A Representative of the Management Company for all HOME rental projects must attend and pass the required testing to obtain a Compliance Certification by a nationally recognized firm; Spectrum Enterprises, Housing Credit College by Elizabeth Moreland Consulting, or other firms as approved by WCDA, prior to the project beginning Lease-up or provide a Certification showing they have completed the training in the past 3 years.
- H. Violations of the HOME Agreement or the WCDA Compliance Manual are considered non-compliance issues and reportable to HUD. (See Compliance Monitoring Package)
- I. HOME funds must be in 1<sup>st</sup> lien position unless other private financing equals or exceeds the amount of HOME financing.
- J. The HOME Agreement will not be subordinated to existing or future financing.

## **VII. LIMITATIONS AND REQUIREMENTS**

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 10% Test and must submit documentation of such with the 10% Test Package. Appropriate title is Fee Simple Title. All Lease forms of ownership must be Pre-approved by WCDA PRIOR to Application.
- B. The Land Use Restrictive Covenants must be recorded and the Original recorded document must be submitted with the Carryover/10% Test Package. This document must be recorded prior to **ANY** other encumbering documents, including but not limited to construction loan and bridge loan documents.
- C. 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. Off-site Improvements
  - 5. 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.
- D. 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.
- E. 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. Projects requesting credits that exceed the total per unit Eligible Basis published by WCDA in the Current Year Summary Attachment "A", must score a minimum of 35 points in the Extended Use Category.
- F. Violations of the WCDA Restrictive Land Use Covenant or the WCDA Compliance Manual are considered non-compliance issues and reportable to the IRS. (See Compliance Monitoring Package)
- G. Within thirty days of your completion of Part II of the Form 8609 and filing same with the Internal Revenue Service, a completed copy must be mailed to the compliance monitoring staff at the Agency for its records. Failure to return the completed form to the compliance monitoring staff within the required timeframe is a form of noncompliance which will be reported by the Agency to the Internal Revenue Service.



## **VII. LIMITATIONS AND REQUIREMENTS**

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

- H. Developer fees will be limited to no more than 15% of development costs up to a maximum of \$1,000,000.00. Development costs are defined as total project costs minus all acquisition costs, off-site improvement costs, developer's fees, syndication costs, reserves and consultant's fees. Developer's accounting fees, other than Cost Certification fees, must be included in the Developer Fee limitation. (Total Project Costs are out of pocket money and do not include donated services, donated materials, and/or waived fees.) For Acquisition / Rehabilitation and Rehabilitation projects, the Developer's fee on acquisition costs is limited to 15% on projects with 12 units or less; 10% on projects with 13 to 24 units; 5% on projects with 25 to 36 units; and 0% on projects with over 36 units. Special Consideration may be given for project size, project characteristics, and/or project location.
  - I. Eligible consultant fees are defined as Architect's Fee and Engineer's Fee. All other consultant fees, including accounting fees, will be permitted only within the Developer's Fee limit.
  - J. 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.
- K. When combining the Tax Credit program with HOME funds, the HOME funds must be amortized at 3% for 30 -40years and debt service on the HOME funds must start no later than six months after the date the project is Placed-In-Service. (WCDA at its sole discretion may waive or modify the required terms on the HOME repayment.)
  - L. When combining the Tax Credit program with HOME funds, neither the retention funds for the HOME financing nor the IRS form(s) 8609 will be released until all required documentation is received for both programs.
  - M. All Tax Credit Project Owners must attend and pass the required testing to obtain a Compliance Certification by a nationally recognized firm; Spectrum Enterprises, Housing Credit College by Elizabeth Moreland Consulting or other firms as approved by WCDA, prior to applying for an allocation of Tax Credits or provide a Certification showing they have completed the training successfully in the past 5 years.
  - N. A Representative of the Management Company for all Tax Credit Projects must attend and pass the required testing to obtain a Compliance Certification by a nationally recognized firm; Spectrum Enterprises, Housing Credit College by Elizabeth Moreland Consulting or other firms as approved by WCDA, prior to the project beginning Lease-up or provide a Certification showing they have completed the training successfully in the past 3 years.

## **VII. LIMITATIONS AND REQUIREMENTS**

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

- O. The Placed in Service Date is determined by the date of the Certification of Occupancy.
- P. All projects will be underwritten and the calculation of the amount of Tax Credits awarded shall not exceed the Anticipated Eligible Basis multiplied by the lesser of the average of the last 3 months or the last six months published IRS Applicable Percentage.
- Q. WCDA will include in the Low-Income Housing Tax Credit Land Use Restrictive Covenants, a commitment to re-underwrite the project using the current Affordable Housing Allocation Plan requirements in the event the Project Base Rental Assistance is not renewed due to lack of Federal Appropriations or Federal budget constraints. In such an occurrence rents would be increased to the lesser of Tax Credit Maximum Rents and the minimum amount necessary to meet the Affordable Housing Allocation Plan Requirements.
- R. The Land Use Restrictive Covenants will not be subordinated to any existing or future financing.

## **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 initial application is received, 2) when the 10% test application is received, and 3) when the project is placed-in-service and an application for Final Allocation is made.

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

The Tax Credit amount allocated is based on WCDA's determination of the qualified basis for the project or portion of the project, the gap calculation, and costs per unit. 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 10% Test Allocation (See 10% Test 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 10% Test Allocation package to applicants upon request. 10% Test allocations may be requested as soon as an eligible project has met the 10% requirement. Projects must supply a 10% Test Package and all required supporting documentation no later than as described in the project's Carryover document or within 11 months from the date of the Carryover document, whichever is less. Projects will be assessed a penalty-fee of \$500.00 per day for 10% Test Allocation packages received after the deadline. WCDA may establish different deadlines prior to year-end for allocation requests in order to permit timely processing of documents.

WCDA will provide a Final Allocation Package to applicants upon request. A Final Allocation Package may be requested as soon as an eligible building is placed-in-service. Applications for final allocation must be received by WCDA not later than December 1 of the applicable year. Projects will be assessed a penalty-fee of \$500.00 per day for Final Allocation 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. Should "corrected" 8609's be requested there will be a fee of \$500 per 8609, unless it was an error by WCDA.

WCDA will provide the accountant's cost certificate form for the 10% Test and the Final Allocation. This form must be used without alteration to obtain a 10% test acknowledgement and/or IRS form 8609.

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

## **IX. TAX CREDIT ASSISTANCE PROGRAM (TCAP)**

The Tax Credit Assistance Program (TCAP) was established in the ARRA Act of 2008. All Program Funds have been allocated and expended on eligible projects. No additional Program Funds are anticipated. However, Program Income will be received from the original projects awarded TCAP funding.

**A. Program Income from TCAP**

Program Income received from TCAP projects will be administered following the established HOME Program Rules and Regulations.

**B. Description of Competitive Selection Criteria**

TCAP Program Income will follow the Competitive Selection Criteria as outlined for HOME projects.

**C. Commitment and Expenditure Deadlines**

Commitment and Expenditure Deadlines, if not established by other guidance, will follow the Commitment and Expenditure Deadlines established for the HOME program.

**D. TCAP Compliance Monitoring**

TCAP projects will be monitored utilizing the same rules and regulations as projects funded under the Low-Income Housing Tax Credit Program with the exception of: Rent increases require written approval from WCDA and the project must show at least 12 months with no compliance issues outstanding.

## **X. COMPLIANCE MONITORING**

### **A. Introduction**

The Wyoming Community Development Authority "WCDA" is required by HUD's HOME Investment Partnership Program at 24 CFR Part 92 to monitor HOME projects for noncompliance. WCDA is also required by Section 42 of the Internal Revenue Code of 1986, as amended ("IRC 42"), to monitor Low-Income Housing Tax Credit ("LIHTC") projects for noncompliance with the provisions of IRC 42, and to notify the Internal Revenue Service ("IRS") of such noncompliance of which the Agency becomes aware. In addition, the WCDA will monitor the projects during the remaining term of the Land Use Restrictive Covenants Agreement, as all restrictions continue for the full term of affordability.

WCDA has established certain Compliance requirements that are more restrictive than the IRS or the HOME Investment Partnerships Program. Project owners agree to follow these more restrictive requirements when they apply for funding. Non-compliance with any of these restrictions may be reported to IRS, may be reported to HUD, may be taken into account when ranking any future projects for funding and WCDA has the right to enforce any of these restrictions as allowed by law.

WCDA may delegate the compliance monitoring function to an Authorized Delegate. WCDA has prepared this Compliance Monitoring Plan (the "plan"), and has prepared a Compliance Monitoring Manual (the "Manual"), which sets forth the procedures that WCDA shall follow, and those procedures that an owner of a HOME and/or LIHTC project (the "Project Owner") is required to follow. It is important to note, however, that the Plan and Manual are to be used only as a supplement to compliance with 24 CFR Part 92 for HOME projects and Section 42 of the Internal Revenue Code of 1986 and the Treasury Regulations there under for Tax Credit projects. The Plan and Manual should not be considered a complete guide on compliance. The responsibility for compliance lies with the owner of the project. Because of the complexity of these Programs and the necessity to consider its applicability to specific circumstances, owners are urged to seek competent professional legal and accounting advice regarding compliance issues. WCDA's and/or the Authorized Delegate's obligation to monitor for compliance with the requirements of the Regulations does not make WCDA and/or the Authorized Delegate liable for an owner's noncompliance.

The Compliance Monitoring Manual is available on WCDA's web site.

As a condition to the allocation of HOME Program Funding and/or Low-Income Housing Tax Credits, Project Owners are required to enter into a binding agreement to comply with the terms and conditions of the Plan and do so upon submission of an application. The Plan is part of the Agency's Affordable Housing Allocation Plan for the State of Wyoming.

## **X. COMPLIANCE MONITORING**

### **B. Owner's Responsibilities**

#### **1. RECORDKEEPING AND RETENTION REQUIREMENTS**

Each owner of a low-income rental housing project must keep records for each qualified low-income building in the project that show for each year in the compliance period

- a. The total number of residential rental units in the building (including the number of bedrooms and the size in square feet of each residential rental unit);
- b. The percentage of residential rental units in the building that are rent restricted units;
- c. Designation of each unit as "Market", "HOME", and/or "Tax Credit";
- d. The rent charged to each tenant on each residential rental unit in the building (including any utility allowances);
- e. The rent subsidy and source received on each residential rental unit in the building;
- f. The number of occupants in each restricted unit;
- g. The restricted unit vacancies in the building and information that shows when, and to whom, the next available units were rented;
- h. The annual income certification of each tenant in restricted units;
- i. Documentation to support each tenant's income certification;
- j. The Ethnicity of each occupant for each restricted unit;
- k. Type of Household (Single/non-elderly, Elderly, Related/Single Parent, Related/Two Parent, Other, or Vacant Unit);
- l. The Character and use of the nonresidential portion of the building;
- m. The eligible basis and qualified basis of the building at the end of the first year of the credit period (applies to Tax Credit project only); and
- n. Any other information required, now or in the future, by any Federal or State Agency.

Forms to meet these requirements are available in the Compliance Monitoring Manual.

Owners must retain the original local health, safety, or building code violation reports or notices that were issued by the State or local government unit and copies of all documents pertaining to fair housing complaints which have been filed for WCDA's and/or the Authorized Delegate's inspection. Retention of the original violation reports or notices is not required once WCDA and/or the Authorized Delegate reviews the violation reports or notices and completes its inspection, unless the violation remains uncorrected.

Under the record retention provision for HOME funded Projects, the owner/sponsor must retain the general records for five years after project completion. Tenant income, rent and inspection information must be kept for the most recent five years, until five years after the affordability period ends. Unless

## **X. COMPLIANCE MONITORING**

issues are not corrected, then records must be kept for five years after the project is brought back into compliance.

Under the record retention provision for tax credit projects, the owner must retain the records described above for at least 6 years after the due date (with extensions) for filing the federal income tax return for that year. The records for the first year of the credit period however, must be retained for at least 6 years beyond the due date (with extensions) for filing the federal income tax return for the last year of the compliance period of the building.

The IRS Code allows for various options in calculating the Utility Allowances. An owner may request a change in the option used for a project only once during the compliance period. Projects may not vacillate back and forth between options.

Owners must provide tenant data annually including, **but not limited to**, tenant race, ethnicity, family composition, age, income, use of rental assistance or other similar assistance, disability status, and monthly rental payments on the WCDA prescribed form as required by the Housing Tax Credit Coordination Act of 2008.

### **2. CERTIFICATION**

The owner of a HOME funded project is required to submit an Annual Owner's Compliance Report for each project.

All property owners must submit an annual certification to WCDA that each building and all HOME-assisted units in the project are suitable for occupancy. In addition, all projects are required, at least once each year, to re-examine and recertify the income eligibility of all tenants using the Section 8 income qualifying method. 100% tax credit projects must also re-examine and recertify the income eligibility of all tenants annually unless ALL units in the project are restricted at the same income and same rent restrictions. These projects must re-examine and recertify the income eligibility of all tenants the first year no later than the anniversary of the effective date of the tenants' original certification and recertify student status annually throughout the compliance period. Future re-certifications are not required for 100% Tax Credit projects with 100% of the units restricted at the same rent and income levels provided the project has had no compliance findings or outstanding compliance issues in the last year and has written permission from WCDA and its syndicator. Projects which have more than one (1) rent or income level must continue to recertify the income eligibility of all tenants annually throughout the compliance period and make every effort to insure the income and rent levels are maintained at all times throughout the compliance period. **This is effective for all projects, regardless of the year the tax credits were awarded.** The owner of a low-income housing Tax Credit project is required to submit to WCDA or the Authorized Delegate, a Certification as required by IRC §1.42-5(c)(1).

## **X. COMPLIANCE MONITORING**

The required Certification forms are available in the Compliance Monitoring Manual.

### **3. SUBMISSION OF REPORTS TO WCDA**

- a. Each year during the Compliance period, every project must submit the following documents as required by WCDA or the Authorized Delegate:
  - Copies of any and all local/state/other health, safety, or building code violation reports, stating whether the violation has been corrected
  - Copies of all documents pertaining to fair housing complaints which have been filed
  - Any other reports required by WCDA or the Authorized Delegate in the Compliance Monitoring Manual
  - HOME Funded Projects must also submit:
  - Owner's Compliance Report
  - Owner's Certification that each building and all HOME-assisted units in the project are suitable for occupancy.
  - Tax Credit Projects must also submit:
  - Owner's Certificate of Continuing Program Compliance
  - Compliance Monitoring Fees
  - Executed IRS Form 8821 (Tax Information Authorization)
  - Any other IRS forms necessary for compliance monitoring
- b. All projects must submit Year End Financial Statements including a copy of the Management Letter to WCDA by March 31 of each year during the compliance period. (Audited if available)
- c. Within thirty days of your completion of Part II of the Form 8609 and filing same with the Internal Revenue Service, a completed copy must be mailed to the compliance monitoring staff at the WCDA for its records. Failure to return the completed form to the compliance monitoring staff within the required time frame is a form of noncompliance which will be reported by the WCDA to the Internal Revenue Service.

### **C. Additional Requirements**

1. All Leases must be reviewed and accepted by WCDA prior to Lease up and prior to any changes.
2. Income is calculated using Annual Income as defined under Section 8, Housing Assistance payments Program in 24 CFR Part 5.609.
3. Gross Rents collected include amount received from all sources, including federal assistance, and cannot exceed the maximum percentage agreed to in the Application for funding.



## **X. COMPLIANCE MONITORING**

4. When a household's income increases above the limit for that unit, the next available unit must be rented at the lower level. Every effort must be made to insure the income and rent levels are maintained at all times throughout the compliance period. As such, projects with multiple rent and or income levels must recertify each household on an annual basis.
5. When calculating maximum rents, all rents must be rounded **down** to the next dollar.
6. Foster Care exemption for student status, may only be used until the individual reaches 25 years old.
7. Sub-metering is NOT allowed.
8. The Utility Allowance source may not change from what is disclosed in the original Application throughout the compliance period without prior written permission from WCDA. (The project will be re-underwritten to verify it still meets the Allocation Plan requirements and if additional restrictions would be required.) The Utility Allowance Sources allowed are:
  - a. HUD Utility Allowance Schedule/Calculator
  - b. Utility Company Estimate
  - c. Energy Consumption Model as defined in §1.42-10 by a properly licensed engineer

If a project is anticipating the use of HOME and LIHTC funding, the HUD Utility Schedule Model MUST be used during the application process. Once the project is built and has an energy consumption history it may utilize the Energy Consumption Model as defined in §1.42-10 by a properly licensed engineer. However the same method must be used for every unit in the project.

The local Public Housing Authority Estimate may be used on a Tax Credit project IF no HOME funds are utilized.

9. All HOME unit leases must be for a period of 12 months unless a lesser time frame is agreed upon by the tenant and the owner AND previously approved by WCDA.
10. HOME rent restrictions float within the project.
11. Rent increases on HOME units require written approval from WCDA and the project must show at least 12 months with no compliance issues outstanding.

### **D. Review and Inspections**

As a condition of HOME funding or the allocation of Tax Credits, WCDA and/or WCDA's Authorized Delegate have the right to perform on-site inspections of any restricted building or project.

An on-site review of tenant certifications including the applications, third-party verifications and supporting documentation of income, and physical inspections will be conducted in accordance with the applicable regulations. WCDA and/or the Authorized Delegate shall have access to all official project records, including IRS reporting forms,

## **X. COMPLIANCE MONITORING**

upon reasonable notification. All official project records or complete copies of such records must be made available to WCDA and/or the Authorized Delegate upon request.

### **1. HOME PROJECTS**

The WCDA or Authorized Delegate will conduct on-site inspections of all buildings in the project no less than:

- a. within 12 months after project completion; and
- b. every three years thereafter.

Findings of Health and safety deficiencies will garner more frequent inspection.

The WCDA or Authorized Delegate will physically inspect all units in projects with 1 to 4 units, at least 20 percent of the project's restricted units but not fewer than four units in each project and one HOME-assisted unit in each building. The low-income certifications, the documentation supporting the certifications, and the rent records for the tenants in those units will be reviewed.

The WCDA or Authorized Delegate will randomly select which restricted units and tenant records are to be inspected and reviewed by the WCDA or Authorized Delegate. The unit and tenant records to be inspected and reviewed will be chosen in a manner that will not give owners of restricted projects advance notice that a unit and tenant records for a particular year will or will not be inspected and reviewed. However, the WCDA or Authorized Delegate may give an owner reasonable notice that an inspection of the building and restricted units or tenant record review will occur so that the owner may notify tenants of the inspection or assemble tenant records for review.

### **2. TAX CREDIT PROJECTS**

- a. The WCDA or Authorized Delegate will review annually the Certification submitted under paragraph "B" for compliance.
- b. The WCDA or Authorized Delegate will conduct on-site inspections of all buildings in the project by the end of the second calendar year following the year the last building in the project is placed in service and at least once every 3 years thereafter. The WCDA or Authorized Delegate will physically inspect at least 20 percent of the project's restricted units and review the low-income certifications, the documentation supporting the certifications, and the rent records for the tenants in those units; and

The WCDA or Authorized Delegate will randomly select which restricted units and tenant records are to be inspected and reviewed by the WCDA or Authorized Delegate. The unit and tenant records to be inspected and reviewed will be chosen in a manner that will not give owners of restricted projects advance notice that a unit and tenant records for a particular year will or will not be inspected and reviewed. However, the WCDA or Authorized Delegate may give an owner reasonable notice that an inspection of the building and restricted units or tenant record review will occur so that the owner may notify tenants of the inspection or assemble tenant records for review.

## **X. COMPLIANCE MONITORING**

### **E. Notification of Noncompliance Requirements**

The WCDA or Authorized Delegate will give notification to owners within 90 days of the date of any findings of noncompliance. The owner will be allowed a correction period which will be determined by The WCDA or Authorized Delegate on an individual basis. The owner must notify The WCDA or Authorized Delegate of any and all corrections. 8823'S will be filed with the IRS for all non-compliance discovered. Projects will be fined \$25.00 per day for any non-compliance left uncorrected at the end of the correction period. **Owners** may request, from WCDA, an extension of the correction period when extenuating circumstances exist. If non-compliance is not corrected during the Correction Period, an 8823 will be filed with the IRS, and the owner is responsible for paying any fees necessary to conduct an audit and/or re-inspection to obtain a corrected 8823.

For Tax Credit projects, WCDA will promptly notify the IRS of any project noncompliance within its responsibility as contained in the Code. Neither the Authorized Delegate nor WCDA have the jurisdiction to interpret or administer the Code, except in those instances where specific delegation has been authorized.

For HOME projects, uncorrected compliance issues will be dealt with per the requirements of 24 CFR Part 92. This could include, but is not limited to, an extension of the affordability period and/or monetary fees as specified in under X. Compliance Monitoring section I. Annual Compliance and Compliance Penalty Fees.

Violations of the WCDA Extended Use Agreement are non-compliance issues and reportable to the IRS.

### **F. Risk Assessment Monitoring**

Tier 2 and Tier 3 Developers as described in the Sponsor Characteristics scoring portion of the QAP and projects with continuous significant compliance issues will be monitored more often than the above noted time frames.

#### **1. New Projects:**

- a. Tier 1 Developers will be monitored according to the minimum standards outlined elsewhere in the Affordable Housing Allocation Plan.
- b. Tier 2 Developers:
  - WCDA will do semi-annual physical inspections after the placed in service date
  - WCDA will require all new move-in tenant files be submitted quarterly, in hard copy format, to WCDA for review
  - WCDA will require the Owner to submit quarterly financial statements for review by WCDA; these statements may be submitted via email or regular mail
- c. Tier 3 Developers:
  - WCDA will do quarterly physical inspections after the placed in service date

## **X. COMPLIANCE MONITORING**

- WCDA will require all new move-in tenant files be submitted to WCDA for review prior to approval for occupancy, in hard copy format
- WCDA will require the Owner to submit monthly financial statements for review by WCDA; these statements may be submitted via email or regular mail

### **2. Existing Projects:**

Projects with continuous significant compliance issues - WCDA may do any or all of the following depending on the type of compliance issues occurring at the project

- a. WCDA may do quarterly or semi-annual physical inspections
- b. WCDA may require all new move-in tenant files be submitted quarterly, in hard copy format, to WCDA for review
- c. WCDA may require the Owner to submit quarterly financial statements for review by WCDA; these statements may be submitted via email or regular mail
- d. WCDA may change the frequency of these inspections and file reviews, at its sole discretion, as compliance is achieved
- e. WCDA will charge a \$275 fee for each on-site re-monitoring required because of compliance issues plus an additional \$50.00 will be assessed for reviewing each non-compliance issue in order to provide a corrected 8823 or notice of correction, if non-compliance issues are not corrected within the Correction Period.

### **G. Modification of the Compliance Monitoring Procedure**

This Compliance Monitoring Procedure is subject to modifications by WCDA in order to comply with Section 42 of the Code, all regulations, rules, rulings, policies, procedures and any other official comments promulgated and issued by the Internal Revenue Service, or the Treasury Department (including currently existing and future promulgations and issuances) in the case of Low Income Housing Tax Credit projects, or 24 CFR Part 92 in the case of projects under the HOME Investment Partnerships Program. Further, this Compliance Monitoring Procedure is also subject to any other modifications that WCDA in its sole discretion considers necessary.

### **H. Compliance Training**

All Project Owners must attend and pass the required testing to obtain a Compliance Certification by a nationally recognized firm; Spectrum Enterprises, Housing Credit College by Elizabeth Moreland Consulting or other firms as approved by WCDA, prior to the project being placed in service or provide a Certification showing they have completed the training successfully in the past 5 years.

## **X. COMPLIANCE MONITORING**

A Representative of the Management Company must attend and pass the required testing to obtain a Compliance Certification by a nationally recognized firm; Spectrum Enterprises, Housing Credit College by Elizabeth Moreland Consulting or other firms as approved by WCDA, prior to the project being placed in service or provide a Certification showing they have completed the training successfully in the past 3 years.

Due to lack of entities offering testing on HOME only projects, testing is not a requirement for projects which only contain HOME funding. However if any project has a history of non-compliance, WCDA may require successful completion of a Compliance Seminar/Schooling etc. which may include passing the required testing for Certification.

### **I. Annual Compliance and Compliance Penalty Fees**

1. A Tax Credit Project Owner is required to submit to WCDA the compliance fees annually on or before the 31st of March with Year End Financial Statements including a copy of the Management Letter and updated contact information. The compliance fee is \$35.00 per unit due annually during the Compliance Period.
2. The Compliance Period is defined as the IRS Initial compliance period, plus the extended compliance period agreed to in the application, plus the IRS required Extended Use period, plus the 3 year vacancy de-control period. The Affordability Period is defined as the initial HOME Affordability Period, plus the extended compliance period agreed to in the application. If an 8823 or a HOME Program notice of non-compliance has been issued with continuing non-compliance, WCDA will charge a \$275 fee for each on-site re-monitoring required because of compliance issues plus an additional \$50.00 will be assessed for reviewing each non-compliance issue in order to provide a corrected 8823 or notice of correction.
3. WCDA has established certain compliance requirements that are more restrictive than the IRS or the HOME requirements. Any non-compliance with IRS and/or HOME Rules and Regulations or WCDA more restrictive requirements will be assessed a penalty of \$25.00 per day for each occurrence not corrected within the correction period.

These fees may be adjusted from time to time as WCDA deems necessary.

### **J. Liability**

**COMPLIANCE WITH THE REQUIREMENTS OF THE HOME PROGRAM AND/OR THE TAX CREDIT PROGRAM IS THE RESPONSIBILITY OF THE OWNER OF THE BUILDING FOR WHICH THE FUNDING AND/OR CREDIT IS ALLOWABLE. WCDA'S OBLIGATION TO MONITOR FOR COMPLIANCE WITH THE REQUIREMENTS DOES NOT MAKE WCDA LIABLE FOR THE OWNER'S NONCOMPLIANCE.**

## **XI. 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 THE HOME PROGRAM.**

The Tax Credit and HOME amounts allocated shall be made solely at the discretion of the Wyoming Community Development 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/10% Test Allocation package and Tax Credit Final Allocation Package, 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 24 CFR 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 in the State of Wyoming published in A Profile of Wyoming Demographics, Economics and Housing, is currently being 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. An electronic copy of A Profile of Wyoming Demographics, Economics and Housing is available on WCDA's website ([www.wyomingcda.com](http://www.wyomingcda.com)) or by contacting WCDA. WCDA makes no representations about the accuracy of its information, which was provided by a third party source. Developers should not rely on or use such information in underwriting the feasibility of their project or assessing local demand.

**WYOMING COMMUNITY  
DEVELOPMENT AUTHORITY  
(WCDA)  
2014  
CURRENT YEAR  
SUMMARY**

# ATTACHMENT "A"

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**Item 1 – Initial Allocation Cycles for the year 2014.**

Applications must be received in the WCDA office at 155 N. Beech, Casper, Wyoming on or before 5:00 p.m. on the dates listed below. Late applications will not be ranked.

<u>Cycle Number</u>	<u>Submission Deadline</u>
1	<u>RECEIVED</u> by 5:00 p.m. January 31, 2014
2	Additional rounds may be opened if funding is available.

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**Item 2– Anticipated HOME Funding:**

Based on previous year's allocations, the WCDA **anticipates** approximately \$3.5 million in new HOME funding, to be distributed as follows:

Direct Administration Category	\$ 1,000,000
Small Project Set Aside	1,000,000
HOME/WRAP	450,000
Community Housing Development Organizations (CHDO)	525,000
(A Maximum of \$52,500 is available from the CHDO set-aside for Project Specific Technical Assistance and site Control Loans.)	
CHDO General (not project) Operating costs and Capacity Building Reserve	175,000
Administration and Contingency Reserve	<u>350,000</u>
<b>TOTAL AVAILABLE</b>	<b>\$ 3,500,000</b>

HOME/WRAP will be given a preference on available Program Income.

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**Item 3 – Tax Credit Availability Estimation**

The total amount of credit available in Wyoming for 2014 is estimated as follows:

*Per Capita Credits	2,590,000
Carryforward Credits	0
Return Credits	0
Forward Commitments from 2013	0
<b>TOTAL AVAILABLE</b>	<b><u>\$ 2,590,000</u></b>
SET ASIDES	
Non-profits (10%)	\$ 259,000
Small Rural Project Set Aside	\$ 1,000,000
Open Allocation	\$ 1,331,000
<b>TOTAL</b>	<b><u>\$ 2,590,000</u></b>

\* Based on 2013 Tax Credit authority.

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## ATTACHMENT "A"

### Item 4– Anticipated NSP Funding:

The total amount of NSP funding available in Wyoming for 2014 is estimated as follows:

NSP Allocation	0
Program Income	250,000
TOTAL ESTIMATED AVAILABILITY	250,000

Estimated Disbursement:

Wyoming Rehabilitation and Acquisition Program (WRAP)	125,000
Rental Opportunities (ReOpp)	100,000
Administrative Fees	25,000

### Item 5 – Tax Credit Assistance Program (TCAP)

The total amount of TCAP available in Wyoming for 2014 is estimated as follows:

TCAP Allocation	0
Program Income	675,000
TOTAL ESTIMATED AVAILABILITY	675,000

Estimated Disbursement:

### Item 6 –Total per unit Project Costs for RENTAL projects:

For underwriting, the Total per unit Project Costs for projects without an elevator will be limited to the following:

<u>Managers</u>	<u>0-Bdrm</u>	<u>1-Bdrm</u>	<u>2-Bdrm</u>	<u>3-Bdrm</u>	<u>4-Bdrm</u>
0	\$106,400	\$123,200	\$159,000	\$186,200	\$216,400

For underwriting, the Total per unit Project Costs for projects with an elevator will be limited to the following:

<u>Manager's</u>	<u>0-Bdrm</u>	<u>1-Bdrm</u>	<u>2-Bdrm</u>	<u>3-Bdrm</u>	<u>4-Bdrm</u>
0	\$114,300	\$132,400	\$170,900	\$200,100	\$232,600

### Item 7 – Operating Expenses Limitations for RENTAL projects:

The Annual Operating Expenses used for underwriting will be as follows:

<u># of Units</u>	<u>Maximum per unit per month</u>	<u>No On-site Manager</u>
≤ 24	\$370.00	\$320.00
25 – 36	\$350.00	\$320.00
37 – 48	\$330.00	Manager required
> 48	\$320.00	Manager required

The numbers above assume owners pay water, sewer and trash, and tenants pay heating, hot water, lights, cooking. Adjustments will be made if different parties pay above listed utilities. (Managers unit(s) not counted in total number of units.) WCDA reserves the right to adjust this amount to reflect current market conditions. Group homes under one roof are considered ONE unit. i.e. a 3-bedroom group home is considered ONE 3-bedroom unit, **not** three 1-bedroom units for Operating Expense Limitations.

# ATTACHMENT “A”

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## **Item 8 – Maximum HOME Subsidy per unit - Rental Units**

The maximum subsidy per HOME assisted unit is established by HUD and available on HUD’s website.

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## **Item 9 –HOME Match Requirements**

HUD Match Requirement for program	25.0%
WCDA Match Requirement for <b>each</b> project	5.0%

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## **Item 10 - 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: All housing that is constructed or rehabilitated must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In absence of a local code new construction or rehabilitation must meet: as applicable, the International Building Code (as applicable to the type of housing) of the International Code and Accessibility Requirements under the American with Disabilities Act (ADA). Newly constructed housing must also meet the requirements of 24 CFR Part 92.251(a)(2)(i) through (V). 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. It must include ratings of products/materials used, i.e. Energy Star ratings, warranty information etc. to be considered.

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

- |                  |                               |  |
|------------------|-------------------------------|--|
| Floor coverings  | Garages                       | Durability roofing/siding materials    |
| Natural lighting | Washer/Dryer Hookups          | Negative Air flow vents in crawl space |
| Bedroom Size     | Quality and design of windows | Items proven to reduce possible mold   |
| Storage Units    | Low maintenance Landscaping   | Other maintenance reducing features    |
- Sustainable Reuse of appropriate existing building materials  
Amenities (i.e.) Washer and Dryer, Dishwashers, Garbage Disposals, Stove hood fan, air-conditioning, self-clean ovens, frost free refrigerator/freezer etc.
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## ATTACHMENT “A”

### Item 11 - Market Study Requirements

Minimum Market Study requirements:

- a statement of the competence of the market analyst;
- a description of the proposed site;
- evaluation of the project’s suitability for the local market (design, unit composition, physical characteristics and mix, amenities etc.);
- statement of reasonableness of proposed rent for the area;
- Comparative analysis of Net Adjusted Market Rent;
- Demographic analysis of the **current** number of households in the City and the Primary Market Area which are income eligible and can afford to pay the proposed rent, rent tenure, ownership tenure, and the number of units currently available to serve these households;
- Family projects may NOT use senior household population to justify need unless each unit is accessible;
- Each unit composition (income and rent makeup) must have a breakdown of income eligibility, rent tenure, size appropriate households the above demographic analysis must be provided, **for each income and rent level** proposed in the application;
- Unit compositions which are less than 15% of the total number of units are not to be included in the overall total project needs recap;
- forecast of housing needs in the future;
- geographic definition and analysis of the market area;
- statement of reasonableness of Primary Market Area boundaries (Must make sense) **Do Not Use the Entire County**;
- analysis of practically available operating expenses and turnover rates of comparable properties in the market area;
- analysis of household sizes and types in the City and the Primary Market Area;
- analysis of the homeownership alternative and the effect it will have on the project;
- a description of comparable developments in the City and the Primary Market Area Primary Market Area;
- a description of where the households are moving from (substandard housing, other communities, relatives homes etc.);
- a description of rent levels, amenities, concessions offered, vacancy rates and number of households on waiting lists **by unit size** of **all** projects in the city and the Primary Market Area;
- map with proposed Site and location of all competitive units, both Market and Subsidized.
- vacancy analysis of ALL housing;
- vacancy analysis of ALL rental housing in the city and the Primary Market Area;
- vacancy analysis of ALL subsidized rental housing in the city and the Primary Market Area;
- number of units needed, showing number of households in the market area which are income eligible, type eligible (senior vs. family vs. special needs populations, rent tenure (renters vs. homeowners), and the number of units currently available to serve these households;

## ATTACHMENT “A”

- current market saturation level (Units Needed vs. Proposed);
  - capture rate;
  - absorption period and absorption rate with a comparative analysis and/or a detailed description and support of how arrived at (this should include lease-up rate of all newly constructed multifamily housing gained through market participant interviews and/or local multi-family information database systems);
  - projected operating funds and expenses, when available at the time of the study;
  - expected market absorption of the proposed housing
  - a description of the effect on the market area, including the impact on Housing Credit and other existing affordable rental housing;
  - calculations based on household size over the average for the Primary Market Area (such as 4-8 member households) must include analysis of number of larger households and incomes for said households;
  - for the calculation of number of eligible households, the maximum net rent a household will pay must NOT exceed 30% of their household income (Acceptable Rent Burden);
  - Analysis of Primary Market Area drivers, jobs and potential volatility of tenant base as a result of these factors.
  - Calculation of Income Level with highest need in PMA.
  - Number of non-student, income eligible and size eligible households for the proposed project
  - Proportion of housing made up of rental vs. single family home ownership within the census tract and within applicable radius per project size as defined in the “Avoiding Concentration of Low Income Households” category.
  - Proportion of rental stock made up of subsidized housing within the census tract and within applicable radius per project size as defined in the “Concentration of Low Income Housing” category.
  - Market Study Recap below (Attachment B Item 1); and
  - any other pertinent information that may be available.
- 

### **Item 12 –Tax Credit Total per unit Eligible Basis**

For underwriting the allocation of Tax Credits; the Total per unit Eligible Basis for projects without an elevator will be limited to the following per unit subsidy limits.

<u>Managers</u>	<u>0-Bdrm</u>	<u>1-Bdrm</u>	<u>2-Bdrm</u>	<u>3-Bdrm</u>	<u>4-Bdrm</u>
0	\$100,000	\$117,000	\$150,100	\$177,000	\$198,000

For underwriting the allocation of Tax Credits; the Total per unit Eligible Basis for projects with an elevator will be limited to the following per unit subsidy limits.

<u>Managers</u>	<u>0-Bdrm</u>	<u>1-Bdrm</u>	<u>2-Bdrm</u>	<u>3-Bdrm</u>	<u>4-Bdrm</u>
0	\$107,500	\$125,800	\$161,400	\$190,300	\$212,900

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# ATTACHMENT “A”

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## **Item 13 – Tax Credit Syndication Tolerance Level**

The tolerance level for the Syndication rate is currently suspended. WCDA reserves the right to negotiate with the Owner and the Syndicator to obtain the best rate available taking into account the current market conditions. The average rate obtained on all applications submitted will be taken into consideration when evaluating reasonableness of the Syndication Rate.

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## **Item 14 – Qualified Census Tract (QCT) Numbers and Difficult to Develop Areas (DDA) (For Tax Credit Projects Only).**

As a result of recent changes in the federal tax law, the definition of Qualified Census Tract has been expanded to include areas with a poverty rate of 25% or greater. HUD should be issuing new QCT's in the future. For the purposes of this Allocation Plan the following QCT's apply until modified by HUD.

<b>QUALIFIED CENSUS TRACT NUMBERS</b>			
<b>METROPOLITAN AREAS</b>		<b>NON-METROPOLITAN AREAS</b>	
Casper	Cheyenne	Albany County	Albany County
2.00	4.02	9269.00	9630.00
11.00		9634.00	9635.00
12.00		9637.00	

## **DIFFICULT DEVELOPMENT AREAS**

None

WCDA has the option to designate a project as being in a Difficult Development Area, allowing for a 10 to 30% increase in eligible basis if all of the following requirements are met:

- The project needs the increase to be financially feasible.
- No other affordable housing projects in the area show an annual vacancy rate in excess of a standard turnover rate.
- The average rents for all proposed units are at or below 45% of the Area Median Income.
- The project is being developed in a community with a population of 10,000 or less and there are no communities with a population over 10,000 within 20 miles of the project.

Projects with total proposed units in one of these communities, when added to the number of units placed in service or awarded an allocation in the past three years, remains at or below 12 units may receive up to a 30% increase in eligible basis.

Projects with total proposed units in one of these communities, when added to the number of units placed in service or awarded an allocation in the past three years, remains at or below 24 units may receive up to a 10% increase in eligible basis.

**ATTACHMENT “B” Item “1”**

**MARKET STUDY RECAP FOR RENTAL PROJECTS**

PROJECT NAME: \_\_\_\_\_

<b>PMA</b>	<b>CITY</b>	<b>ELIGIBLE HOUSEHOLDS</b>
		Population
		Number of Households (HH)
		X Percent of HH Income Eligible and can afford to pay the rent without assistance*
		= Number of Income Eligible households
		X Percentage Rent Tenure
		= Number of Renter, Income Eligible households
		X Percentage Household Size Appropriate
		= Number of Renter, Income Eligible, Household Size Appropriate households
		X Percentage Households with special needs being targeted (i.e. elderly, handicapped etc, If applicable)
		= Number of Qualified Households
		- Existing Subsidized units meetings needs of Qualified Households
		- Existing Market Rate units meetings needs of Qualified Households
		= Number of units needed
		- units planned and/or under construction
		= NEW UNITS NEEDED

<b>PMA</b>	<b>CITY</b>	<b>CURRENT CAPTURE RATE OF UNITS</b>
		Number of Units Proposed
		/ Number of Qualified Households (from above)
		= Current Capture Rate

<b>PMA</b>	<b>CITY</b>	<b>ON GOING CAPTURE RATE OF UNITS</b>
		Number of Units Proposed
		/ Number of Units in Community serving Qualified Households
		= On-going Capture Rate

<b>PMA</b>	<b>CITY</b>	<b>SATURATION</b>
		Number of Units Proposed
		/ Number of New Units Needed (from above)
		= Saturation

<b>PMA</b>	<b>CITY</b>	<b>AVERAGE RENTS</b>
		Average Market Rate rents for 1-bedroom units (with utility adjustments if appropriate)
		Average Market Rate rents for 2-bedroom units (with utility adjustments if appropriate)
		Average Market Rate rents for 3-bedroom units (with utility adjustments if appropriate)
		Average Market Rate rents for 4-bedroom units (with utility adjustments if appropriate)
		Average Market Rate rents for 5-bedroom units (with utility adjustments if appropriate)

\*omit “without assistance” on projects with Project Based Rental Assistance.

**ATTACHMENT “B” Item “1”**

**MARKET STUDY RECAP FOR RENTAL PROJECTS (cont.)**

**PROJECT NAME:** \_\_\_\_\_

<b>PMA</b>	<b>CITY</b>	<b>AVERAGE RENTS (SUBSIDIZED = LIHTC, HUD, RD ETC.)</b>
		Average rents for SUBSIDIZED 1-bedroom units (with utility adjustments if appropriate)
		Average rents for SUBSIDIZED 2-bedroom units (with utility adjustments if appropriate)
		Average rents for SUBSIDIZED 3-bedroom units (with utility adjustments if appropriate)
		Average rents for SUBSIDIZED 4-bedroom units (with utility adjustments if appropriate)
		Average rents for SUBSIDIZED 5-bedroom units (with utility adjustments if appropriate)
		Average rents for COMPARABLE 1-bedroom units (with utility adjustments if appropriate)
		Average rents for COMPARABLE 2-bedroom units (with utility adjustments if appropriate)
		Average rents for COMPARABLE 3-bedroom units (with utility adjustments if appropriate)
		Average rents for COMPARABLE 4-bedroom units (with utility adjustments if appropriate)
		Average rents for COMPARABLE 5-bedroom units (with utility adjustments if appropriate)
		must include explanation of why COMPARABLE

<b>PMA</b>	<b>CITY</b>	<b>AVERAGE SQUARE FOOTAGE</b>
		Average square footage of 1-bedroom units in the community
		Average square footage of 2-bedroom units in the community
		Average square footage of 3-bedroom units in the community
		Average square footage of 4-bedroom units in the community
		Average square footage of 5-bedroom units in the community
		Average square footage of 1-bedroom COMPARABLE units in the community
		Average square footage of 2-bedroom COMPARABLE units in the community
		Average square footage of 3-bedroom COMPARABLE units in the community
		Average square footage of 4-bedroom COMPARABLE units in the community
		Average square footage of 5-bedroom COMPARABLE units in the community
		must include explanation of why COMPARABLE

<b>PMA</b>	<b>CITY</b>	<b>INCOME LEVEL WITH HIGHEST NEED</b>
		Level of Income with highest need in the community

<b>ABSORPTION RATE</b>	
	Number of months anticipated from Placed in Service Date to occupancy of all units
	Number of months from Placed in Service Date to Economic Stabilization

<b>PMA Physical</b>	<b>PMA Economic</b>	<b>CITY Physical</b>	<b>CITY Economic</b>	<b>VACANCY RATE</b>
				Vacancy rate of <b>ALL</b> units – <b>Include chart showing vacancy by project</b>
				Vacancy rate of Subsidized units – <b>Include chart showing vacancy by project</b>
				Vacancy Rate of Comparable Properties – <b>Include chart showing vacancy by project &amp; explanation of why "Comparable"</b>

**ATTACHMENT “B” Item “1”**

**MARKET STUDY RECAP FOR RENTAL PROJECTS (cont.)**

**PROJECT NAME:** \_\_\_\_\_

<b>Distance from other locations (List distance from project to the following locations)</b>			
	Employment opportunities		Elementary School
	Fire		Junior or Middle School
	Police		High School
	Proximity to Public Transit		College
	Hospital		Convenience Store
	Senior Center		Church
	Bank		Post Office
	Doctor Offices		Park
	Laundry Mat - if facilities not on site		Recreation
	Grocery Store		Library
	Is there a Grocery Store that delivers?		
	Pharmacy		
	Is there a Pharmacy that delivers?		

<b>ENVIRONMENTAL ISSUES</b>	
	Please list any and all environmental issues noted during site visit
	Flood Plain / Wetlands
	Proximity to Railroad Tracks
	Proximity to 4-lane thorough fares
	Proximity to above ground storage tanks
	Endangered species / animal habitat
	Proximity to Airport



**ATTACHMENT “B” ITEM “2”**

No Modifications are allowed to this Contractor’s Certification.

**Contractor’s Certification**

Project: \_\_\_\_\_

Property Legal Description: \_\_\_\_\_

Owners Name, and Address: \_\_\_\_\_

The undersigned has served as the general contractor of the real property constructed at \_\_\_\_\_ (the “Premises”) for \_\_\_\_\_

(“Project Owner”) for which the undersigned acknowledges is to receive or has received Low Income Housing Tax Credits under Section 42 of the Internal Revenue Code and/or HOME funding under Title II of the Home Investment Partnerships Act of the National Affordable Housing Act of 1990. Accordingly, the undersigned hereby certifies to Owner and the Wyoming Community Development Authority that the Premises is in compliance with all requirements and restrictions of all applicable zoning, environmental, building, fire, health and other governmental ordinances, rules and regulations and the requirements of the appropriate board of fire underwriters or other similar body acting in and for the locality in which the Premises is located. Further, the Premises complies with the applicable edition of the International Building Code and National Electric Code, the local code adopted by the presiding jurisdiction and the Minimum Property Standards [MPS] in 24 CFR 200.926. This newly constructed housing meets the current edition of the Model Energy Code Published by the Council of American Building Officials and handicapped accessibility requirements under the Fair Housing Act (42 U.S.C. 3601-3620), where applicable. The Premises also meets all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing meets the housing property standards under the HOME Investment Program in 24 CFR 982.401. The undersigned further certifies that Premises were built to specifications of architectural drawings for

\_\_\_\_\_ dated \_\_\_\_\_.

If this project consists of manufactured housing it meets the Manufactured Home Construction and Safety Standards established in 24 CFR Part 3280. These standards pre-empt State and local codes covering the same aspects of performance for such housing. The project complies with applicable State and local laws or codes governing installation. In the absence of such laws or codes, the project complies with the manufacturer’s written instructions for installation of manufactured housing units and is connected to permanent utility hook-ups.

Dated \_\_\_\_\_, 20\_\_\_\_.

Name of Contractor’s Company or Contractor’s Agent: \_\_\_\_\_

Name and Title of Contractor or Contractor’s Agent: \_\_\_\_\_

Street Address: \_\_\_\_\_

City, State, Zip Code: \_\_\_\_\_

Telephone Number (including area code): \_\_\_\_\_

Signature of Contractor or Contractor’s Agent: \_\_\_\_\_

# ATTACHMENT "B" ITEM "3"

## ARCHITECT'S CERTIFICATE

### Part I

The undersigned, an architect duly licensed and registered in the State of Wyoming, has prepared for \_\_\_\_\_, Project Owner, final plans, working drawings and detailed specifications (and addenda) dated \_\_\_\_\_, 20\_\_\_\_ (collectively, the "Plans and Specifications") in connection with certain real property located at \_\_\_\_\_ (the "Premises") for which the undersigned acknowledges will receive low income housing tax credits under Section 42 of the Internal Revenue Code and/or HOME funding under Title II of the Home Investment Partnerships Act of the National Affordable Housing Act of 1990 to finance or refinance the costs to acquire, rehabilitate, or construct the Project.

Accordingly, the undersigned hereby certifies to Project Owner and the Wyoming Community Development Authority that:

- A) The Plans and Specifications comply with and conform in all respects to the requirements of existing law, have been duly filed with and have been approved by all governmental and municipal authorities having jurisdiction there over, and the Plans and Specifications are in compliance with all requirements and restrictions of all applicable zoning, environmental, building, fire, health and other governmental ordinances, rules and regulations and the requirements of the appropriate board of fire underwriters or other similar body acting in and for the locality in which the Premises is located. Further, the Plans and Specifications comply with:
- 1) the applicable edition of the International Building Code and National Electric Code; and  
the local code adopted by the presiding jurisdiction; and  
the Minimum Property Standards [MPS] in 24 CFR 200.925 or 200.926.
  - 2) If this is a newly constructed housing project it meets the current edition of the Model Energy Code Published by the Council of American Building Officials.
  - 3) The Plan and Specifications also meet all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing meets the housing quality standards in 24 CFR 982.401.
  - 4) the accessibility requirement at 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR 100.201, it also meets the design and construction requirement at 24 CFR 100.205, which implements Title III of the Americans with Disabilities Act of 1990 and the Fair Housing Act (42 U.S.C. 3601-3619), as it relates to the following:

*Accessible Building Entrance on an Accessible Route:*

Covered multifamily dwellings must have at least one building entrance on an accessible route, unless it is impractical to do so because of terrain or unusual characteristics of the site. For all such dwellings with a building entrance on an accessible route the following six requirements apply:

## ATTACHMENT “B” ITEM “3”

### *Accessible and Usable Public and Common Use Areas:*

Public and common use areas must be readily accessible to and usable by people with disabilities.

### *Usable Doors:*

All doors designed to allow passage into and within all premises must be sufficiently wide to allow passage by persons in wheelchairs.

### *Accessible Route Into and Through the Covered Dwelling Units:*

There must be an accessible route into and through the dwelling units, providing access for people with disabilities throughout the unit.

### *Light Switches, Electrical Outlets, Thermostats and Other Environmental Controls in Accessible Locations:*

All premises within the dwelling units must contain light switches, electrical outlets, thermostats and other environmental controls in accessible locations.

### *Reinforced Walls for Grab Bars:*

All premises within dwelling units must contain reinforcements in bathroom walls to allow later installation of grab bars around toilet, tub, shower stall and shower seat, where such facilities are provided.

### *Usable Kitchens and Bathrooms:*

Dwelling units must contain usable kitchens and bathrooms such that an individual who uses a wheelchair can maneuver about the space.

These Fair Housing Act requirements can be found in the Fair Housing Act Design Manual.

- B) The Plans and Specifications are in compliance with Standards so that \_\_\_\_\_ units in the project meet Energy Star Standards and \_\_\_\_\_ fully accessible and \_\_\_\_\_ sensory units meet Section 504 accessibility Standards.
- C) The Plans and Specifications do not require the installation or use of any asbestos containing materials in connection with the construction or use of the Premises.
- D) If this project consists of manufactured housing, it meets the Manufactured Home Construction and Safety Standards established in 24 CFR part 3280. These standards preempt state and local codes covering the same aspects of performance for such housing.
- E) All of the preconditions have been met justifying the issuance of all necessary approvals, certificates, permits and licenses that may be required from such governmental authorities having jurisdiction over the construction of the Premises.

**ATTACHMENT “B” ITEM “3”**

Dated: \_\_\_\_\_, 20\_\_

ARCHITECT SIGNATURE: \_\_\_\_\_

Name of Company: \_\_\_\_\_

(APPLICANT MUST RETURN TWO ORIGINALS WHICH HAVE BEEN EXECUTED ABOVE BY THE ARCHITECT. ONE OF WHICH WILL BE RETURNED TO THE DEVELOPER AFTER COMPLETION OF THE PROJECT FOR EXECUTION BELOW BY THE ARCHITECT IN REGARD TO THE ITEMS LISTED BELOW. A LIST OF SUSTAINABLE STRATEGIES INCORPORATED IN THE PROJECT, AS COMMITTED TO IN THE APPLICATION MUST BE INCLUDED WITH BOTH ORIGINAL COPIES OF THIS CERTIFICATION.)

**Part II**

The project now being completed, the undersigned, an architect duly licensed and registered as stated above, certifies to Project Owner and the Wyoming Community Development Authority that:

- A) There are no building code or other violations of municipal ordinances or county codes filed or noted against the Premises.
- B) All necessary gas, steam, telephone, electric, water and sewer services and other utilities required to adequately service the Premises are now available to the Premises. All street drainage, water distribution and sanitary sewer systems have been accepted for perpetual maintenance by the appropriate governmental authority or utility.
- C) If this project consists of manufactured housing, the project complies with applicable state and local laws or codes governing installation. In the absence of such laws or codes, the project complies with the manufacturer’s written instructions for installation of manufactured housing units.

Furthermore, in the professional opinion of the undersigned, the Premises is constructed in a good and workmanship-like manner substantially in accordance with the Plans and Specifications and is free and clear of any damage or structural defects that would, in any material respect, affect the value of the Premises. In the further opinion of the undersigned, all of the preconditions have been met justifying the issuance of the permanent certificate or certificates of occupancy for the Premises (or the letter or certificate of compliance or completion stating that the construction complies with all requirements and restrictions of all governmental ordinances, rules and regulations).

Dated: \_\_\_\_\_, 20\_\_

ARCHITECT SIGNATURE: \_\_\_\_\_

Name of Company: \_\_\_\_\_

## ATTACHMENT “C” ITEM “1”

TAX CREDIT INCOME AND RENT LIMITS - The Tax Credit income and rent limits are available on the WCDA web site:

[http://www.wyomingcda.com/index.php?option=com\\_content&task=view&id=160&Itemid=72](http://www.wyomingcda.com/index.php?option=com_content&task=view&id=160&Itemid=72)

HOME PROGRAM INCOME AND RENT LIMITS - The HOME income and rent limits are available on the WCDA web site:

[http://www.wyomingcda.com/index.php?option=com\\_content&task=view&id=162&Itemid=162](http://www.wyomingcda.com/index.php?option=com_content&task=view&id=162&Itemid=162)  
WCDA posts these income and rent limits as a courtesy. For verification purposes, they may also be accessed on the HUD website at: <http://www.huduser.org/portal/datasets/il.html>

## **ATTACHMENT “D” ITEM “1”**

# Narrative Required with ALL Applications

### **A. Project Description**

1. Problem to be solved.
2. Completely describe the proposed program activities: Does the project involve the use of existing property; is the property privately or publicly owned; standard or substandard; occupied or vacant? For special needs housing projects, describe in detail the services that will be provided or coordinated for the property's residents and how client outreach will occur. Describe how the housing units and/or services proposed will be marketed to eligible participants and what kind of screening procedure, if any will be used. Outline the relationship of this proposal to established local housing and community development plans, policies, and strategies and cite date of adoption. Provide any evidence of local support that will add to the assurance of successful program implementation. Describe any known opposition to this proposal. Give enough detail to clearly illustrate all activities associated with the proposed project.
3. State the number of persons who will benefit and their income levels. (Indicate data sources.)
4. State the percentage of the funds that will benefit low income and very low-income households.

### **B. A Study of Needs - (Indicate data sources.)**

Given the nature of the proposed project, provide as much measurable/objective information as needed to adequately describe the problem or need this project is designed to address. Describe the target population and discuss the magnitude and duration of the problem and its impact on the target population and the community-at-large. Examples of data that may be used are housing needs studies, the State's Consolidated Plan for Housing and Community Development, condition surveys, market studies, agency service records, census data, and information from local housing and community development plans.

Data used to support an application must be cited in the application. Applicants may use data derived at the city or county level if they can satisfy WCDA that the data is accurate and will not give the applicant an unfair advantage over other applicants. The methodology used, sample size, data sources, etc., must be submitted to WCDA with the application if other than federal or state information is used.

## **ATTACHMENT “D” ITEM “1”**

### **C. MATCH REQUIREMENTS - list your match sources for HOME funds.**

Match funds are the local contribution to the partnership. 25% of the HOME dollars requested must be matched with non-federal funds. For FY 2014, applicants will only be required to provide a match of 5% because WCDA has been able to accumulate banked match over the past several years.

1. The match obligations can be met with:

- Cash from a non-federal source
- Value of waived taxes, fees or charges
- Value of donated land or real property
- Cost of infrastructure improvements associated with HOME projects
- Below market interest rate loans.
- Banked Match from WCDA (this is not actual cash)

Owner's cash or equity in the project is not an eligible source of match.

### **D. LEVERAGING: List and describe all resources that will be leveraged by the requested HOME and Tax Credit funding.**

Describe and quantify all resources that will assist with project implementation and management. Include a discussion that identifies whether commitments are firm or tentative and when and under what circumstances tentative commitments will become actualized. Briefly describe the general terms and conditions of other sources and give their expiration date. Explain the organization's ability to access other funds or in-kind contributions and the overall attempts to obtain additional resources. For non-cash contributions, please detail how dollar amounts were calculated.

### **E. RESULTS: Describe the results you expect to achieve.**

Explain how the proposed activities are directly related to the problem and need described and what the anticipated direct and indirect results of the program will be. Include information on length of commitment to the original target population, the continued affordability of the assisted housing in terms of monthly rent or mortgage costs, and other program results that help illustrate the overall benefit of the proposal. If permanent or temporary displacement or relocation will occur a General Information Notice should already have been sent to each tenant per HUD requirements and you must discuss this process and provide proof of delivery to each tenant. You will need to describe the process used for relocation, the availability of comparable replacement units, and how and with what source these activities will be funded. Quantify whenever possible.

## ATTACHMENT “D” ITEM “1”

**F. PROJECT MANAGEMENT: Describe your organization's management ability and management plan for this project.**

Describe the mission, management structure and staffing of your organization. Provide a detailed description of your organization's experience and ability in implementing and managing low-income or special needs housing assistance programs or related activities. Explain any past or current experience with federal or state award or loan programs. Provide an organizational chart showing the staffing and line of authority for the key personnel to be used in the project. Give a brief job description of the overall duties of the staff assigned to manage the program during each phase, a description of related experience, and how the management plan will be structured. If staff has not been hired, provide a job description for each vacant position. If a third party will be involved in management, describe their role.

**G. STATEMENT: Explain why HOME or Tax Credit dollars are critical to the implementation of this proposal.**

Briefly summarize why HOME or Tax Credit dollars, are necessary for project implementation and why the proposed activities cannot occur without the award of funds. List unsuccessful requests your organization has made for other resources for this project, including source, amount, and if known, reason for rejection. Explain why no other source of funds can replace HOME or Tax Credit resources. Discuss whether the project could be implemented at a lower level or smaller scale without the HOME or Tax Credit award. Describe known public and private projects that address a similar need in your area and explain how this project differs from each of the others.

**H. Affirmative Marketing Plan:**

Describe how you will market your project to minorities or hard-to-reach very low-income households. Explain in detail.

NOTE: HOME funds as described in this application are anticipated funding. Final allocation amounts are subject to change based upon the receipt of Federal Award which is anticipated in March of 2014.

CAUTION: Inconsistent information between the core application, Narrative Attachment, Market Study or other documents may result in the application being rejected.



## Attachment "D" Item "2"

### QUARTERLY PROGRESS REPORT FOR RENTAL PROJECTS

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. Please attach all Architect's Field Reports for current period.

Indicate the actual or expected date by which the following activities have or will have been completed.

Mo./Year

	<u>Site</u>		<u>Local Permits</u>
___/___	Acquisition	___/___	Conditional Use Permit
___/___	Survey	___/___	Variance
___/___	Zoning Approval	___/___	Site Plan Review
___/___	Plat Design Approval	___/___	Building Permit
___/___	Environmental Phase I	___/___	Other (specify) _____
___/___	Environmental Review Completed		
	<u>Construction Financing</u>	___/___	<u>Equity Syndication</u>
___/___	Loan Application	___/___	Letter of Commitment
___/___	Conditional Commitment		Partnership Closing
___/___	Firm Commitment		<u>Other</u>
___/___	Closing and Disbursement	___/___	Final Plans/Specs
		___/___	Tax Credit Carryover Allocation
	<u>Permanent Financing</u>	___/___	10% of Project Costs Incurred
___/___	Loan Application	___/___	Construction Start
___/___	Conditional	___/___	% complete as of report date
___/___	Firm Commitment	___/___	Construction Completion
___/___	Closing and Disbursement	___/___	Landscape Completion
		___/___	Placed in Service (Certificate of Occupancy)
	<u>Other Loans and Grants</u>	___/___	Occupancy of All Low-Income Units
___/___	Type & Source: _____	___/___	Submission of Placed in Service Application
___/___	Commitment	___/___	Submission of Minority & Business Women
___/___	Closing or Award		Enterprise information

Amount of material change orders for current period (please attach change order report): \_\_\_\_\_

Total amount of material change orders to date: \_\_\_\_\_

Estimation of total contractor/subcontractor labor hours for period: \_\_\_\_\_

Any other significant issues not mentioned above, should be outlined below or on a separate sheet of paper and attached to the report.

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Project Name

Signature

Date

# **Attachment “E” HOME Program Description**

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## **Attachment “E” HOME Program Description**

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# Attachment “E” HOME Program Description

## I. 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 and 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. Projects located in entitlement cities (Cheyenne and Casper) must have a current letter of consistency with the Consolidated Plan from the appropriate Jurisdiction.

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 **CRITICAL** time frames apply:

- 24 months to enter into written agreements with an Owner/Developer to reserve HOME funds.
- 24 months to commit funds in the HOME IDIS System for specific projects.
- Four years to actually expend funds.

## **Attachment “E” HOME Program Description**

### **I. EXECUTIVE SUMMARY**

In an effort to quickly allocate HOME funds prior to the construction season, WCDA’s application period for HOME funding runs prior to WCDA’s receipt of HOME funds from HUD. Therefore no funding can be allocated until after WCDA signs a HOME contract with HUD. The final allocation may be different from the anticipated amount.

# Attachment “E” HOME Program Description

## II. ALLOCATION OF FUNDS

- A. **Direct Administration Category – WCDA** The approximate amount of funding set-aside for Direct Administration is outlined in the current Year Summary, Attachment “A”. –This set aside is available for Rental Housing Production programs under which non-profit developers, for-profit developers, Local Governments, and public housing authorities may apply. Applications are anticipated to be accepted in January of each year. Projects are ranked competitively against the Ranking Criteria listed in the WCDA Affordable Housing Allocation Plan. For actual funding levels, see WCDA Affordable Housing Allocation Plan, Current Year Summary Attachment “A”.
- B. **HOME/WRAP – HOME/WRAP** – The approximate amount of funding set-aside in this category for HOME/WRAP programs is outlined in the current Year Summary, Attachment “A”. These funds will be administered by WCDA similar to the WRAP program created under the Neighborhood Stabilization Program. If all the HOME funds are not allocated in the first funding cycle, WCDA may retain any funds under any of the set asides for this eligible activity. . In addition, as Program income is received and the available funding is increased, such funds may also be used under this set-aside.
- C. **Small Project Set-Aside**  
In Wyoming the HOME funding is allocated through a competitive process from applications received from outside Developers. WCDA does NOT retain any Rental funding to administer projects directly. Thus it is difficult to assure specific geographic distribution as applications are not received until after the Program Plan is approved. In an effort to achieve geographic distribution in areas of greatest need, WCDA analyzes information from various sources to ascertain where these locations are and then builds incentives in the Action Plan through scoring, set asides etc. In recent years it has been evident that the small communities have been overlooked on their affordable housing needs. In order to create an incentive for developers to consider more rural areas, and satisfy HUD’s geographic distribution requisite, this Small Project Set-Aside was created. The amount of the set-aside is disclosed in the Current Year Summary Attachment “A”.

In order to qualify for the Small Rural Project Set-aside the following criteria applies:

- The project must be in a small community with a population under 10,000 and no communities with a population over 10,000 are within 20 miles of the project.
- The project must have 24 or fewer units
- Project must not be done in conjunction with a separate project in the same locale.

Due to the fact that Market Rents are typically lower in rural areas, projects may have a 10% variance in Income and Rent Levels when qualifying for the Small Rural Project Set-aside.

# Attachment “E” HOME Program Description

## II. ALLOCATION OF FUNDS

### **D. CHDOs - Community Housing Development Organizations**

#### **1. CHDO ELIGIBLE ACTIVITIES –**

Approximately \$525,000, fifteen percent (15%) of the Fiscal Year HOME funding allocation will be set aside for CHDO's. Applications for CHDO Eligible Activities will be accepted through a competitive application process during the initial application period at the beginning of each year. If funds are remaining, WCDA will open an additional competitive application process or, depending on the amount of remaining funds, accept applications on a first-come, first-serve basis to projects meeting the minimum ranking criteria until all funds are allocated to eligible projects. For actual funding levels, see WCDA Affordable Housing Allocation Plan, Current Year Summary Attachment “A”. Activities that are NOT eligible under the CHDO set aside are; HOME/WRAP, Tenant Based Rental Assistance, Brokering or other Real Estate transactions.

#### **2. CHDO TECHNICAL ASSISTANCE-**

Ten percent of the CHDO set aside may be 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. **APPLICANTS WHO ANTICIPATE USING THE TECHNICAL ASSISTANCE AND SITE CONTROL LOANS SHOULD APPLY TO WCDA BEFORE ANY PROJECT COSTS ARE INCURRED IN ORDER TO ENSURE ELIGIBILITY FOR THE FUNDING.**

### **E. CHDO General Operating Costs and Capacity Building Reserve (not project specific)**

A Certified Community Housing Development Organization (CHDO) may apply to WCDA for HOME funding for any fiscal year for organizational operating funds in an amount that provides not more than \$50,000 or fifty percent (50%) of the CHDO's organization's total operating expenses, whichever is less, in that fiscal year. No CHDO may receive funding for more than 3 years. To apply for this set-aside a CHDO may apply on an annual basis prior to September 1<sup>st</sup> of each year.

In order to receive CHDO operating funds a CHDO must:

- 1) enter into a written agreement with WCDA that states the CHDO is expected to own, sponsor or develop a project which will receive funds under the CHDO set-aside within 24 months of receiving funds for operating expenses
- 2) submit a Development Plan outlining the CHDO's proposed housing projects, type of housing, number of units, and populations to be served, over the next 5 years
- 3) submit a timeline under which these projects will be developed
- 4) submit a list of anticipated funding sources for the projects in the Development Plan
- 5) submit a five year operating budget with all sources of operating income listed, designating which sources are firmly committed and which sources are tentative
- 6) submit a list of staff, experience of each staff member and their job description.

## **Attachment “E” HOME Program Description**

### **II. ALLOCATION OF FUNDS**

- 7) submit a report or narrative of accomplishments achieved through prior HOME CHDO Operating funds received.

Applications will generally be accepted once a year and should be submitted to WCDA on or before September 1<sup>st</sup>. No more than \$175,000 of HOME funds may be allocated as Operating Funds in any given program year. Applications will be reviewed and funded according to the feasibility of the projects proposed in the Development plan and an assessment by WCDA staff of the CHDO’s capacity to successfully complete the Development Plan.

**F. Administration And Contingency Reserve -**

Approximately \$350,000 (10%) of Fiscal Year HOME allocation will be set-aside for WCDA administrative costs, and for a reserve for project over-runs that cannot be met from other funding sources.

After the first round of funding, WCDA reserves the right to re-allocate funds between categories as needed to most expeditiously commit and spend the funding, provided the minimum CHDO set aside is maintained.



# Attachment “E” HOME Program Description

## III. RENTAL HOUSING PRODUCTION PROVISIONS

A. **Rental Housing Production** - can be accomplished in the following ways:

- **Rehabilitation**
  - Rehabilitation
  - Conversion
  - Reconstruction
  - Rehabilitation and Refinance
- **Acquisition and/or Rehabilitation**
- **New Construction**

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

- Rents are **strictly** controlled
- Tenants must be low-income (80% of Area Median Income adjusted for family size as determined by HUD). In fact, most tenants in HOME assisted units must be very low-income (50% of Area Median Income adjusted for family size as determined by HUD).
- 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.

B. **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.
- A letter of notification for proposed development will be sent to the local jurisdiction.

C. **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.

# Attachment “E” HOME Program Description

## III. RENTAL HOUSING PRODUCTION PROVISIONS

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 available on HUD’s website as disclosed in the Affordable Housing Plan Current Year Summary Attachment “C” Item “1”.

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.

### **D. 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.

### **E. 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 dwelling units assisted with such funds may be used to assist families with household incomes between 60% and 80% of median.

# **Attachment “E” HOME Program Description**

## **III. RENTAL HOUSING PRODUCTION PROVISIONS**

### 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 (50% of area median income) bearing rents not greater than the low HOME 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.

### **F. Determining the Initial Income Eligibility of HOME Tenants/Homeowners**

The HOME Program beneficiaries under Rental Housing Production are tenants with incomes at or below 50% of the Area Median Income. The income of each tenant/homeowner must be determined initially in accordance with 24 CFR 92.203 by using Annual Income as defined under the Section 8 Housing Assistance Payments programs in 24 CFR Part 5.609.

### **G. 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 by utilizing third party source documents evidencing 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.

### **H. 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. However, the next available unit of comparable size must be rented to a HOME eligible household, at which time the 80% unit will be re-classified as a Tax Credit unit at the

# **Attachment “E” HOME Program Description**

## **III. RENTAL HOUSING PRODUCTION PROVISIONS**

appropriate income and rent level. The rent on the 80% unit may not be increased until the unit is replaced with a qualifying HOME unit.

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 at least:

- 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.

### **I. 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.
    - i. Rehabilitation must be the primary eligible activity requiring at least \$15,000 of required rehabilitation costs per unit.
    - ii. A Capital Needs Assessment must be provided by an unrelated Professional Capital Needs Assessment provider to include a unit by unit breakdown and budget at time of application. The CNA must include an estimate of the remaining useful life of major systems and estimates of replacement costs. Major systems include: structural support, roofing, cladding, weather proofing (windows, doors, siding, gutters), plumbing, electrical and heating, ventilations, and air conditioning.
    - iii. 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.
    - iv. The refinancing must be made for the purposes of maintaining current affordable units or creating additional affordable units and the rehabilitation cost must be greater than the amount of debt that is refinanced.

## Attachment “E” HOME Program Description

### III. RENTAL HOUSING PRODUCTION PROVISIONS

- v. The minimum required period of affordability would be 15 years.
  - vi. Refinancing is an eligible activity throughout the State of Wyoming under the HOME Program.
  - vii. 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.
- **Failure to rent HOME units in 5 months.** If all HOME-assisted units are not rented within 5 months from project completion, Owner must provide WCDA information about current marketing efforts and an enhanced plan for marketing the units so that it is leased as quickly as possible. If efforts to market the units are unsuccessful and the unit is not occupied by an eligible tenant, Owner will be required to repay all HOME fund invested in the unit.

# Attachment “E” HOME Program Description

## IV. HOME/WRAP

WCDA will administer a Single Family Rehabilitation Program similar to the Neighborhood Stabilization Program, Wyoming Rehabilitation and Acquisition Program (WRAP) called HOME/WRAP. This program may consist of Acquisition, Rehabilitation and/or Financing. Financing is subject to Recapture provisions as outlined in the HOME Program Description Section XIV HOME Program Definitions – Recapture.

**A. The Eligible Homebuyer**

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. Other requirements must be met in order to meet credit worthiness and financial capacity.

**B. The Eligible Property Type**

An eligible property is any single family property which the value of the property, after rehabilitation, does not exceed the HOME Single Family limits in effect at the time of HOME funds commitment.

All properties must also meet HUD's site and environmental requirements summarized below in Section VII Site and Neighborhood Requirements.

**C. Affordability Period**

Minimum Affordability Periods are as follows:

Amount of HOME Investment	Minimum Affordability Period
\$0 - \$ 15,000	5 years
\$ 15,001 - \$40,000	10 years
\$ 40,000 or more	15 years

**D. Conversion to rental -** If the home is not sold within 6 months after rehabilitation is completed it must be converted to a rental property. If units are not occupied within 18 months from completion of rehabilitation all HOME funds must be paid back to HUD.

Should a property be sold or cease to be occupied by a qualified household during the period of time specified, Recapture provisions as outlined in Section XIV HOME Program Definitions will apply.

## Attachment “E” HOME Program Description

### V. 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, the International Residential Code or International Building Code (as applicable to the type of housing) of the International Code Council. All new construction project must all meet the requirements in 24 CFR Part 92.251 (a)(2)(i) through (v).

Construction of all manufactured housing must meet the Manufactured Home Construction and Safety Standards established in 24 CFR Part 3280. These standards preempt State and local codes covering the same aspects of performance for such housing. Applicants providing HOME assistance to install manufactured housing units must comply with applicable State and local laws or codes. In the absence of such laws or codes, the applicant must comply with the manufacturer’s written instructions for manufactured housing units.

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

## Attachment “E” HOME Program Description

### VI. ELIGIBLE REHABILITATION COSTS

- A. Development Hard Costs** - The actual rehabilitation costs including:
- Costs to meet the International Residential Code or International Building Code (as applicable to the type of housing) of the International Code Council
  - Costs to meet rehabilitation standards
  - Essential improvements
  - Energy-related improvements
  - Costs to contain or abate 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.
- E. Refinancing Costs** – only when cost of rehabilitation exceeds cost of refinancing.



## **Attachment “E” HOME Program Description**

### **VII. SITE AND NEIGHBORHOOD 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.
- The site's proximity to above ground storage tanks with hazardous materials.

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 and HUD's site and neighborhood standards requirement at 24 CFR Part 983.57(e)(2) and (3).

Projects with sites that do not meet the cited site and neighborhood standards or do not promote compliance with civil rights laws, or promote greater choice of housing opportunities will be denied funding regardless of ranking or scoring. Site selection is extremely important and is part of the evaluation and ranking process.

## **Attachment “E” HOME Program Description**

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

HOME funds can be structured as follows:

- 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

# **Attachment “E” HOME Program Description**

## **IX. 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 2014, applicants will only be required to provide a match of 5.0% 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

## **Attachment “E” HOME Program Description**

### **IX. MATCHING REQUIREMENTS**

- 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

## **Attachment “E” HOME Program Description**

### **X. 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.

## **Attachment “E” HOME Program Description**

### **XI. 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 Current Year Summary, 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.

# **Attachment “E” HOME Program Description**

## **XII. RESERVATION CRITERIA**

See Affordable Housing Allocation Plan

# Attachment “E” HOME Program Description

## XIII. 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.

6. WCDA has a housing program brochure that briefly describes WCDA's housing programs. This brochure 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.



## Attachment “E” HOME Program Description

### XIII. POLICIES & PROCEDURES

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.
13. Homebuyer Education Courses, made available through the Wyoming Housing Network, Inc.(WHN), will provide for a discussion of Fair Housing.
14. Information on Fair Housing can be obtained from the regional Fair Housing office in Denver. The mailing address for this office is Office of Fair Housing, US-HUD, 1670 Broadway, 23rd floor, Denver, CO 80202-4801 and the phone number for Fair Housing complaints is 800-877-7353.

#### **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.

# **Attachment “E” HOME Program Description**

## **XIV. HOME PROGRAM DEFINITIONS**

### **Adjusted Income**

Adjusted income is used in HOME to compute actual tenant rent 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 childcare.

### **Acquisition Cost/Purchase Price**

Acquisition Cost is defined to mean the cost of acquiring the residence from the seller as a complete residential unit. Acquisition Cost includes the following; (1) All amounts paid, either in cash or in kind, by the mortgagor (or a related party for the benefit of the mortgagor) to the seller (or a related party for the benefit of the seller) as consideration for the residence; (2) If a residence is incomplete, the reasonable cost of completing the residence, including construction loan interest and fees, whether or not the cost of completing construction is to be financed from the mortgage loan; and (3) Where a residence is purchased subject to a ground rent (leased land), the capitalized value of the ground rent, using a discount rate provided by WCDA based on the related bond yield (currently between 5% and 7%).

### **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 two "Annual Income" definitions as described in 24 CFR Part 92.203. Annual Income is used for homeowner, homebuyer and tenant eligibility and targeting purposes. Changes to the HOME Final Rule published in the Federal Register July 24, 2013 eliminates the definition that is based on income reported on the U.S. Census Long Form.

### **CDBG**

CDBG means the Community Development Block Grant program under 24 CFR part 570.

### **Commitment**

The written, legally binding agreement that includes the date of the signature of each person signing the agreement, between the Participating Jurisdiction (or other entity) and the project owner providing a specific amount of HOME funds ,for an identifiable project for which all necessary financing has been secured, a budget and schedule have been established, and underwriting has been completed and under which construction is scheduled to start within twelve months of the agreement date.

# **Attachment “E” HOME Program Description**

## **XIV. HOME PROGRAM DEFINITIONS**

### **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. Changes to the HOME Final Rule published in the Federal Register July 24, 2013 amended the qualifications to become a CHDO. The most significant changes include the requirement that the CHDO have demonstrated capacity for carrying out housing projects assisted with HOME funds. This requirement may NOT be met with a consultant, volunteer or board members. The CHDO must have paid staff with the demonstrated capacity. For complete qualification requirements see 24 CFR Part 92.2

### **Consolidated Plan**

Consolidated plan means the plan submitted and approved in accordance with 24 CFR part 91.

### **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.

### **Homeownership**

Homeownership is defined as ownership in fee simple title in a 1- to 4-unit dwelling or in a condominium unit, or equivalent form of ownership approved by HUD. Changes to the HOME Final Rule published in the Federal Register July 24, 2013 clarified when a long term ground lease is acceptable and elucidated Contract for Deeds are not an acceptable form of ownership. For further information see 24 CFR Part 92.2.

### **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. Changes to the HOME Final Rule published in the Federal Register July 24, 2013 amended the definition to append an individual does not qualify as a low-income family if the individual is a student who is not eligible to receive Section 8 assistance under 24 CFR 5.612.

### **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.

# **Attachment “E” HOME Program Description**

## **XIV. HOME PROGRAM DEFINITIONS**

### **Program Income**

Changes to the HOME Final Rule published in the Federal Register July 24, 2013 clarified HUD’s long standing position that Gross income from the use or rental of real property that was acquired, rehabilitated, or constructed with HOME funds, less costs incidental to generation of the income (Program income does NOT include gross income from the use, rental or sale of real property received by the project owner, unless the funds are paid by the project owner to the PJ.

### **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.

### **Project Completion**

All necessary title transfer requirements and construction work have been performed; the project complies with the requirements of 24 CFR Part 92 including the property standards under §92.251; the final drawdown of HOME funds has been disbursed for the project; and the project completion information has been entered into IDIS.

### **Purchase Price**

See Acquisition Cost.

### **Recapture**

Any HOME homeownership activity available under the Wyoming HOME Program is subject to Resale or Recapture provisions. To ensure a fair return to the homebuyer based on economic conditions as well as the condition of the home, any appreciation will be allocated on a pro-rata share “Allocated Pro-Rata Share”. All direct subsidies, funds that enable the homebuyer to purchase the property, and the “Allocated Pro-Rata Share” of the Net Proceeds, under this activity will be subject to Recapture. The entire HOME subsidy and the “Allocated Pro-Rata Share” of the Net Proceeds will be recaptured by WCDA and returned to the WCDA HOME Investment Partnerships Program. The “Allocated Pro-Rata Share” shall equal the Minimum Affordability Period committed to in the application for funding or the minimum years specified above in Section IV “HOME/WRAP”, Item C “Affordability Period”, whichever is greater, less the number of years the Homeowner occupied the property after the rehabilitation was completed, divided by the Minimum Affordability Period committed to in the application for funding or the minimum years specified above in Section IV “HOME/WRAP”, Item C “Affordability Period” whichever is greater.

The Recapture requirement must be stipulated in a lien document separate from the mortgage which must be recorded. These Recapture provisions will be achieved by having the following language in the Note and separate lien document, which is recorded in County records; “In the

# **Attachment “E” HOME Program Description**

## **XIV. HOME PROGRAM DEFINITIONS**

event of a sale (whether voluntary or involuntary) of the Property subject to the Mortgage, Borrower may be relieved from the obligation to pay a portion of amount due under this NOTE, including Principal, only if the deficiency from the sale results from an economic condition or factors beyond the Borrower’s control and not caused by the Borrower, such as unforeseen destruction or damage to the property and in the following, limited circumstance: If the net proceeds from the sale (net proceeds means the sale price minus closing costs of the sale) are not sufficient to pay all late charges, expenses, fees (including attorney’s fees) and any other charges plus the entire Interest and Principal amount then due, payment of the net proceeds resulting from the sale to Lender will constitute payment in full of this NOTE and borrower shall be released from liability for any further payment. Provided, however, that if the sale is voluntary, the amount of the sale price must be equivalent to a price that unrelated, willing buyers and sellers would agree upon according to real estate market conditions that exist at the time and place of sale, otherwise Borrower shall not be released from liability for any further payment, unless otherwise agreed by Lender.” WCDA shall utilize a different definition of Allocated Pro-Rata Share “Allocated Pro-Rata Share – WCDA”. The “Allocated Pro-Rata Share-WCDA” shall equal the total amount of any deferred loan granted by WCDA divided by the total original amortized loan amount plus the total original deferred loan amount.

### **Reconstruction**

Reconstruction means the rebuilding, on the same lot, of housing standing on a site at the time of project commitment, except that housing that was destroyed may be rebuilt on the same lot if HOME funds are committed within 12 months of the date of destruction. 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.

### **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.

### **Sub-recipient**

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 sub-recipient.

### **Substandard Condition**

Any residence that does not comply with the standards noted in the most currently adopted edition of the Uniform Housing Code.

### **Substandard Condition but Suitable for Rehabilitation**

## **Attachment “E” HOME Program Description**

### **XIV. HOME PROGRAM DEFINITIONS**

Any residence which does not comply with the standards noted in the most currently adopted edition of the Uniform Housing Code, yet is economically practical to rehabilitate. Meaning the cost of acquisition and rehabilitation does not exceed after rehabilitation value of the structure.

#### **Targeting**

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

#### **Uniform Physical Condition Standards (UPCS)**

Uniform national standards established by HUD pursuant to 24 CFR 5.703 for housing that is decent, safe, sanitary, and in good repair. Standards are established for inspectable items for each of the following areas: site, building exterior, building systems, dwelling units and common areas.

#### **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. An individual does not qualify as a very low-income family if the individual is a student who is not eligible to received Section 8 assistance under 24 CFR 5.612.

## **Attachment “F” Other Federal Requirements**

### 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 5, 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

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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.



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(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;

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- (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

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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:

(i) The tenant's monthly rent before such agreement and estimated average monthly utility costs; or

(ii) 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

(i) The tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation; or

(ii) 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:

## **Attachment “F” Other Federal Requirements**

- (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.

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- (e) *Residential anti-displacement and relocation assistance plan.* The participating jurisdiction shall comply with the requirements of 24 CFR part 42, subpart C.
- (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.

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- (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 1344.1 (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. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, M and R of this title.

[64 FR 50224, Sept. 15, 1999]

### **§ 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 there under, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

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- (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

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- (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, 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.



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### **§ 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 IV of the Executive Schedule.

## Attachment “G” NSP 1 Program Description

### THE NSP1

Jurisdiction(s): Wyoming Community Development Authority	NSP Contact Person: Gayle Brownlee Address: Wyoming Community Development Authority 155 North Beech Street Casper, WY 82601 Telephone: 307-265-0603 Fax: 307-266-5414 Email: brownlee@wyomingcda.com
Jurisdiction Web Address: • • <a href="http://www.wyomingcda.com">www.wyomingcda.com</a>	

The Wyoming Community Development Authority will be the responsible agency for the administration of the Neighborhood Stabilization Program (NSP) and the quarterly reporting submissions to the HUD field office in Denver.

**NSP Assisted Programs for the State of Wyoming - No additional Grant Funds are anticipated under this program. However, as Program Income is generated the following activities will be eligible uses.**

1. **Wyoming Rehabilitation and Acquisition Program (WRAP)**, \$ WCDA will acquire and rehabilitate foreclosed properties which will be sold to low and moderate income eligible buyers. The targeted locations include the following counties:
  - a. Campbell, Fremont, Laramie, Natrona, Sweetwater, Uinta
  - b. Counties may be added or removed in the future depending on the foreclosure market.
2. **NSP Rental Opportunities (ReOpp)**, \$– Financing for for-profit developers, non-profit entities and housing authorities to purchase and rehabilitate foreclosed and abandoned homes to be used as rental properties for low income persons. The eligible locations include the following counties:
  - a. Campbell, Fremont, Laramie, Natrona, Sweetwater, Uinta
  - b. Counties may be added or removed in the future depending on the foreclosure market.
3. **NSP Allowable Administrative Fees**, \$– The NSP program allows an amount up to ten percent (10%) of the NSP grant amount to be used for general administration and planning activities as defined at 24 CFR 570.205 and 206. The NSP program also allows 10% of program income earned to be used for administrative fees.

#### ***A. AREAS OF GREATEST NEED***

The NSP Program requires states to distribute NSP funds to the areas of greatest need including those areas with the greatest percentage of home foreclosures, those areas with the highest

## **Attachment “G” NSP 1 Program Description**

percentage of homes financed by a subprime mortgage and to those areas identified by the grantee as likely to face a significant rise in the rate of home foreclosures. According to HUD’s data for NSP determination approximately 68% of the foreclosed homes can be found in the counties of Campbell, Fremont, Laramie, Natrona, Sweetwater, and Uinta. The NSP funds will be used in these counties.

### **Summary of Needs**

According to HUD’s 2008 numbers, the counties that have the highest Estimated Number of Foreclosures are Laramie and Natrona both with more than 200 foreclosures; 285 and 256 respectively. Sweetwater County has more than 155 Estimated Number of Foreclosures and Campbell, Fremont, and Uinta have Estimated Number of Foreclosures in the 70’s.

### **Summary of Data**

The data, tables and maps described in the Summary of Data can be found in Appendix A of the 2011 Program Description.

Table 1 presents the total number of loan applications in the state, by loan purpose. Over the 2004 through 2007 time period, this represents nearly 200,000 mortgage applications. Please note these data include both first and second mortgages.

Table 2 shows the just under 86,000 loan applications that were originated over this same period. Table 3 has separated these into High Annual Percentage Rate Loans (HALs), and non-HALs. The former represents loans originated more than three percentage points higher than comparable treasury instruments, and five percentage points for refinance loans. Over the four year period there were 18,875 such loans throughout Wyoming.

Table 4 details the NSP data released by HUD early in October 2008, aggregated to census tract and totaled by county. Since these data mostly represent percentage terms and a risk score, they do not actually give an idea as to the actual scale of the potential foreclosure or abandonment problems facing Wyoming. The estimated number of foreclosures and rate of foreclosure may be found in Tables 6 and 7.

Table 5 breaks down the information summarized in Table 3 by the number of HALs per census tract and county.

Map I illustrates NSP income qualifying and non-qualifying census tracts. To help you identify where the tracts actually are located, this map contains the tract number. Maps II through VI depict each of the concepts presented in Tables 4 and 5. Please note that Map VI presents the actual number of HALs seen in the respective census tract.

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Maps VII through XI demonstrate concepts similar to those in Maps I through VI, except that these are by county.

Tables 6 and 7 and Maps XII and XIII correspond with the HUD data on the number of foreclosures by census tract and county.

### ***B. DISTRIBUTION AND USES OF FUNDS***

The NSP Program requires states to distribute NSP funds to the areas of greatest need including those areas with the greatest percentage of home foreclosures, those areas with the highest percentage of homes financed by a subprime mortgage and to those areas identified by the grantee as likely to face a significant rise in the rate of home foreclosures. HUD puts the highest priority on the areas with the greatest number of foreclosures. NSP 3 required a focus on specific neighborhoods.

The majority of the funding for the NSP eligible activities will be distributed in the Counties of Laramie, Natrona, Sweetwater, Campbell, Fremont, and Uinta due to the larger number of foreclosed homes in these counties.

The Tables and Maps located in Appendix A illustrate the areas of greatest need for Wyoming.

All recipients need to be aware that due to the environmental review requirements and specifically 24 CFR Part 58.22, neither a recipient nor any participant in the development process, including public or private nonprofit or for-profit entities, or any of their contractors, may commit HUD assistance under a program listed in Sec. 58.1(b) on an activity or project until HUD or the state has approved the recipient's Request for Release of Funds (RROF) and the related certification from the responsible entity. In addition, until the RROF and the related certification have been approved, neither a recipient nor any participant in the development process may commit non-HUD funds on or undertake an activity or project under a program listed in Sec. 58.1(b) if the activity or project would have an adverse environmental impact or limit the choice of reasonable alternatives.

This means that once a decision has been made to use federal money for the project no action can be taken on the property by either the recipient, sub-recipient or a third party (such as a contractor or developer) until after the project has received environmental clearance. This rule is triggered by intent rather than when application is made. For acquisition the environmental review must be completed prior to the use of NSP funds. For rehabilitation, no activity can be started until after environmental clearance is received.

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### ***C. DEFINITIONS AND DESCRIPTIONS***

#### (1) Definition of “blighted structure” in context of state or local law.

The definition of “blighted structure” for the State of Wyoming was derived from the statutory definition of blighted area in W.S. 15-9-103.

"Blighted structure" means a structure which may be located in a slum area, a deteriorated or deteriorating structure, a structure which may have inadequate legal access, a structure with a faulty floor plan or room layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessments, delinquency exceeding the fair value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of those factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use.

“Slum area” means an area in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or property by fire and other causes, or any combination of those factors is conducive to ill health and is detrimental to the public safety, morals or welfare.

#### (2) Definition of “affordable rents.”

Affordable rent is determined to be the HUD Low HOME Rents or fair market rent whichever is less. Fair market rent is determined by HUD guidelines and includes tenant paid utilities. Please refer to the WCDA website for the current rents:

[http://www.wyomingcda.com/index.php?option=com\\_content&task=view&id=162&Itemid=162](http://www.wyomingcda.com/index.php?option=com_content&task=view&id=162&Itemid=162)

#### (3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

All residential properties will have a 30-year mortgage placed upon them. The property may also have a soft second mortgage triggered by the sale of the property, transfer of title, or when the property is no longer owner occupied.

#### (4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

At minimum, all properties financed utilizing NSP funds must meet FHA Housing Quality Standards. In addition, all properties to be rehabilitated must meet the Property Rehabilitation

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Standards as outlined in Appendix B and ensure local, state or national building codes will be followed.

Properties under the Wyoming Acquisition & Rehabilitation Program (WRAP) will be visited by WCDA staff and evaluated for participation in the WRAP program prior to any offers being submitted. All properties must be structurally sound or have the ability to be made structurally sound. In the event that a property is not structurally sound and/or the cost of rehabilitation would exceed the after rehabilitation value it would be possible under the WRAP program to demolish the current structure and place a new structure on the existing site. New properties may be stick built or modular construction. Properties must be attached to a permanent foundation. A preliminary inspection, including photographs, will be completed at that time using at minimum the FHA Housing Quality Standards, which will note all health and safety violations along with other potential concerns which may require specialized inspection at a later date, and the Property Rehabilitation Standards as outlined in Appendix B. The property will also be evaluated for environmental concerns. All properties selected for the WRAP program will be brought up to local, state, or national building code (whichever is more restrictive). The major systems of the property, such as electrical, plumbing, heating, roofing, and foundation, will be addressed first.

### ***D. LOW INCOME TARGETING***

As required under the NSP Program at least 25% of Grand Funds plus Program Income must benefit individuals or families whose income does not exceed 50 percent of area median income. Wyoming has chosen to specifically target all eligible housing activities towards low income households. Lower interest rates or a preference within the program design will be available in an effort to encourage homeownership or benefit to households at or below 50% of AMI. The Rental Opportunities Program and the WRAP Program will be used to meet the set-aside requirements.

The low (50%), moderate (80%), and middle (120%) income levels broken down by county and family size can be accessed on WCDA's website at [www.wyomingcda.com](http://www.wyomingcda.com).

### ***E. ACQUISITIONS & RELOCATION***

Demolition is an eligible activity. Any structure that is demolished must meet the requirement of being a blighted structure. If a structure is demolished there must be a benefit to low, moderate and middle income persons.

It is anticipated that properties selected under the WRAP and the ReOpp programs may include demolition of a previously foreclosed property. If a structure is demolished under the Demolition for Housing Program and the NSP Redevelopment Program, a housing unit must be produced following the demolition of the existing structure. It is noted that the NSP Program regulations waived the One-for-One Replacement requirement; however, when possible and

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most reasonable a replacement unit will be constructed and the property made available to a low income (50% AMI) or moderate income (80%) persons.

### ***F. PUBLIC COMMENT***

In 2011 when the program was created a Notice of Public Comment was published in the Casper Star-Tribune and the Wyoming Eagle Tribune on September 21, 2011. The draft Substantial Amendment was available on the WCDA website at [www.wyomingcda.com](http://www.wyomingcda.com) from September 21, 2011 through October 5, 2011, and a Public Hearing was held October 7, 2011. No comments were received during the public comment period. Additional Public Comment Periods were held each time any changes were made to the program and no comments were received during these additional public comment periods.

Comments on the NSP programs are welcome at any time and may be directed to [brownlee@wyomingcda.com](mailto:brownlee@wyomingcda.com) or WCDA – NSP Comments, P.O. Box 634, Casper, WY 82602. Please note that official plan changes can only be made as part of a substantial amendment or during the annual consolidated plan process. Comments received outside of an official comment period will be included in the next official public comment period. If you have questions at any time please contact WCDA at 307-265-0603.

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### **G. NSP INFORMATION BY ACTIVITY**

(1) Activity Name: **Wyoming Rehabilitation and Acquisition Program (WRAP)**

(2) Activity Type:

#### NSP Eligible Use

§2301(c)(3)(B) purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

#### CDBG Eligible Activity

- 24 CFR 570.201
- (a) Acquisition
- (b) Disposition
- (i) Relocation
- (n) Direct homeownership assistance to persons whose incomes do not exceed 120% of median income
- 24 CFR 570.202 Eligible rehabilitation and preservation acquisition activities for homes and other residential properties.

(3) National Objective:

All activities will meet the national objective of benefiting low, moderate and middle income persons.

(4) Activity Description:

The WRAP program may be used to meet the low income housing requirement for those at or below 50% of AMI.

Under the WRAP program WCDA will use NSP funding to purchase foreclosed or abandoned properties. The foreclosed properties will be rehabilitated and sold to low and moderate income eligible buyers to provide homeownership opportunities while preserving existing housing stock and revitalizing neighborhoods.

In order to be eligible for the NSP Program, the seller must be willing to sell the property for not more than 99% of the current appraised value as defined in the NSP regulations.



## **Attachment “G” NSP 1 Program Description**

### **WRAP Program Eligibility**

Basic applicant eligibility requirements include:

1. The applicant must be a Wyoming resident.
2. The applicant must be at least eighteen (18) years of age.
3. The applicant must be a United States citizen or a resident alien.
4. The property must be the applicant’s primary residence for the term of the loan.
5. The applicant must meet specific income and credit requirements.
6. The applicant must pay a \$20.00 application fee.
7. The applicant must have a steady income stream.
8. Each applicant must have a credit record that demonstrates they are financially responsible. The applicant must have a minimum 620 FICO score and meet FHA credit underwriting standards.
9. All household members’ credit age 18 or older will be considered.
10. All household members’ anticipated income age 18 or older will be considered, this includes anyone who will be occupying the property, and any family members not living in the household.
11. A minimum gross income of \$1,500 per month is required.
12. The applicant must be able to contribute a minimum of 25% of their gross income towards the principal, interest, taxes, and insurance payment, a maximum housing debt to income ratio of 31%, and not exceed a total debt to income ratio of 43%.
13. The Household’s total assets cannot exceed \$50,000.
14. No current judgments, collections or bankruptcy.
15. The applicant must be able to make a down payment at closing of the greater of an amount equal to the first year's taxes and insurance or \$2,500.00.
16. Household Income must be at or below 120% of the Area Median Income.
17. The applicant must complete Homebuyer Education prior to closing as required by the NSP Rules and Regulations.

The applicant must attend and complete a HUD approved homebuyer education program prior to closing on an NSP assisted property.

Preference will be given to applicants, who currently work or reside in the city, town, or county of the NSP assisted foreclosed property.

### **Property Selection**

All properties selected must have been foreclosed upon or meet the NSP definition for Abandoned and WCDA, through the WRAP program, must be the first purchaser following said foreclosure proceedings. All properties must have an appraisal completed within 60 days of the offer date and the purchase price cannot exceed 99% of the current market value. It is WCDA’s intent to purchase the properties at the lowest reasonable price possible. The property will be evaluated for environmental concerns. All properties selected for the program will be brought up to local, state, or national building code (whichever is more restrictive). The major systems of

## **Attachment “G” NSP 1 Program Description**

the property, such as electrical, plumbing, heating, roofing, and foundation, will be addressed first.

Properties will also be evaluated based on the economic feasibility and the affordability of the as repaired home for low and moderate income homeowners. The maximum amount of NSP funds to be expended on any one property is \$275,000, which includes the cost of acquisition, rehabilitation, and carrying costs. Properties requiring environmental mitigation such as lead-based paint remediation or illegal drug residue remediation may have additional costs associated and such costs are not subject to the \$275,000 cap. The location of the properties is subject to the availability of foreclosed properties

A HUD Environmental Review is required of all assisted properties. All properties constructed prior to 1978 will also require a lead based paint inspection. If lead based paint is present then lead safe work practices must be used and the contractors must be certified.

The Davis-Bacon Act will apply to all projects with 8 or more units. It is anticipated each property will be a single contract and therefore would not trigger Davis-Bacon. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and the Lead Safe Housing Rule will also apply.

### **Property Rehabilitation**

Once a property has been selected for the WRAP program WCDA staff will prepare a detailed work write-up and cost estimate for the property. An environmental review must be completed for all properties prior to purchase and the start of any rehabilitation.

Properties will be evaluated for health, safety, and code violations. Repair of those items will be completed for all properties. Once the health, safety and code violations have been address the property will be evaluated for cosmetic and general wear and tear items. Cosmetic and general wear and tear items will be addressed if the budget allows.

### **Application for Properties**

Application packets for the WRAP program will be made available at the WCDA office, via the internet, through local realtors, or by U.S. Postal Service upon request. WCDA will also market and provide outreach in the eligible counties in order to solicit participation in the program from persons with household incomes at or below 80% of AMI. Households with incomes in excess of 80% AMI will not be eligible to participate in the drawing unless:

1. There are no households at or below 80% of AMI interested in the specific property.
2. The households at or below 80% of AMI who are interested in the specific property cannot meet minimum underwriting standards.

## **Attachment “G” NSP 1 Program Description**

3. The property is considered ADA accessible and then households up to 120% of AMI are eligible to participate in the drawing.
4. The property following rehabilitation exceeds an affordable amount for a 80% or less AMI household. Keep in mind that while the mortgage may be written to an affordable level the cost of the taxes and insurance and general property maintenance on a more expensive home will be higher and may not be considered affordable for a 80% or less AMI household.

In addition to having to meet FHA underwriting standards that include income and credit requirements the applications will also be reviewed and a determination will be made as to the appropriateness of the size of the property to prevent overcrowding or over housing. The standards are as follows:

- A single or two person household is eligible to apply for a house with one (1) or two (2) bedrooms. A three person household is eligible for a house with three (3) bedrooms and a four person household is eligible for a house with four (4) bedrooms, etc.
- Families shall be housed with no more than two persons per bedroom.
- Exceptions may be made to the occupancy requirements for unusual circumstances. The applicant must submit a written request with their application and the decision will be made on a case by case basis.

### **Sale of Property to Qualified Household**

Properties will be listed with local Realtors. The first ten days of the listing properties will be held for Households with incomes at or below 50% AMI.

After an offer has been accepted a meeting will be held with the potential homeowners to explain what is expected of them, and review all the documents they will be signing to purchase the property.

### **Mortgage Loan Financing Structure**

1. Applicants will be required to contribute at least 25% of their gross monthly income towards the first mortgage payment. Their housing debt to income ratio cannot exceed 31% and their total debt to income ratio cannot exceed 43%. FHA credit underwriting standards will be used to underwrite the loan.
2. All loans will have a 30 year term. The interest rate of the loan is fixed and based upon household income.

Percentage of Area Median Income	Interest Rate
Up to 50%	1.00%
51% to 80%	2.00%
81% to 120%	3.00%

## **Attachment “G” NSP 1 Program Description**

3. The amount of the mortgage will be sales price less any down payment paid by the purchaser. Borrowers required contribution towards the loan repayment, is insufficient to cover the mortgage amount, up to 30% of the purchase price may be deferred and become due and payable when the purchaser no longer occupies the property as their primary residence. If with the 30% deferred loan, borrower still cannot make sufficient monthly payments to cover the balance, borrowers do not qualify to purchase the property.
4. If, in the future, market conditions are such that the seller cannot sell the property for enough to repay the mortgage (both the amortized and deferred portions) in full then the balance remaining after the Net Proceeds are used to retire the debt on both the amortized portion and the deferred portion, will be forgiven. (Net Proceeds are the sales price minus superior loan repayments and any closing costs). To document if a fair market price is obtained, WCDA has the right to purchase an appraisal to be used to determine the Net Proceeds.

(5) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

The counties identified as having the highest number and percentages of foreclosed homes include Campbell, Fremont, Laramie, Natrona, Sweetwater and Uinta. Locations may be added or deleted depending on the foreclosure market.

(6) Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent).

As the original allotment of NSP Grant funds has been expended the number of homes estimated to be completed depends on the amount and timing of the Program Income received. WCDA will keep a constant monitoring of the amount of funds expended in order to meet the requirement of serving households at or below 50% of the AMI with 25% of the funding.

(7) Total Budget: (Include public and private components)

\$13,929,303.00 of the NSP allocation has been allocated to assist households participating in the WRAP Program. It is estimated \$4.5 million will be available from Program Income and that 5homes can be acquired, rehabilitated and sold to income eligible borrowers who are at or below 50% AMI. It is estimated that 15 homes can be acquired, rehabilitated and sold to income eligible borrowers who are at 51% or below 80% of AMI.

Funds may be reallocated on a first come first serve basis for other eligible NSP activities.

## Attachment “G” NSP 1 Program Description

(1) Activity Name: **NSP Rental Opportunities Program (ReOpp)**

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

**NSP Eligible Use**

§2301(c)(3)(B) purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

**CDBG Eligible Activity**

- 24 CFR 570.201
- (a) Acquisition
- (b) Disposition
- (i) Relocation
- (n) Direct homeownership assistance to persons whose incomes do not exceed 120% of median income
- 24 CFR 570.202 Eligible rehabilitation and preservation acquisition activities for homes and other residential properties. Note that rehabilitation may include counseling for those seeking to take part in the activity.

(3) National Objective: All activities will meet the national objective of benefiting low, moderate and middle income persons.

(4) Activity Description:

The ReOpp program is designed for for-profit developers, non-profit entities, or housing authorities to be able to purchase and rehabilitate, foreclosed residential properties and/or vacant properties in NSP eligible census tracts. We anticipate the majority of these properties will be single family homes. The NSP funds can be used to purchase the property and then bring the property to set quality standards by rehabilitating, or demolishing and rebuilding housing units for households at or below 50% of Area Median Income. The maximum purchase price of the foreclosed property must be at or below 99% of the current (within 60 days of the offer) appraised value, taking into account the as-is condition. The maximum cost funded with NSP funds for the acquisition, rehabilitation, demolition and/or rebuilding of a single family property cannot exceed \$225,000, and for multi-family properties the following per unit subsidies apply:

Efficiency	\$	106,400	3-Bedroom	\$	186,200
1-Bedroom	\$	123,200	4-Bedroom	\$	203,000
2-Bedroom	\$	148,400			

## **Attachment “G” NSP 1 Program Description**

Properties requiring environmental mitigation such as lead-based paint remediation or illegal drug residue remediation may have additional costs associated and such costs are not subject to the cap. The remaining underwriting guidelines as established for HOME program apply. The maximum rent from all sources is the LOW HOME Rents as listed on the WCDA website and may be adjusted by WCDA when new income limits are made available. These rent limits include an allowance for tenant-paid utilities. The affordability restrictions will remain in place for the life of the loan and is hereinafter referred to as the Affordability Period.

The NSP funds will be loaned to the for-profit developer, non-profit entities, or housing authority in the form of an amortized loan, deferred loan or combination thereof. The maximum amount financed will not exceed the purchase price plus rehabilitation costs and closing costs or the per unit limits as described above, whichever is less. The Monthly Repayment Amount will be determined by taking the maximum rent (adjusted for utility allowances) minus \$300.00 operating expense allowance for single family properties and for multi-family properties the HOME underwriting guidelines apply. The amount of the amortized loan, deferred loan, and interest rate will be determined by WCDA to coincide with Monthly Repayment Amount. The term of the loan and the affordability period will be 40 years. However, if the loan is paid in full prior to the end of the 40 year term then the loan is subject to an acceleration clause which includes a higher interest rate, which may be up to 10%, and the repayment in full of the amortized and deferred portions of the loan according to the acceleration clause will terminate any restrictions imposed under the ReOpp Agreement. All ReOpp projects will be underwritten in the same manner as projects under the HOME Investment Partnerships Program (HOME).

All properties assisted must complete a HUD environmental review before any NSP funds can be used to assist the property or any work can begin on the project. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and the Lead Safe Housing Rule will apply.

According to the Federal Regulations, all properties must adhere to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. It is a preference of WCDA that properties be vacant. However, WCDA will consider occupied properties if a professional Relocation Consultant is hired to administer the Relocation requirements AND, subject to WCDA’s approval, the Relocation or development entity Guarantees and indemnifies WCDA in the event of any loss due to the administration of the Uniform Relocation Act Regulations.

### **(5) Location Description:**

The Rental Opportunities Program will encompass the counties of Campbell, Fremont, Laramie, Natrona, Sweetwater, and Uinta. Additional locations may be added or deleted in the future.

The initial selection of Campbell, Fremont, Laramie, Natrona, Sweetwater and Uinta Counties is based on the estimated number of foreclosures as listed in Table 6 of Appendix A. These counties have been identified as have at least 70 foreclosures. Laramie and Natrona counties have 285 and 256 foreclosures respectively.

## **Attachment “G” NSP 1 Program Description**

(6) Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent).

Due to the limited amount of funding available it is anticipate that units will be developed under this activity.

≤ 50% AMI     0 units

51% to 80%     0 units

81% to 120%     0 units

(7) Total Budget: (Include public and private components)

0.00 - NSP Grant funds

0.00 Program Income (estimate)

Funds may be reallocated on a first come first serve basis for other eligible NSP activities.

# Attachment “G” NSP 1 Program Description

## Appendix B

### Property Standards

#### Priority Rehabilitation Items

<b>Level One</b>	Health and Safety Items including but not limited to foundation, roof, electrical, plumbing, heating system, asbestos, and lead-based paint.
<b>Level Two</b>	Code Violations
<b>Level Three</b>	Energy Conservation
<b>Level Four</b>	General Improvements may include accessibility improvements.

### ELIGIBLE AND INELIGIBLE IMPROVEMENTS

#### *Eligible rehabilitation costs include:*

1. Items that substantially protect or improve the property to meet or exceed Section 8 Housing Quality Standards (HQS) as defined in 24 CFR Part 982.401, local, state or national building codes or rehabilitation standards, FHA Property Standards, as defined in HUD Handbook 4910.1, Minimum Property Standards for Housing, 1994 Edition or improve energy efficiency.
2. Not considered luxury items and are not of a quality above that normally required.
3. Needed to correct livability conditions necessary to meet codes or HQS, including appliances such as stoves or refrigerators.
4. Required to meet Historic Preservation Standards. An assessment must be done to determine if the property is eligible for the National Register of Historic Places. If so, the rehabilitation must be done in accordance with the requirements set by the Secretary of the Interior and costs to do so are eligible.
5. Costs to control lead-based paint hazards. All properties constructed prior to January 1, 1978 must be tested for lead-based paint by a certified Lead-Based Paint Assessor.
6. Costs to make the property accessible, if applicable.
7. Costs to remedy structural problems .



## **Attachment “G” NSP 1 Program Description**

8. General property improvements. These are items that go beyond the items necessary to meet local rehab standards, but are necessary to put the property in generally good and readily maintainable condition.

Examples of general property improvements could include:

- Work that results in reduced maintenance or extends the useful life of part of the property.
- Work to expand the livable space and eliminate inefficient design, such as moving walls.
- Garbage disposals or other work-saving items which are customary in the locality.
- Remodeling of a kitchen or bathroom or currently under-utilized space to improve efficiency or to modernize the property.

9. Costs to be the equivalent of new construction or reconstruction of the property. Substantial rehabilitation is allowed (“gut” rehab) if it is necessary to meet local rehabilitation standards.

10. Necessary and customary professional services, such as architectural, engineering, and attorney’s fees required in the preparation of rehabilitation plans, drawings, write ups, specifications of work, or cost estimates if those services are beyond those normally provided the WCDA staff.

11. Loan processing and settlement costs beyond those normally provided by rehabilitation provider. These soft costs may include but are not limited to:

- Building permits and related fees if not included in the contractor’s bid
- Lending institution’s origination fees
- Credit reports
- Legal and other fees to obtain acceptable title evidence or to correct title problems ·
- Recording and filing fees
- Appraisal costs
- Costs to obtain an independent rehabilitation cost estimate.

12. Contingency reserves up to 10% of the total WCDA loan. This reserve may be established to cover unanticipated construction costs or increases in other eligible loan costs.

### ***Ineligible Costs are:***

1. Luxury items, i.e., fixtures, landscaping, or equipment which is of a type or quality that substantially exceeds what is customary for that locality or that type of property.

## Attachment “H” NSP 3 Program Description

### NSP3 Grantee Information

<b>NSP3 Program Administrator Contact Information</b>	
<b>Name (Last, First)</b>	Brownlee, Gayle
<b>Email Address</b>	<a href="mailto:brownlee@wyomingcda.com">brownlee@wyomingcda.com</a>
<b>Phone Number</b>	307-265-0603
<b>Mailing Address</b>	PO Box 634, Casper, WY 82602

### Areas of Greatest Need

#### **Determination of Areas of Greatest Need and Applicable Tiers**

**Describe how the areas of greatest need were established and whether a tiered approach is being utilized to determine the distribution of funding.**

Currently all NSP3 Program funds are allocated. It is not anticipated there will be sufficient Program Income to fund a project in the year 2014. If sufficient funds do become available, all the rules outlined in the 2013 Program Description will be utilized.