

**WYOMING COMMUNITY
DEVELOPMENT AUTHORITY
(WCDA)**

20032004 Draft

AFFORDABLE

HOUSING

ALLOCATION PLAN

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

ALLOCATION PLAN

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I. OVERVIEW

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

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

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

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

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

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

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

II. APPLICATION PROCESS

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

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

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

Those applying for funding under either program need to submit:

- a completed WCDA Application Form including all supplements and appropriate Exhibits (no substitutions or changes to any forms will be accepted),
- 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),
- an independent comprehensive, timely, and professional Market Study. At a minimum, the Market Study must include those items outlined in the Current Year Summary Attachment “A” Item “7” and the Market Study Recap located in the Current Year Summary Attachment “B” Item “1”. (Those projects utilizing only HOME funding and under 20 units will not be required to use a professional Market Study firm if they can provide the same type of information through other methods.) If the Market Study contradicts current economic statistics on file with WCDA, the project may not rank in the needs category. Market Study providers must be pre-approved by WCDA. To begin the approval process, the Market Study provider must submit the following information: firm and individual(s) who are preparing the Market Study, their qualifications, references, experience, and the scope of work to be completed as set forth in Current Year Summary Attachment “A”. 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 “7”, AND provide a completed Market

II. APPLICATION PROCESS

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.

- all projects receiving an allocation are bound by the limits in place as stated in the plan for the year in which the project received its allocation,
- 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 and county. 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,
- projects located in entitlement cities (Cheyenne and Casper) must provide a **current** (no older than 6 months) signed letter of consistency with the Consolidated Plan from the applicable Jurisdiction, or
- projects located in non-entitlement cities (everywhere except Cheyenne and Casper) must provide a **current** (no older than 6 months) signed letter of support from the applicable Jurisdiction,
- all rental rehabilitation projects must provide a Capital Needs Assessment (including an Economic Feasibility Assessment of Expenses), stating the viability and long term feasibility of the project,
- all Acquisition/Rental Rehabilitation projects must provide an appraisal by an independent 3rd party. The acquisition price on which tax credits are allowed will be limited to the appraised value of the property prior to rehabilitation,
- 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.]
- the appropriate application fee, and
- Tax Credit Projects must submit a completed IRS form 8821 Tax Information Authorization (See Application Exhibit A-5).

II. APPLICATION 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 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.

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

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

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

WCDA
Gayle S. Brownlee
Multi-Family Program Director
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".

HOME Program

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

Direct Administration Category – Approximately \$1,600,000 will be set-aside in this category for Rental Housing Production, Homeownership and Homeowner Rehabilitation programs. These 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 depending on the amount of available funds.

Small Project Opportunities Program. Approximately \$150,000 will be set-aside in the "Small Project Opportunities" program. This category allows for-profit or non-profit developers to request funds for rehabilitation of existing properties, throughout the year on a first-come, first-serve basis. The program encourages rehabilitation of existing rental housing stock in projects of one-to- four units, with preference given for vacant units. The maximum per unit subsidy under this category is \$12,500, with a 5 to 8-year affordability period. If it does not appear that all funds under this set-aside will be committed to projects before September 1st of each year, the funding may revert to the Administration and Contingency Reserve for use in other projects.

Community Housing Development Organizations (CHDOs) - Approximately \$525,000, 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 through a competitive application process, and then on a first-come, first-serve basis to projects meeting the minimum ranking criteria until all funds are allocated to eligible projects. Ten percent (\$52,500) of this set aside may be available to CHDOs for Project Specific Technical Assistance and Site Control Loans.

CHDO General (not project) Operating costs and Capacity Building Reserve – Approximately \$175,000 will be set-aside in this category. CHDO's may apply to WCDA on an

III. SET-ASIDES

annual basis, prior to September 1st of each year, for Operating Costs and/or Capacity building funds. If it does not appear that all funds under this set-aside will be committed to projects by September 1st of each year, the funding may revert to the Administration and Contingency Reserve for use in other projects.

HOME Run Program (New Construction ~~for~~ Homeownership Program) – Approximately \$700,000 of the HOME funding allocation will be set aside for this program. These funds will be utilized to provide an interest subsidy in the form of a 10 year step rate mortgage program on a \$10,000,000 pool of funds under the WCDA Single Family Mortgage Purchase Program. This lower interest rate program will be available only to low-income households to purchase a newly constructed homes.

Administration and Contingency Reserve - Approximately \$350,000 (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.

IV. INITIAL ALLOCATION PROCESS

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

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

An initial allocation fee equal to 3% of the annual **Tax Credit** amount approved by WCDA will be required at time of initial allocation. Projects utilizing tax-exempt financing will be required to pay a 3% commitment fee upon issuance of the intent letter. 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.

The purpose of the Initial Allocation Cycles is to enable WCDA to competitively review applications and to award Tax Credits and/or HOME funds to those projects that most aggressively address the selection criteria. 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 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 the next project feasible, WCDA may award Tax Credits or HOME funds to the next highest scoring project for which the available Tax Credits or HOME funds are sufficient to meet that project's needs.

IV. INITIAL ALLOCATION PROCESS

In general, federal law mandates that a Final Tax Credit allocation be made not later than the close of the calendar year in which a qualified building is placed in service. WCDA may make a carryover allocation of credits to a project which has incurred at least 10% of its reasonably expected costs in the project as described in this plan in Section VIII Evaluation & Allocation.

Tax Credit Initial Allocations and HOME fund 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 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 financial and other concerns to the Initial Allocation Document, which it may have for the long-term viability of the project.

Primary Criteria	Negative Points	Minimum Required*	Maximum Points
1) Housing Needs Characteristics		140	
a) Need			192
b) Vacancy in Community	- 40		56
c) Vacancy in Subsidized Projects	- 7		10
SUB TOTAL HOUSING NEEDS CHARACTERISTICS	- 47	140	258
2) Quality of Construction			
a) Minimum Construction Standards		10	10
b) Construction Standards Exceeded			115
SUB TOTAL QUALITY OF CONSTRUCTION	0	10	125
3) Lower Income Targeting			
a) Meeting Market Study		10	10
b) Lower Income Targeting			5
c) Deep Income Targeting			10
SUB TOTAL LOWER INCOME TARGETING	0	10	25
4) Affordability Levels (monthly housing costs)		10	36
5) Extended Low-Income Use/Eventual Tenant Ownership		2	35
6) Community Revitalization in Qualified Census Tracts			25
PRIMARY TOTAL	- 47	172	504

V. INITIAL ALLOCATION CRITERIA

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

V. INITIAL ALLOCATION CRITERIA

Secondary Criteria	Negative Points	Minimum Required+	Maximum Points
1) Project Location			
a) Appropriate Location			25
b) Inappropriate Location	- 75		
SUBTOTAL PROJECT LOCATION	- 75	0	25
2) Project Characteristics			
a) Project Design	- 75		75
b) Innovative Construction Features			5
c) Site Control			3
d) Proper Zoning			3
e) Subsidy	-200		
f) Other Supportive Financing			5
fg) Community Revitalization Plan			2520
SUBTOTAL PROJECT CHARACTERISTICS	-275	0	111
3) Sponsor/Applicant Characteristics			
a) Experience and Credibility			75
b) Poor Performance	-200		
SUBTOTAL SPONSOR/APPLICANT CHARACTERISTICS	-200	0	75
4) Special Needs Housing			
	0	0	4
5) Public Housing Waiting Lists			
	0	2	2
6) Families or Individuals with Children			
	0	0	4
7) Financial Support from Local Sources			
a) Financial Support			45
b) Donated Services			20
SUBTOTAL FINANCIAL SUPPORT FROM LOCAL SOURCES		0	0
65			

V. INITIAL ALLOCATION CRITERIA

8)	Management Capacity		
	a) Experience and Credibility		30
	b) Poor Performance	-200	
SUBTOTAL MANAGEMENT CAPACITY		-200	0 30

9)	Total Project Costs	-1,000	0 0
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10)	Owner/General Partner Equity in Project	0	0 60
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SECONDARY TOTAL		-1,750	75+ 376
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+All applications must meet a 75 point minimum in the Secondary Criteria or the application will be rejected.

Bonus Criteria	Negative Points	Minimum Required+	Maximum Points
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1) Total Project Costs	0	0	40
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2) Reduced Fees	0	0	30
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BONUS TOTAL		0	0 70
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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)

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 tenant coming from [in town, out of town, relatives, subsidized housing, and/or substandard housing])

Income levels	32 Points
Affordability levels (Monthly Housing costs)	32 Points
Unit Size	32 Points
Type of housing (family, special needs, elderly etc.)	32 Points
Saturation (Units needed vs. Proposed)	32 Points
Absorption Rate	32 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% = 10 points
1% = 50 points	7% = 5 points
2% = 45 points	8% = 0 points
3% = 35 points	9% – 12% = -20 points
4% = 25 points	13%+ = -40 points
5% = 15 points	

Under the **HOME** Rehabilitation Projects, applicants may receive up to 66 points by demonstrating:

Homeowner Rehabilitation - number of low and moderate income families in community, number of owner-occupied units in community which are substandard, and average age of housing stock.

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

V. INITIAL ALLOCATION CRITERIA

2. QUALITY OF CONSTRUCTION

(Maximum 125 points)

- a. MINIMUM CONSTRUCTION STANDARDS (Must score a minimum of 10 points) A project will receive 10 points if it, meets the national building code (UBC, CABO, or BOCA), meets the Model Energy Code (MEC), and meets Accessibility Requirements under ADA. More restrictive codes or regulations may be required by local cities, counties or towns, but in no case may new construction projects (and to the maximum extent feasible for rehabilitation projects) fail to meet UBC, MEC, and ADA.
- b. 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 115 points in this area (See Current Year Summary Attachment "A" Item "6" for more information on this category).

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 - Projects whose Market Study substantiates need for income levels at or below 41-50% of HUD Median Income will receive a pro rata share of 5 points.
- c. DEEP INCOME TARGETING - Projects whose Market Study substantiates need 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 10 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

V. INITIAL ALLOCATION CRITERIA

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.]

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

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

5. **EXTENDED LOW-INCOME USE**

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

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

V. INITIAL ALLOCATION CRITERIA

<u>Example for HOME Rental Rehab. Projects, and HOME owner 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

<u>Example for HOME Rental Rehab. Projects, and HOME owner 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, , and HOME owner 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

V. INITIAL ALLOCATION CRITERIA

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

- b.) **EVENTUAL TENANT OWNERSHIP** on rental projects
(Maximum 35 points)

A proposal will be required to meet **ALL** of the following:

- Provide homeownership of units to low-income families at the end of the compliance period.
- Proof of affordability at the end of the compliance period
- Demonstrate the feasibility of physical conversion to homeownership, after the end of the compliance period.

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 or HOME Agreement for rental projects or Deed Restrictions for home ownership projects shall be executed between the applicant and WCDA to define the terms and length of the affordability period.

- c. Under the **HOME** program, for Homeowner Rehabilitation Projects, a proposal must have a minimum affordability period of five years, with extended affordability based on the per-unit subsidy. (see Example under 5.a. above.)

6. **COMMUNITY REVITALIZATION IN QUALIFIED CENSUS TRACTS**

(Maximum 25 points)

A proposal will receive up to 25 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.

V. INITIAL ALLOCATION CRITERIA

B. Secondary Criteria

1. **PROJECT LOCATION** (Maximum 25 points, and/or up to negative 75 points)
 - a. **APPROPRIATE LOCATION** - A project may receive up to 25 points for being within a proximity of 1 _ miles (_ 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. **INAPPROPRIATE LOCATIONS** - Inappropriate locations such as locations in flood areas, noise areas, near hazardous site areas (above ground storage tanks of hazardous materials), airport clear zones, and those sites listed in the EPA CERCLIS data base, etc., may receive up to a negative 75 points.

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

2. PROJECT CHARACTERISTICS

(Maximum 111 points, and/or up to negative 275 points)

- a. **PROJECT DESIGN** (Maximum 75 points, or up to negative 75 points)

A project may receive up to 75 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 and type. Applicants must describe the aesthetics that promote or enhance the quality of life for the tenants. Points will also be awarded taking into consideration the type of financing (conventional vs. subsidized) and total amount of subsidy.
- b. **INNOVATIVE CONSTRUCTION FEATURES** (Maximum 5 points)

A proposal may receive up to 5 points for innovative construction features; e.g. quality cost effective construction, or energy conservation above and beyond code requirements and normal construction practices, or innovative site planning.
- c. **PROJECT SITE CONTROL** (Maximum 3 points)

A proposal will receive up to 3 points for having control of the site.
- d. **PROPER ZONING** – (Maximum 3 points)

A proposal will receive up to 3 points for having the proper zoning.
- e. **SUBSIDY** - Projects requesting tax credits that exceed the total per unit Eligible Basis published by WCDA in the Current Year Summary Attachment “A”, will receive a negative 10 to 200 points.
- f. **OTHER SUPPORTIVE FINANCING – Projects with other committed Below Market Interest Rate Permanent Financing will receive up to 5 points. (i.e. Rural Development, other first mortgage financing)**

V. INITIAL ALLOCATION CRITERIA

fg. COMMUNITY REVITALIZATION AREA - A proposal will receive up to ~~25~~20 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.

3. SPONSOR/APPLICANT CHARACTERISTICS

(Maximum 75 points, and/or up to negative 200 points)

- a. EXPERIENCE AND CREDIBILITY - A proposal will receive up to 75 points based on the developer's experience and credibility in developing the proposed housing.
- b. POOR PERFORMANCE - Sponsors or Developers who have had a project placed or in the process of being placed in foreclosure, receivership, or similar legal action, or sponsors/developers associated with any project that has a history of poor performance, will receive up to a negative 200 points.

4. SPECIAL NEEDS HOUSING - (Maximum 4 points)

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

- homeless
- chronically mentally ill
- physically disabled
- frail elderly
- developmentally disabled
- longterm transitional housing

5. 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.

6. 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.

V. INITIAL ALLOCATION CRITERIA

7. **FINANCIAL SUPPORT OR CONTRIBUTIONS FROM LOCAL SOURCES**
(Maximum 65 points, measured on significance and overall impact to the project.)
 - a. **FINANCIAL SUPPORT** - A proposal will receive up to 45 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.
 - b. **DONATED SERVICES** - A proposal will receive up to 20 points if it has donated support services throughout the compliance period.

8. **MANAGEMENT CAPACITY** (Maximum 30 points)
 - a. **EXPERIENCE AND CREDIBILITY** - A proposal will receive up to 30 points based on Management's experience and credibility in managing the proposed housing. **Absence of on-site managers should be addressed.**
 - b. **POOR PERFORMANCE** - Managers who have had a project placed or in the process of being placed in foreclosure, receivership, or similar legal action, or managers associated with any project that has a history of poor performance, may receive up to a negative 200 points.

9. **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.

10. **OWNER/GENERAL PARTNER EQUITY IN PROJECT**
(Maximum 60 points, measured on significance and overall impact to the project)
A proposal will receive up to 60 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.

C. Bonus Criteria

1. **TOTAL PROJECT COSTS** (Maximum 40 points)
 - a. New Construction projects submitted with Development costs below the tolerance level published in the Current Year Summary Attachment "A", will receive the following points:

V. INITIAL ALLOCATION CRITERIA

below tolerance	Points	below tolerance	Points
2%	10	6%	30
4%	20	8%	40

b. **COST EFFECTIVE UPGRADES AND AMENITIES** (Maximum 40 points)

Rehabilitation projects will receive up to 40 points for amenities and/or cost-effective upgrades incorporated into the rehabilitation.

3. **REDUCED FEES**

(Maximum 30 points)

a. For Rental Production Projects (excluding Cities, Counties and Towns), where the **combined** Developer and Builder fees are less than 15%, there will be bonus points awarded as follows:

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

b. For Cities, Counties and Towns applying for eligible HOME Projects, who request less than the maximum administrative fee of 10% of the total project, there will be bonus points awarded as follows:

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

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 and Tax Credits, 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.

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

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

- A. Sources and uses of funds; (Rural Development equity requirements must be listed and included in the Sources of Funds.)
- B. Total financing planned for the project;
- C. Proceeds expected to be generated from the sale of tax credits;
- D. Annual operating expenses;
- E. Debt coverage ratio;
- F. Vacancy rate;
- G. Total project costs;
- H. Projects will be underwritten at 9% or 4% Applicable Rate unless election to lock the rate is made, in which case the locked in Applicable Rate will be used.
- HI. 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 item C. above). This evaluation occurs at the time of application and continues during the course of project construction. Projects must meet the 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

VI. MAXIMUM ALLOCATIONS

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-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 1st day of March, June, September, and December, until 8609’s are issued (for Tax Credits) or HOME project completion reports have been completed.
- D. Participating parties must demonstrate adequate experience and capacity to perform the duties in which they are applying for funds, both in Project Development and Property Management. The purpose of requiring experience is not to deter newcomers to the program, but rather to encourage partnerships with experienced participants.
- E. All parties must sign a release form allowing WCDA to check their references.
- F. All projects must meet or exceed the Minimum Specifications as published in the Current Year Summary Attachment “A”. Tax Credits and/or HOME funds may be pulled if any violations are found and the participants may be banned from participating in the program.
- G. Once the project is completed and placed in service the architect (if utilized) and the developer must sign a certification and acknowledgement that the project meets or exceeds all specifications, and they have read and understand consequences of violating these minimums. (See Current Year Summary Attachment “B”)
- H. Copies of Federal Cost Certifications for Rural Development, FHA, and Tax-Exempt financed projects must be submitted at final cost certification.
- I. 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.)
- J. Project Design and Materials must comply with all applicable codes, rules and regulations, including but not limited to; zoning, building, and energy codes, accessibility requirements, and other local, state and federal requirements. At a minimum, all new construction projects must meet a national building code (UBC, CABO, or BOCA), must

VII. LIMITATIONS AND REQUIREMENTS

meet the Model Energy Code, and must meet Accessibility Requirements under ADA. More restrictive codes or regulations may be required by local cities, counties, or towns, but in no case may new construction projects fail to meet UBC, MEC and ADA.

- K. All projects must submit proof project will not be located in a 100-year flood plain.

VII. LIMITATIONS AND REQUIREMENTS

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

- A. When underwriting a project, the Maximum annual operating expenses will be limited as 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 1.10 [1.05 for RHS] and 1.25 for foreclosable debt.
- C. When underwriting a project, the vacancy rate shall not to exceed **57%**.
- D. Operating Reserves to be equal to four months of projected operating expenses, plus debt service payments, and annual reserve payments. The initial Operating Reserves may be provided in the form of a guaranty from a source acceptable to WCDA, but must be fully capitalized by the project within 36 months of being placed in service. Operating reserves in excess of four months will not be considered when calculating eligible basis or performing the gap calculation.
- E. When underwriting a project, replacement Reserves must equal a minimum of \$200.00 per unit annually for New Construction and \$300.00 per unit annually for rehabilitation developments.
- 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 fifteen thousand dollars (\$15,000) of actual rehabilitation hard costs per unit in Life, Safety, Health, or Code Requirements which includes required major systems repairs or replacements of
 - Electrical
 - Heating
 - Roofing
 - Foundation/Structural
 - Major energy upgradesCreation 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 at time of application including over all condition of the project and expected remaining life of the major systems

VII. LIMITATIONS AND REQUIREMENTS

including but not limited to Electrical, Heating, Roofing, Foundation/Structure and major energy upgrades.

4. 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 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 to WCDA by March 31 of each year during the compliance period. (Audited if available)

I.J. Rental projects will be monitored for compliance by Spectrum Enterprises. A Manual, including submission requirements and forms is located on their web site at <http://www.spectrumlihtc.com/>, or you may obtain a copy by contracting them at 207-767-8000. 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 and SPECTRUM policy forbids any inspector 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 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 owners chooses to have a re-inspection done and it can not be completed until after the close of that compliance period IRS form 8823 will be issued.

I.K. 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 **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.
- B. Homeowner Rehabilitation projects must request reimbursement from WCDA at a minimum on a quarterly basis.
- C. When combining HOME funds with the Tax Credit program, HOME funds must be amortized at no less than 3% for no more than 40 years and debt service on the HOME funds must start no later than six months after the date the project is Placed-In-Service.
- D. No HOME funds will be disbursed until firm commitments are received from all funding sources.
- D.E. 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.
- E.F. 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.

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 Carryover/10%Test and must submit documentation of such with the Carryover/10%Test Package.
- B. IRS Rules and Regulations outline costs, which are not allowed in Eligible Basis. In addition to those, WCDA does not allow the following costs in Eligible basis:
 - 1. Appraisals
 - 2. Construction interest after the Placed in Service Date
 - 3. Demolition
 - 4. 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.
- C. Tax Credit projects submitted with a syndication rate below the published tolerance level in the Current Year Summary Attachment "A", will be underwritten at the average rate published.
- D. Extended Initial Compliance Period - Federal law requires a 15-year initial low income use and a 15 year extended use period with an option to sell the project at the end of the initial period. WCDA requires the initial compliance period to be a minimum of 20 years, unless converting to Homeownership as outlined in the federal statute and this Allocation Plan. Projects with plans to convert to Homeownership will have a Land Use Restrictive Agreement recorded on the property with a 50-year initial low income use period, which will be released as units are sold to eligible Homeowners. 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.
- E. Violations of the WCDA Restrictive Land Use Covenant are considered non-compliance issues and reportable to the IRS. (See Compliance Monitoring Package)
- F. Developer fees will be limited to no more than 15% of development costs. Development costs are defined as total project costs minus all acquisition costs, off-site improvement costs, developer's fees, syndication costs, reserves and consultant's fees. (Total Project Costs are out of pocket money and do not include donated services, donated materials, and/or waived fees.) Special Consideration may be given for project size, project characteristics, and/or project location.
- G. Eligible consultant fees are defined as Architect's Fee and Engineer's Fee. All other consultant fees will be permitted only within the Developer's Fee limit.

VII. LIMITATIONS AND REQUIREMENTS

- H. Builder's fees will be limited as follows:
1. Builder's Profit will be limited to no more than 6% of the construction costs.
 2. Builder's Overhead will be limited to no more than 2% of the construction costs.
 3. General Requirements will be limited to no more than 6% of the construction costs.
- Construction costs equal, On-Site Work plus New Structures, Rehabilitation, and Accessory Structures.
- I. When combining the Tax Credit program with HOME funds, HOME funds must be amortized at no less than 3% for no more than 40 years and debt service on the HOME funds must start no later than six months after the date the project is Placed-In-Service.

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 Carryover/10% Test Allocation (See Carryover/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 Carryover/10% Test Allocation package to applicants upon request. Carryover/10% Test allocations may be requested as soon as an eligible project has met the 10% requirement. Projects requesting a Carryover/10% Test Allocation, which received an Initial Allocation before July 1st, must submit an Application for Carryover/10% Test to WCDA not later than December 1 of the applicable year. Projects that received an Initial Allocation on or after July 1st will have six months from the date of Initial Allocation to expend an amount equal to at least 10 percent of the reasonably expected basis in the building, and submit an Application for Carryover/10% Test to WCDA not later than 30 days after the expiration of the 6 month time period. Projects may be assessed a penalty-fee of \$500.00 per day for Carryover/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. Final allocations 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 may 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.

VIII. EVALUATION & ALLOCATION

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. DISCLAIMER

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

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

The Allocation Plan, Current Year Summary, Application Form, Tax Credit Carryover/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 24CFR Part 92 HOME Investment Partnerships Program, or as WCDA deems necessary to carry out the goals of these programs.

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

The information concerning housing needs 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. A printed copy of A Profile of Wyoming Demographics, Economics and Housing is available on WCDA's web site (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 nor use such information in underwriting the feasibility of their project or assessing local demand.

**WYOMING COMMUNITY
DEVELOPMENT AUTHORITY**

(WCDA)

2003

CURRENT YEAR

SUMMARY

2003 CURRENT YEAR SUMMARY

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2003 CURRENT YEAR SUMMARY

ATTACHMENT A

Item 1 – Initial Allocation Cycles for the year 2003.

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. February 28, 2003 <u>March 1, 2004</u>
2	Additional rounds may be opened if funding is available.

Item 2– Anticipated HOME Funding:

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

Direct Administration Category	\$ 1,600,000
Small Project Opportunities Program	150,000
Community Housing Development Organizations (CHDO) (A Maximum of \$52,500 is available from the CHDO set-aside for Project Specific Technical Assistance and site Control Loans.)	525,000
CHDO General (not project) Operating costs and Capacity Building Reserve	175,000
<u>WCDA HOMERUN Program (Homeownership set a-side)</u>	700,000
Administration and Contingency Reserve	<u>350,000</u>
TOTAL AVAILABLE	\$ 3,500,000

Item 3 – Tax Credit Availability

The total amount of credit available in Wyoming for 2003 is estimated as follows:

*Per Capita Credits	\$ 2,000,000 <u>2,030,000</u>
Return Credits	0
Forward Commitments from 2002 <u>2003</u>	- 0
TOTAL AVAILABLE	<u>\$ 2,000,000 <u>2,030,000</u></u>
Set-aside for non-profits (10%)	\$ 200,000 <u>203,000</u>

* Based on ~~the Community Renewal bill (H.R. 4577) passed in Congress December 15, 2000~~ 2003 Tax Credit authority.

ATTACHMENT A

Item 4 – Total per unit Project Costs for RENTAL projects:

For underwriting, the Total per unit Project Costs 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	\$59,375	\$68,225	\$82,975	\$107,225	\$117,675
	\$63,000	\$72,500	\$88,000	\$110,000	\$120,000

Item 5 – Operating Expenses Limitations

This will now conform to the AOD system

The Maximum annual operating expenses, ~~minus real estate taxes plus reserves,~~ may not ~~to~~ exceed ~~\$170.00~~ \$180.00 per unit per month. (Managers unit(s) not counted in total number of units.) WCDA reserves the right to adjust this amount to reflect current market conditions.

Item 6 - Property Development Standards

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

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

The applicant must clearly, concisely and undisputedly demonstrate that the project is significantly higher in quality than the minimums. This can be accomplished through straight narration, as well as with the addition of pertinent site plans, building elevations, and exhibits of similar types of developments. 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	Unit Configuration	Efficiency in heating/cooling plants
Bedroom Size	Efficient use of floor space	Innovative heating, cooling plant
Unit Size	Quality and design of windows	Other maintenance reducing features
Storage Units	Low maintenance Landscaping	

ATTACHMENT A

Amenities (i.e.) Dishwashers, Garbage Disposals, Stove hood fan, air-conditioning etc.

Item 7 - 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.);
- demographic analysis of the **current** number of households in the market area which are income eligible and can afford to pay the proposed rent, rent tenure, and the number of units currently available to serve these tenants;
- forecast of housing needs in the future;
- geographic definition and analysis of the market area;
- analysis of practically available operating expenses and turnover rates of comparable properties in the market area;
- analysis of household sizes and types in the market area;
- analysis of the homeownership alternative and the effect it will have on the project;
- a description of comparable developments in the Primary market-Market areaArea;
- a description of where the tenants 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 surrounding area if applicable)and the Primary Market Area;
- 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 tenants;
- current market saturation level (Units Needed vs. Proposed);
- capture rate;
- absorption period and absorption rate;
- projected operating funds and expenses, when available at the time of the study;
- expected market absorption of the proposed rental housing, including a description of the effect on the market area;
- calculations based on household size over the average for the Primary Market Area (such as 6 or 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);

ATTACHMENT A”

- Market Study Recap below (Attachment B Item 1); and
- any other pertinent information that may be available.

~~All projects using Tax Credits must supply a Market Study from a disinterested party. Market Study providers must be pre-approved by WCDA. To begin the approval process, the Market Study provider must submit the following information: firm and individual(s) who is preparing the Market Study, their qualifications, references, experience, and the scope of work to be completed.~~

ATTACHMENT A

Item 8 – Maximum HOME Subsidy per unit:

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

<u>0-Bdrm</u>	<u>1-Bdrm</u>	<u>2-Bdrm</u>	<u>3-Bdrm</u>	<u>4-Bdrm</u>
\$61,500	\$70,500	\$85,700	\$110,900	\$121,700
\$63,000	\$72,500	\$88,000	\$110,000	\$120,000

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

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

Item 9 – HUD 203 “B” limits (for HOME homeownership and homeowner rehab.)

One-Family
~~\$144,336~~ 154,896

Item 10 – Maximum Purchase Price Limit for homeownership projects:

~~\$100,000~~

Included in program description.
Not needed here.

Included in program description.
Not needed here.

Item 11 – Interest Rate Reduction for homeownership projects:

<u>Rate reduced by</u>	<u>for years</u>	<u>Rate reduced by</u>	<u>for years</u>
2.0%	1 – 4	1.0%	7 – 8
1.5%	5 – 6	.5 %	9 – 10

Item 12-10 – Total per unit Eligible Basis

For underwriting the allocation of Tax Credits; the Total per unit Eligible Basis 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	\$56,550	\$64,975	\$79,025	\$102,125	\$112,075

ATTACHMENT A

\$63,000 \$72,500 \$88,000 \$110,000 \$120,000

Item 13 – Tax credit syndication Rate

The tolerance range for the Syndication rate is 76.0% - 79.0%. WCDA reserves the right to adjust this range to reflect current market conditions.

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.

DIFFICULT DEVELOPMENT AREAS

None

QUALIFIED CENSUS TRACK NUMBERS METROPOLITAN AREAS

Casper	Cheyenne
1.00	1.00
2.00	2.00
13.02	

QUALIFIED CENSUS TRACK NUMBERS NON-METROPOLITAN AREAS

Albany	Hot Springs
9629.00	9876.00
9630.00	
9633.00	Platte
9634.00	9592.00
9635.00	
Converse	Sweetwater
9561.00	9715.00
9562.00	

Fremont
9826.009401.00

ATTACHMENT A

9832.00

ATTACHMENT “B” Item “1”

MARKET STUDY RECAP

PROJECT NAME: _____

PMA	CITY	ELIGIBLE HOUSEHOLDS
		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

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

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

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

PMA	CITY	AVERAGE RENTS
		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)

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		Average Market Rate rents for 5-bedroom units (with utility adjustments if appropriate)
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MARKET STUDY RECAP

PROJECT NAME: _____

PMA	CITY	AVERAGE RENTS
		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

PMA	CITY	AVERAGE SQUARE FOOTAGE
		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

ABSORPTION RATE	
	Number of months anticipated from Placed in Service Date to occupancy of all units
	Number of months from Placed in Service Date to Stabilization

PMA Physical	PMA Economic	CITY Physical	CITY Economic	VACANCY RATE
				Vacancy rate of ALL units – Include chart showing vacancy by project

ATTACHMENT "B" Item "1"

				<u>Vacancy rate of Subsidized units –</u> <u>Include chart showing vacancy by project</u>
				<u>Vacancy Rate of Comparable Properties –</u> <u>Include chart showing vacancy by project</u> <u>& explanation of why "Comparable"</u>

MARKET STUDY RECAP

PROJECT NAME: _____

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

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

ATTACHMENT “B” – ITEM “2”

CONTRACTOR’S CERTIFICATE

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 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 Project Owner and the Wyoming Community Development Authority that the Premises was constructed in conformity with the Plans and Specifications dated _____, 200__.

[Note that this date must match the Plans and Specifications date in the Architect’s Certificate.]

Dated _____, 2000.

[CONTRACTOR]

By: _____

Name: _____

Title: _____

ATTACHMENT "B" ITEM "3"

ARCHITECT'S CERTIFICATE

The undersigned, an architect duly licensed and registered in the State of _____, 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.

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

The Plans and Specifications comply with and conform in all respects to the requirements of existing law, have been duly filed with a _____ oved by all governmental and municipal authorities having jurisdiction there over, and the Premises as shown on the Plans and Specifications 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 Plan and Specifications comply with one of three model codes (Uniform Building Code [ICBO], National Building Code [BOCA], Standard [Southern] Building Code [SBCCI]; or the Council of American Building Officials [CABO] one or two family code; of the Minimum Property Standards [MPS] in 24 CFR 200.925 or 200.926. 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. 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.

All conditions to the issuance of building permits have been satisfied.

In the opinion of the undersigned, the Premises is constructed in a good and workman 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 (i) 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) and (ii) such other necessary approvals, certificates, permits and licenses that may be required from such governmental authorities having jurisdiction there over pertaining to the construction of the Premises.

ATTACHMENT “B” ITEM “3”

The Premises will be in compliance with all current zoning, environmental and other applicable laws, ordinances, rules and regulations, restrictions and requirements; including, without limitation, 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:

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 be found in the Fair Housing Act Design Manual.

ATTACHMENT “B” ITEM “3”

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 there are no building or other municipal violations filed or noted against the Premises.

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.

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.

Dated: _____, 200__

ARCHITECT SIGNATURE: _____

Name of Company: _____