WYOMING COMMUNITY

DEVELOPMENT AUTHORITY

(WCDA)

2011

AFFORDABLE

HOUSING

ALLOCATION PLAN

(HOME, TAX CREDIT & TAX-EXEMPT PROGRAMS)

ALLOCATION PLAN INDEX

CURRENT YEAR SUMMARY INDEX

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 four most significant criterions 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. **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.

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 Partnership Program become 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. In addition to notifying affected Tax Credit

I. OVERVIEW

Program applicants, information about such subsequent changes will be posted on the Agency's website at *www.wyomingcda.com*.

<u>II. APPLICATION PROCESS</u>

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").

All project receiving HOME, Tax Credit Assistance Program (TCAP), and/or Section 1602 Tax Credit Exchange Program funding 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 <u>**must**</u> 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 (The most **current** application must be used, 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),

- 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 "7" and the Market Study Recap located in the Current Year Summary Attachment "B" Item "1a or 1b". (Those projects utilizing only HOME funding for rental housing and under 12 units will not be required to use a professional Market Study firm if they can provide the same type of information through other methods. This exception does not apply to Homebuyer Assistance Programs. Market Studies are required for all Homebuyer

Assistance Programs.) If the Market Study contradicts current economic statistics on file with WCDA, the 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 "7", AND provide a completed Market Study Recap sheet found in the Affordable Housing Allocation Plan Current Year Summary Attachment "B" Item "1a" or "1b". 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, 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.

- documentation showing the CEO of the local jurisdiction has been notified and given specific information about the project,

- 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 an appraisal by an independent 3rd party. 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,

- 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.

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.

II. APPLICATION PROCESS

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.

WCDA reserves the right, in its sole discretion to provide an allocation of Year 2011 Tax Credits to a development, without requiring re-ranking under the Year 2011 Allocation Plan. The development must be currently holding a valid allocation of Tax Credits and, due to circumstances beyond its control or other reason as outlined herein, unable to meet Tax Credit program 10% Test requirements. The Year 2011 Tax Credits will be allocated upon release and return of the prior allocation. Such circumstances may include delays caused by local government's opposition to affordable housing; delays due to the failure of the federal government to release program guidelines or regulations in a timely manner or due to temporary freezes in federal government budget authority for program activity; or similar extraordinary and compelling basis (and but for such circumstance, Agency program deadlines and requirements would have been met.) In addition WCDA may award 2011 tax credits outside of the normal process to projects that: a) assist the Agency to comply with HUD regulations regarding timely commitment of funds, b) prevent the loss of state or federal investment, or c) provide housing for underserved populations. Notwithstanding the above, Developments which need additional Tax Credits to be viable for their equity closing must submit a new Application for funding with the Agency during a normal funding round. Said developments will not be considered for substitution of Tax Credits because their Application has substantially changed. 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 meet the 10% Test deadline.

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, establish alternative, supplemental, or additional processing requirements and deadlines for developments receiving Year 2009, 2010 and/or 2011 Tax Credits. Any such changes or supplements shall be effective upon written instruction by the Agency to the affected Tax Credit developments.

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

WCDA
Gayle S. Brownlee
Director of Multi-Family Housing
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 project 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:

1) The project must be in a small community with a population under 7,500 and no communities with a population over 7,500 are within 20 miles of the project.
2) The project must have 12 or fewer units

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 qualifying under the Small Rural Project Set-aside will be allowed to earn a Developer Fee up to $500,000 per project.

HOME Program

The anticipated amount of HOME Program and American Dream Down Payment Initiative (ADDI) 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, Homebuyer Assistance Programs for homeownership (Down Payment Assistance, Gap financing etc.), and Homeowner Rehabilitation 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

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 1st 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 in its sole discretion.

Finalization of and/or Cost Over Runs on Neighborhood Stabilization Projects (NSP) – Approximate funding as disclosed in the Current Year Summary Attachment “A” will be set-aside for use on project/properties with NSP funding where:

1) there is not sufficient NSP funding remaining to complete the project; or
2) it is determined a portion of the costs are not eligible for reimbursement by NSP, but are eligible as a HOME project.

HOME funding will be given a priority collateral position and will be given a priority on any payback.

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”.

A Reservation fee equal to 3% of the annual **Tax Credit** amount approved by WCDA will be required 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, whereas 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 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.

IV. INITIAL ALLOCATION PROCESS

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.

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 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		1	1
	b) Construction Standards Exceeded			62
	c) LEED Certification			62
SUB TOTAL QUALITY OF CONSTRUCTION		0	10	125
3)	Income Levels			
	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)		8	36
5)	Extended Low-Income Use		2	35
6)	Community Revitalization in Qualified Census Tracts			5
	PRIMARY TOTAL	- 47	170	484

*All applications must meet the total Primary minimum and 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			10
b) Concentration of Low-Income Housing			15
c) Inappropriate Location	- 200		
SUBTOTAL PROJECT LOCATION	- 200	0	25
2) Project Characteristics			
a) Project Design	- 75		75
b) Energy Efficient / Green Building Features			10
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			20
SUBTOTAL PROJECT CHARACTERISTICS	-275	0	111

* Not Available for Homebuyer Assistance Projects.
** Available only to Homebuyer Assistance Projects

3) Sponsor/Applicant Characteristics			
Poor Performance	-200		
SUBTOTAL SPONSOR/APPLICANT CHARACTERISTICS	-200	0	0
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) Support from Local Sources			
a) Support			20
b) Financial Support			35
SUBTOTAL FINANCIAL SUPPORT FROM LOCAL SOURCES	0	0	55
8) Management Capacity			
Poor Performance	-200		
SUBTOTAL MANAGEMENT CAPACITY	-200	0	0

V. INITIAL ALLOCATION CRITERIA

9)	Total Project Costs	-1,000	0	0
10)	Owner/General Partner Equity in Project	0	0	20
	SECONDARY TOTAL	-1,875	55+	221

+All applications must meet a 55 point minimum in the Secondary Criteria or the application will be rejected.

Tie Breaker Criteria		Negative Points	Minimum Required+	Maximum Points
1)	Total Project Costs	0	0	40
2)	Reduced Fees	0	0	30
	Tie Breaker TOTAL	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)
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/homebuyer is currently residing [in town, out of town, relatives, subsidized housing, and/or substandard housing])

Income levels Income Levels being served vs. Income Levels identified in the Market Study.	32 Points
Affordability levels (Monthly Housing costs) Proposed monthly housing expense (Rents or monthly mortgage payments, utilities and any HOA dues) vs. monthly housing expense being charged in the community.	48 Points
Concentration of Low Income Households As concentration of Low-Income/Affordable housing units increase in the vicinity fewer points are awarded.	16 Points
Appropriate Housing Appropriate housing for the need identified in the Market Study i.e. Family vs. elderly vs. special needs.	16 Points
Type of housing construction Apartment, duplex, stick built, modular, manufactured etc.)	16 Points
Saturation (Units needed vs. Proposed)	48 Points
Absorption Rate	16 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				

Under the **HOME** program, for Homeowner 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

2. QUALITY OF CONSTRUCTION
(Maximum 125 points)

a. MINIMUM CONSTRUCTION STANDARDS (Must score a minimum of 1 point) A project will receive 1 points if it, meets 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 , 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 IBC, National Electric Code, MPS, 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 62 points in this area (See Current Year Summary Attachment "A" Item “6” for more information on this category).

c. ENERGY EFFICIENCY AND/OR SUSTAINABILITY CERTIFICATION – A project will receive the following points depending on the level of LEED, or other nationally recognized certification firm for Energy and/or sustainability building Certification.

Standard	20
Silver	35
Gold	55
Platinum	62

The Certification will be required prior to release of the 8609’s.

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 between 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 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.]

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 income and rent levels are attained at all time 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 set are 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.

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 = 36.

V. INITIAL ALLOCATION CRITERIA

5. EXTENDED LOW-INCOME USE (Maximum 35 points - Must score a minimum of 2 points. Projects with less than 12 total units are not required to score a minimum of 2 points.)

a.) A proposal will receive the following points for committing to a WCDA Compliance Period separate from 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:

Tax Credit Project

Total Years Restricted	Points
20	2
25	3
30	5
35	10
40	17
50	35

HOME Rental Rehab. Projects, Homebuyer Assistance Programs, and HOME Homeowner Rehab Projects Less than $15,000/unit

Total Years Restricted	Points
10	2
15	3
20	5
25	10
30	17
40	35

HOME Rental Rehab. Projects, and Homebuyer Assistance Programs, $15,000 - $40,000/unit

Total Years Restricted	Points
15	2
20	3
25	5
30	10
35	17
45	35

V. INITIAL ALLOCATION CRITERIA

HOME Homeowner Rehabilitation Projects, $15,000 - $19,999/unit

Total Years Restricted	Points
15	2
20	3
25	5
30	10
35	17
45	35

HOME Homeowner Rehabilitation Projects, $20,000 - $25,000/unit

Total Years Restricted	Points
25	2
30	3
35	5
40	10
45	17
55	35

HOME Rental Rehab. Projects Over $40,000/unit

Total Years Restricted	Points
20	2
25	3
30	5
35	10
40	17
50	35

HOME Rental
New Construction Projects **All** Amounts

Years	Total Years Initial Years	Restricted	Points
	25	2	
	30	3	
	35	5	
	40	10	
	45	17	
	55	35	

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

V. INITIAL ALLOCATION CRITERIA

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.

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)

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).

Distance from other locations			
	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.

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, and other hazards outlined by HUD in their Environmental Review Requirements or 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.)

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 50 points, or up to negative 75 points)
A project may receive up to 50 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.
For rental projects applicants must describe the amenities that promote or enhance the quality of life for the tenants.

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

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. ENERGY EFFICIENT AND OR GREEN BUILDING FEATURES (Maximum 10 points)
i) A proposal may receive up to 5 points for energy efficient and or green building features committed to above and beyond code requirements and normal construction practices (Unit Efficiency Rating must be provided) i.e.

Low water flow fixtures	T8 vs. T12 lighting fixtures
Programmable thermostats	Energy Star Appliances
Efficient Heating and Cooling	Site configuration (sun and wind)

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

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 5 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, CDBG and/or WCDA Housing Trust Fund as the only or majority of the sources will 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 10 points)

1) A proposal will receive up to 10 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

2) A proposal will receive up to 10 points if the community is actively reducing barriers associated with Affordable Housing i.e.:

(a) Reducing or waiving fees or real estate tax concessions for Affordable Housing.

(b) 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.

(c) Within the last year the Jurisdiction has initiated regulatory reforms as a result of the above.

(d) 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.

(e) Reduction or waiver of unit size, parking or green space requirements for all affordable housing developments.

(f) 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.

(g) Lower cost land development requirements for Affordable Housing developments, i.e. higher density, narrower streets, sidewalks on only one side of the street etc.

V. INITIAL ALLOCATION CRITERIA

3. SPONSOR/APPLICANT CHARACTERISTICS
(Up to negative 200 points)

POOR PERFORMANCE – Up to a negative 200 points will be assessed for any or all of the following:

- 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.

4. SPECIAL NEEDS (SPECIFIC GROUP) HOUSING - (Maximum 4 points)
A proposal will receive up to four points for restricting occupancy of all units to a special needs (Specific Group) population, as described below:

- homeless
- chronically mentally ill
- physically disabled
- frail elderly
- developmentally disabled
- long term transitional housing
- Preservation of Project Based Rental Assistance

The only Specific Groups allowed `are those listed above.

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. Homebuyer Assistance proposals that commit to giving preference to individuals and families on the public housing waiting list should they qualify for purchasing a home 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. SUPPORT OR CONTRIBUTIONS FROM LOCAL SOURCES
(Maximum 55 points, measured on significance and overall impact to the project.)

a. SUPPORT – a proposal will receive up to 20 points for a letter of **support** signed by the Chief Executive Officer from the applicable jurisdiction.

b. FINANCIAL SUPPORT - 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).

8. MANAGEMENT CAPACITY (Up to a negative 200 points)
POOR PERFORMANCE - 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

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 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).

V. INITIAL ALLOCATION CRITERIA

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 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. **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	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, and Homebuyer Assistance Programs 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, Tax Credits, Section 1602 Tax Credit Exchange Program, 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 “15”

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;
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.
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 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

VI. MAXIMUM ALLOCATIONS

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-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.a. or 2.b.") 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. 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 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, all new construction projects must meet the applicable edition of the International Building Code and National Electric Code and the local code adopted by the presiding jurisdiction and the

VII. LIMITATIONS AND REQUIREMENTS

Minimum Property Standards (MPS) in 24 CFR 200.925 or 200.926 , 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 fail to meet the above.

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

L. All projects must submit proof 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; 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.

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 is 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 and Deferred Developer Fee. (Deferred Developer fee will be included in the Debt Coverage Ratio at 0% with a 12 year amortization). Projects with 24 units or less, at the sole discretion of WCDA, may be allowed to achieve a debt coverage ratio of higher than 1.25 in order to insure long term financial viability.

C. When underwriting a project, the following vacancy rate shall be used:

Units	Vacancy Rate
<24	10%
24 – 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. (Waivers will be considered for projects where other lenders or tax credit syndicators are monitoring Reserve Accounts, but only during the time they have a vested interest.)

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 (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
   - Foundation/Structural

VII. LIMITATIONS AND REQUIREMENTS

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

- 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).

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 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.

3. Financial Statements including Income and Expense statements for at least the past 10 years must be provided.

4. 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 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:

1) Local Public Housing Authority Estimate
2) HUD Utility Schedule Model
3) Utility Company Estimate
4) Energy Consumption Model as defined in §1.42-10 by a properly licensed engineer

Sub-metering is NOT allowed.

N. 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 contacting 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 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 compliance period 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.

B. 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.

C. 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.

D. The Title Company will act as disbursement agent for all construction funds.

E. No HOME funds will be disbursed until firm commitments are received from all funding sources.

F. 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.

G. The amortization period and term of the HOME loan must be equal to or less then the Affordability Period.

H. Project 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.

I. All HOME Match must be documented at time of application by 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.

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 45 years 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.

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 each household on an annual basis.

E. All HOME Rental Project Owners must attend Compliance Training by a nationally recognized firm; Spectrum Enterprises, Housing Credit College by Elizabeth Mooreland 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 in the past 5 years.

F. A Representative of the Management Company for all HOME rental projects must attend Compliance Training by a nationally recognized firm; Spectrum Enterprises, Housing Credit College by Elizabeth Mooreland 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 in the past 3 years.

VII. LIMITATIONS AND REQUIREMENTS

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

A. Homeowner Rehabilitation projects must request reimbursement from WCDA at a minimum on a quarterly basis.

B. For All Homeowner Rehabilitation Programs – Once HOME funds are invested in a home, additional HOME funds may not be invested in the same home for 15 years.

C. For All Homeowner Rehabilitation Programs – Administration fees can only be drawn as a percentage of each draw.

D. For All Homeowner Rehabilitation Programs the maximum amount of HOME subsidy may not exceed $25,000.00

E. The value of the HOME assisted property **after rehabilitation** must not exceed the “Maximum Single Family HOME Limit” listed in Attachment “A”.

F. Should a property be sold or cease to be occupied by a qualified household during the period of time specified, all original HOME funds must be returned to the WCDA HOME Investment Partnerships Program plus the “Allocated Pro-Rata Share” of the Net Proceeds, (aka Shared Appreciation). The “Allocated Pro-Rata Share” shall equal the Minimum Affordability Period committed to in the application for funding (but not less than the minimum years specified above) less the number of years the Homeowner occupied the property after the rehabilitation was completed, divided the Minimum Affordability Period committed to in the application for funding (but not less than the minimum years specified above). The “Net Proceeds” shall equal the Gross Sales Price less the appraised value prior to the rehabilitation, and Closing Costs approved by WCDA. (Federal Regulations prohibit anyone from profiting from the use of Federal Funds.) .This requirement must be stipulated in the lien document (mortgage) which must be recorded.

G. At application Homeowner Rehabilitation projects must submit a complete program description. This must contain the rules in which applicants apply to you for funding and must include:
   a. Minimum amount of HOME funding in each unit
   b. Maximum amount of HOME funding in each unit
   c. Maximum income limits for each household
   d. Affordable Period requirements, must be equal to or greater than Affordability Requirements as stated in the HOME Program Description
   e. How the determination will be made on amortized vs. deferred loans
   f. How the determination will be made on how much is to be paid back and how the monthly payments will be calculated
   g. How program will meet the Lead Safe requirements, including testing and Certified Contractors
   h. List of items eligible as rehabilitation expenses

VII. LIMITATIONS AND REQUIREMENTS

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

This criteria is part of the scoring and cannot change at any time during implementation of the program.

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, unless converting to Homeownership as outlined in the federal statue 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.

F. Violations of the WCDA Restrictive Land Use Covenant 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 45 years 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 Mooreland 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.

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 Mooreland 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.

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.

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. 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 then 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. SECTION 1602 – TAX CREDIT EXCHANGE PROGRAM

A. ELIGIBILITY - In order to be eligible for Section 1602 – Tax Credit Exchange (TCX) funding, projects must meet all of the following criteria:

- have received a Low-Income Housing Tax Credit (LIHTC) award under section 42 (h) of the Internal Revenue Code during the federal fiscal years allowed under the Section 1602 provisions, and;
- have not obtained a Temporary or Final Certificate of Occupancy, and;
- have not closed both the syndication of the LIHTC and their construction financing.

If after good-faith efforts have been made, an eligible project is unable to secure syndication, to make the project financially feasible and viable, participation in the TCX program may be allowed as follows:

1) Projects must retain the maximum amount of syndicated tax credits in the project as possible.
2) No projects will be granted TCX without a reasonable portion (to be determined by WCDA) of the Tax Credits syndicated and sold to an investor and the active participation of the syndicator/investor.
3) Projects which can show financial feasibility, with 40% or less of their Tax Credit award exchanged for TCX will be given priority and allowed to move forward without being placed on a waiting list.
4) Projects which can show financial feasibility but needing more than 40% but less than 50% of their Tax Credit award exchanged for TCX will be placed on a waiting list until September 30, 2011.
   Projects on the waiting list will be evaluated on the following criteria:
   i. Amount of TCX needed
   ii. Syndication rate in relation to project size
   iii. Project readiness and estimated completion date
   iv. Original project scoring

   This evaluation will allow WCDA to provide TCX funding to the greatest number of projects that have demonstrated the highest demand for the housing and can be completed within the required program time frames and will allow greater feasibility to be built into smaller projects.
5) Projects which can show financial feasibility but need more than 50% of the Tax Credit exchanged for TCX and projects which fail to show financial feasibility, will be deemed infeasible and the Tax Credits will be recaptured.
6) In order to effectively manage the program requirements, the percentages listed in paragraphs 3), 4), and 5) above may be amended at any time by WCDA without a Public Hearing or without soliciting Public Comments.

Projects which do not continue to progress in a timely fashion risk being deemed infeasible and the Tax Credits will be subject to recapture.

X. TAX CREDIT ASSISTANCE PROGRAM (TCAP)

A. Program Income from TCAP

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

X. TAX CREDIT ASSISTANCE PROGRAM (TCAP)

B. Description of Competitive Selection Criteria

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

X. TAX CREDIT ASSISTANCE PROGRAM (TCAP)

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.

XI. 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.

WCDA has delegated the compliance monitoring function to an Authorized Delegate. WCDA has prepared this Compliance Monitoring Plan (the "plan"), and the Authorized Delegate has prepared a Compliance Monitoring Manual (the "Manual"), which sets forth the procedures that WCDA and the Authorized Delegate-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 thereunder 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 building(s). 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 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 through a link on WCDA's web site at http://www.wyomingcda.com/Housing_Dev/Housing_Low_Income.html

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.

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 Head of Household 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; and
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);
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 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 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.

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.

XI. COMPLIANCE MONITORING

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 Re-Certification Form for each project.

All projects are required once each year to re-examine and recertify the income eligibility of all tenants. 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 initial compliance period. Future recertifications 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. 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 the Authorized Delegate, a Certification as required by IRC §1.42-5(c)(1).

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 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 the Authorized Delegate in the Compliance Monitoring Manual
- HOME Funded Projects must also submit:
- Annual Re-certification form
- 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 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 Agency 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 Agency to the Internal Revenue Service."

C. Additional Requirements

1.) All HOME unit leases must be for 1 period of 12 months unless a lesser time frame is agreed upon by the tenant and the owner AND previously approved by WCDA. 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 income and rent levels are maintained at all time throughout the compliance period. As such projects with multiple rent and or income levels must recertify each household on an annual basis.

3.) Foster Care exemption may only be used until the individual reaches 25 years old.

4.) When calculating maximum rents, all rents must be rounded **down** to the next dollar.

5.) Projects must submit Financial Statements to WCDA by March 31 of each year during the compliance period. (Audited if available)

6.) Sub-metering is NOT allowed.

7.) 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. Local Public Housing Authority Estimate
   b. HUD Utility Allowance Schedule/Calculator
   c. Utility Company Estimate
   d. Energy Consumption Model as defined in §1.42-10 by a properly licensed engineer

XI. COMPLIANCE MONITORING

D. Review and Inspections

As a condition of HOME funding or the allocation of Tax Credits, WCDA and/or the Authorized Delegate has 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 the Authorized Delegate shall have access to all official project records, including IRS reporting forms, 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 Authorized Delegate will conduct on-site inspections of all buildings in the project no less than:

a. every three years for a project of one to four units,
b. every two years for a project with five to 25 units, and
c. annually for projects with 26 or more units.

The 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 Authorized Delegate will randomly select which restricted units and tenant records are to be inspected and reviewed by the 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 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 Authorized Delegate will review annually the Certification submitted under paragraph "B" for compliance.
b. The 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 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 Authorized Delegate will randomly select which restricted units and tenant records are to be inspected and reviewed by the 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 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.

E. Notification of Noncompliance Requirements

The Authorized Delegate will give notification to owners within 90 days of any findings of noncompliance. The owner will be allowed a correction period which will be determined by The Authorized Delegate on an individual basis. The owner must notify The Authorized Delegate of any and all corrections. If non-compliance is not corrected during the Correction Period, 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 jurisdiction to interpret or administer the Code, except in those instances where specific delegation has been authorized.

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

F. 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.

G. Compliance Training

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 Mooreland 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.

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 Mooreland 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.

XI. COMPLIANCE MONITORING

All HOME Rental Project Owners must attend Compliance Training by a nationally recognized firm; Spectrum Enterprises, Housing Credit College by Elizabeth Mooreland 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 in the past 5 years.

A Representative of the Management Company for all HOME rental projects must attend Compliance Training by a nationally recognized firm; Spectrum Enterprises, Housing Credit College by Elizabeth Mooreland 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 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.

H. Compliance Fees

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. The compliance fee is $35.00 per unit due annually during the compliance period. 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. In addition, if an 8823 has been issued with continuing non-compliance, a fee of $50.00 will be assessed for reviewing each non-compliance issue in order to provide a corrected 8823. These fees may be adjusted from time to time as WCDA deems necessary.

I. 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.

XII. 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. An electronic 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)

2011

CURRENT YEAR

SUMMARY

ATTACHMENT "A"

Item 1 – Initial Allocation Cycles for the year 2011.
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.

Cycle Number	Submission Deadline
1	RECEIVED by 5:00 p.m. January 31, 2011
2	Additional rounds may be opened if funding is available.
*	An earlier funding round may be opened prior to January 31,

2011 if WCDA deems necessary in order to utilize the TCAP and or Tax Credit Exchange funding, or any other funding which may become available.

Item 2– Anticipated HOME Funding:
Based on previous year's allocations, the WCDA **anticipates** approximately $3.5 million in new HOME funding, plus approximately $1.0 million in Program Income and Carryforward, for a total of $4.5 million to be distributed as follows:

Direct Administration Category	$ 2,450,000
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
NSP Project Completion	1,000,000
Administration and Contingency Reserve	350,000
TOTAL AVAILABLE	$ 4,500,000

Item 3 – Tax Credit Availability Estimation
The total amount of credit available in Wyoming for 2011 is estimated as follows:

*Per Capita Credits	$ 2,430,000
Carryforward Credits	2,905,793
Return Credits	-0-
Forward Commitments from 2010	-0-
TOTAL AVAILABLE	**$ 5,335,793**
SET ASIDES	
Non-profits (10%)	$ 533,580
Small Rural Project Set Aside	$ 2,500,000
Open Allocation	$ 2,302,213
TOTAL	**$ 5,335,793**

* Based on 2010 Tax Credit authority.

ATTACHMENT "A"

Item 4 –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:

Managers	0-Bdrm	1-Bdrm	2-Bdrm	3-Bdrm	4-Bdrm
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:

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

Item 5 – Operating Expenses Limitations
The Annual Operating Expenses used for underwriting will be as follows:

# of Units	Maximum Operating Expense per unit per month
< 24	$370.00
25 – 36	$350.00
37 – 48	$330.00
> 48	$320.00

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.

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.

ATTACHMENT "A"

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.

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.);
- statement of reasonableness of proposed rent for the area (Not applicable for Homebuyer Assistance Programs);
- 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 (or mortgage payment), rent tenure, ownership tenure, and the number of units currently available to serve these households;
- 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 (Not applicable for Homebuyer Assistance Programs);
- 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 (Not applicable for Homebuyer Assistance Programs);

ATTACHMENT "A"

- 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 (Not applicable for Homebuyer Assistance Programs);
- 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;
- 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 (Not applicable for Homebuyer Assistance Programs);
- 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) and for Homebuyer Assistance Programs the maximum PITI payment must not exceed 30% of gross household income;
- Analysis of purchase price, square footage, quality and number of units for sale for both New Construction and Existing Single Family units (For Homebuyer Assistance Programs only);
- 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.
- Market Study Recap below (Attachment B Item 1a or 1b); and
- any other pertinent information that may be available.

ATTACHMENT "A"

Item 8 – Maximum HOME Subsidy per unit - Rental Units
The maximum, average subsidy per HOME assisted unit is established by HUD. Maximum Subsidy limits for Wyoming are as follows:

0-Bdrm	1-Bdrm	2-Bdrm	3-Bdrm	4-Bdrm
$88,000	$101,000	$122,000	$158,000	$174,000

Homeowner Rehabilitation Programs – The Maximum HOME subsidy per unit is $25,000.00.

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 – <u>Maximum Single Family HOME Limit</u> (for HOME homeowner rehab.)

Teton County Only	All Other Counties
One-Family	One-Family
$362,790	$200,160

Item 10 –<u>Match Requirements</u>

HUD Match Requirement for program 25.0%
WCDA Match Requirement for **each** project 4.5%

Item 11 –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.

Managers	0-Bdrm	1-Bdrm	2-Bdrm	3-Bdrm	4-Bdrm
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.

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

ATTACHMENT "A"

Item 12 – 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.

Item 13 – 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 in 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.

QUALIFIED CENSUS TRACT NUMBERS
METROPOLITAN AREAS

Casper
2.00

QUALIFIED CENSUS TRACT NUMBERS
NON-METROPOLITAN AREAS

Albany	Fremont
9630.00	9401.00
	9634.00
	9635.00

DIFFICULT DEVELOPMENT AREAS

Teton County

In addition 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, and if :

1) the average rents for all units are at or below 45% Area Median Income, (**available to projects which receive an allocation of Tax Credits on or after 2009)** , or;
2) the project is being developed in a small community with a population under 7,500 and no communities with a population over 7,500 are within 20 miles of the project, AND the project will have 12 or fewer units (available to projects which receive an allocation of Tax Credits on or after 2011).

ATTACHMENT "B" Item "1a"

MARKET STUDY RECAP FOR RENTAL PROJECTS

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 Units Proposed
		/ Number of Qualified Households (from above)
		= Current Capture Rate

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

PMA	CITY	SATURATION
		Number of Units Proposed
		/ Number of New Units Needed (from above)
		= 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)
		Average Market Rate rents for 5-bedroom units (with utility adjustments if appropriate)

*omit "without assistance" on projects with Project Based Rental Assistance.

MARKET STUDY RECAP FOR RENTAL PROJECTS (cont.)

ATTACHMENT "B" Item "1a"

PROJECT NAME:____

PMA	CITY	AVERAGE RENTS (SUBSIDIZED = LIHTC, HUD, RD ETC.)
		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

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

	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 Economic Stabilization

PMA Physical	PMA Economic	CITY Physical	CITY Economic	VACANCY RATE
				Vacancy rate of ALL units – **Include chart showing vacancy by project**
				Vacancy rate of Subsidized units – **Include chart showing vacancy by project**
				Vacancy Rate of Comparable Properties – **Include chart showing vacancy by project & explanation of why "Comparable**

<u>**ATTACHMENT "B" Item "1a"**</u>

MARKET STUDY RECAP FOR RENTAL PROJECTS (cont.)
PROJECT NAME:______________________________________

Distance from other locations (List distance from project to the following locations)			
	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?		

	ENVIRONMENTAL ISSUES
	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 ______________________, 200___.

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 "2"

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:

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 pre-empt 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.

<u>ATTACHMENT "B" ITEM "2"</u>

Dated: ___________________, 200___

ARCHITECT SIGNATURE: ______________________________

Name of Company: ______________________________________

<u>(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.)</u>

Part II
<u>The project now being completed, the undersigned, an architect duly licensed and registered as stated above, certifies</u> 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: ___________________, 200___

ARCHITECT SIGNATURE: ______________________________

Name of Company: ______________________________________

TAX CREDIT INCOME LIMITS - The Tax Credit income limits are available at the following web site:

http://www.huduser.org/portal/datasets/il/il10/index_mtsp.html

HOME PROGRAM INCOME LIMITS - The HOME income limits are available at the following web site:

http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/income/2010/index.cfm

HOME PROGRAM RENT LIMITS - The HOME rent limits are available at the following web site:

http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/rent/2010/index.cfm

Attachment "D" Item 1 - Narrative

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 - Narrative

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 2011, applicants will only be required to provide a match of 4.5% because WCDA has been able to accumulate banked match over the past several years.

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, 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 - Narrative

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 2011.

Attachment "D" Item 2a

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 1st 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			
	Site		Local Permits
____/____	Acquisition	____/____	Conditional Use Permit
____/____	Survey	____/____	Variance
____/____	Zoning Approval	____/____	Site Plan Review
____/____	Plat Design Approval	____/____	Building Permit
____/____	Environmental Phase I	____/____	Other (specify) __________________________
____/____	Environmental Review Completed		
			Equity Syndication
	Construction Financing	____/____	Letter of Commitment
____/____	Loan Application	____/____	Partnership Closing
____/____	Conditional Commitment		
____/____	Firm Commitment		Other
____/____	Closing and Disbursement	____/____	Final Plans/Specs
		____/____	Tax Credit Carryover Allocation
	Permanent Financing	____/____	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)
	Other Loans and Grants	____/____	Occupancy of All Low-Income Units
____/____	Type & Source: ________________	____/____	Submission of Placed in Service Application
____/____	Commitment	____/____	Submission of Minority & Business Women Enterprise information
____/____	Closing or Award		

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.

____

____

____

____

____

Project Name   Signature   Date

Attachment "D" Item 2b

QUARTERLY PROGRESS REPORT
FOR HOMEOWNER REHABILITATION PROGRAMS

Quarterly progress reports 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 all HOME project completion reports have been completed.

Quarterly / Accumulative
________/_____________Number of applications received
________/_____________Number of households pre-qualified
________/_____________Number of loans closed
______________________Total Amount of funding Allocated from WCDA
________/_____________Amount of funding disbursed to Homebuyers/Homeowners

Current
_______ Number of loans scheduled to close in next 30 days
_______ Number of loans scheduled to close in next 60 days
_______ Number of loans scheduled to close in next 90 days
_______ Number of loans scheduled to close in next 120 days
_______ Number of loans scheduled to close in next 150 days
_______ Number of loans scheduled to close in next 180 days
_______ Number of loans scheduled to close in more than 180 days

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

____

____

____

____

____

________________________________ ___________________________________ __________

Project Name Signature Date

<u>Attachment "E" HOME Program Description</u>

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

For Federal Fiscal Year 2011, the State of Wyoming through the Wyoming Community Development Authority (WCDA) is **anticipating** a $3,500,000 allocation of HOME funds. 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.

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

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

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

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

Attachment "E" HOME Program Description

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.
- Five years to actually expend funds.

II. ELIGIBLE PROGRAM BENEFICIARIES

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

III. DISTRIBUTION OF FUNDS

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

A. Rental Housing Production

1. Rehabilitation
   - Rehabilitation
   - Conversion
   - Reconstruction
   - Rehab and refinance
2. Acquisition and/or Rehabilitation
3. New Construction

B. Homeowner Rehabilitation

1. Rehabilitation
2. Rehabilitation and refinance

Attachment "E" HOME Program Description

C. **Finalization of and/or Cost Over Runs on Neighborhood Stabilization Projects (NSP)**

1. Single Family Programs
2. Multifamily Rental Programs

IV. RENTAL HOUSING PRODUCTION PROVISIONS

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

- Rents are **strictly** controlled
- Tenants must be low-income (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.

A. ELIGIBLE PROPERTY TYPES

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

B. INITIAL HOME RENTS

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

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

The Low Home Rent is 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.

C. AFFORDABILITY PERIOD

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

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

Maximum monthly rents and utility allowances must be recalculated annually by the owner. They are reviewed and approved by WCDA. Rent increases may be permitted, but tenants must be given at least 30 days written notice before increases are implemented. Any increases are also subject to other provisions of the lease agreements and subject to approval by WCDA.

D. OCCUPANCY OF HOME ASSISTED RENTAL UNITS

There are two Federal constraints on occupancy:

1. INCOME TARGETING:
   90% of the units assisted with HOME Funds for rental housing must be used to assist tenants who have annual incomes that are 60% or less of the area median income. The remaining dwelling units assisted with such funds may be used to assist families with household incomes between 60% and 80% of median.

2. PROJECT REQUIREMENT:
   In projects with five or more rental units, or in the case of an owner of multiple one or two unit projects with a total of five or more rental units, not less than 20% of the rental units must be occupied by very low-income

families (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.

E. DETERMINING THE INITIAL INCOME ELIGIBILITY OF HOME TENANTS

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

1. Annual Income as defined under the Section 8 Housing Assistance Payments programs in 24 CFR Part 5.609.

2. Annual Income as reported under the Census long-form for the most recent available decennial Census.

3. Adjusted Gross Income as defined for purposes of reporting under IRS Form 1040 for individual Federal annual income tax purposes.

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

F. ANNUAL RECERTIFICATION OF INCOME

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

1. Examine third party source documents evidencing annual income.

2. Obtain from the family a written statement of the amount of the family's annual income and family size, along with a certification that the information is complete and accurate.

3. Obtain a written statement from the administrator of a government program under which the family receives benefits and which examines each year the annual income of the family. The statement must indicate the tenant's family size and state the amount of the family's annual income.

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

G. INCREASES IN TENANT INCOME

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

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

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

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

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

H. ELIGIBLE ACTIVITIES FOR RENTAL HOUSING PRODUCTION

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

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

      i. Rehabilitation must be the primary eligible activity requiring at least $15,000 of required rehabilitation costs per unit.

      ii. 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.

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

iv. The minimum required period of affordability would be 15 years.

v. Refinancing is an eligible activity throughout the State of Wyoming under the HOME Program.

vi. 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.

Attachment "E" HOME Program Description

V. HOMEOWNER REHABILITATION

City or County governments, Public Housing Authorities, and non-profits may apply for HOME Funds for Homeowner Rehabilitation programs. The maximum administration fee which can be applied for is 10%. This administration fee will be funded as a percentage of each draw.

A. THE ELIGIBLE PROPERTY OWNER

The owner must have a gross annual income that does not exceed 80 percent of HUD's median income for the area. Third party written verification of income will be required. The owner must own the property. A family or individual owns the property if they: **1)** have fee simple title to the property; or **2)** maintain a 99 year leasehold interest (50 year leasehold on reservation lands) in the property; All Lease forms of ownership must be PRE-approved by WCDA PRIOR to Application or **3)** have ownership or membership in a cooperative; **and 4)** do not have any restrictions or encumbrances that would unduly restrict the good and marketable nature of the ownership interest. The owner must occupy the property as a principal residence.

B. THE ELIGIBLE PROPERTY TYPE

An eligible property is any single family property, occupied as a principal residence by the owner in which the value of the property, after rehabilitation, does not exceed the HOME Single Family limits in effect at the time of HOME funds commitment. See the WCDA Affordable Housing Allocation Plan, Current Year Summary Attachment "A", Item "9".

Manufactured housing units must be connected to permanent utility hookups and be located on land that is owned by the manufactured housing unit owner.

All properties must also meet HUD's site and environmental requirements summarized in Section 10 of the Affordable Housing Allocation Plan.

C. AFFORDABILITY PERIOD

Minimum Affordability Periods are as follows:

Amount of HOME Investment			Minimum Affordability Period
$0	-	$ 15,000	5 years
$ 15,001	-	$19,999	10 years
$ 20,000	-	25,000	20 years

Should a property be sold or cease to be occupied by a qualified household during the period of time specified, all original HOME funds must be returned to the WCDA HOME Investment Partnerships Program plus the "Allocated Pro-Rata Share" of the Net Proceeds, (aka Shared Appreciation). The "Allocated Pro-Rata Share" shall equal the Minimum Affordability Period committed to in the application for funding (but not less than the minimum years specified above) less the number of years the Homeowner occupied the property after the rehabilitation was completed, divided the Minimum Affordability Period committed to in the application for funding (but not less than the minimum years specified above). The "Net Proceeds" shall equal the Gross Sales Price less the appraised value prior to the rehabilitation and Closing Costs approved by WCDA. (Federal Regulations prohibit anyone from profiting from the use of Federal Funds.).This requirement must be stipulated in the lien document (mortgage) which must be recorded.

After an initial investment of HOME funds, additional HOME funds may not be invested in HOME assisted Homeowner Rehabilitation units for varying lengths of time as described above depending upon the amount of the initial HOME investment as described above.

VI. FINALIZATION OF AND/OR COST OVER RUNS ON NEIGHBORHOOD STABILIZATION PROJECTS (NSP)

This funding is available for NSP projects which:

1) there is not sufficient NSP funding remaining to complete the project; or
2) it is determined a portion of the costs are not eligible for reimbursement by NSP, but are eligible as a HOME project.

HOME funding will be given a priority collateral position and will be given a priority on any payback.

See Attachment "G – NSP Program Description"

VII. ALLOCATION OF FUNDS

A. DIRECT ADMINISTRATION CATEGORY--WCDA

Approximately $1,450,000 - available for Rental Housing Production, and Homeowner Rehab. programs under which non-profit developers, for-profit developers, Local Governments, and public housing authorities may apply. Applications are anticipated to be accepted in 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".

C. CHDOs - COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS

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 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. Ten percent of this 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. For actual funding levels, see WCDA Affordable Housing Allocation Plan, Current Year Summary Attachment "A".
* The 15% CHDO set-aside requirement has been met for 2010.

D. 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 1st 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.
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 1st. 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.

E. Finalization of and/or Cost Over Runs on Neighborhood Stabilization Projects (NSP) –

Approximately $1,000,000 will be set-aside for use on project/properties with NSP funding where:

1) there is not sufficient NSP funding remaining to complete the project; or
2) it is determined a portion of the costs are not eligible for reimbursement by NSP, but are eligible as a HOME project.

The only eligible applicants are those who have a valid allocation of NSP funding and additional funds are needed to complete the project. Funding will be distributed on a first come first served basis provided the projects meet the HOME requirements. HOME funding will be given a priority collateral position and will be given a priority on any payback.

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.

VIII. 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 Building Code, the National Electric Code, or the Minimum Property Standards in 24 CFR 200.925 or 200.926.

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

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

IX. ELIGIBLE REHABILITATION COSTS

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

- Costs to meet the International Building Code and the National Electric Code
- 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.

XI. 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.

Attachment "E" HOME Program Description

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.

XII. ELIGIBLE FORMS OF FINANCIAL ASSISTANCE

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

XIII. 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

Attachment "E" HOME Program Description

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 2011, applicants will only be required to provide a match of 4.5% because WCDA has been able to accumulate banked match over the past several years.

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

C. Sources of Match

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

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

XIV. 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.

XV. 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.

<u>Attachment "E" HOME Program Description</u>

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

XVI. RESERVATION CRITERIA

See Affordable Housing Allocation Plan

XVII. 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.

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 Partners in Homebuyer Education Inc., will provide for a discussion of Fair Housing.

14. Information on Fair Housing can be obtained from Wyoming Fair Housing, which opened an office in Casper in the year 2000. The organization may be reached by calling 307-266-6362, 1-866-255-6362, TTY 1-800-877-9965.

Attachment "E" HOME Program Description

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. Cheryl G. Gillum, WCDA Director of Housing Programs has been assigned the oversight responsibilities of the MBE/WBE program.

XVIII. HOME PROGRAM DEFINITIONS

Adjusted Income

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

Attachment "E" HOME Program Description

Annual (Gross) Income
The HOME Program allows for the use of one of three "Annual Income" definitions as described in Section 4 E. Annual Income is used for homeowner, homebuyer and tenant eligibility and targeting purposes.

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

HUD recognizes the commitment when the project is entered in the Integrated, Disbursement and Information System.

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

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

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

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

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

Project
A site or an entire building or two or more buildings, together with the site or sites on which the building or buildings is/are located, that are under common ownership, management and financing and are to be assisted with HOME funds, under a commitment

by the owner, as a single undertaking. If there is more than one site associated with the project, the sites must be within a four (4) block area.

Purchase Price
See Acquisition Cost.

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

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

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

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

Attachment "F" Federal Requirements under HOME

Subpart H -- Other Federal Requirements under HOME

§ 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 community contacts, use of the Equal Housing Opportunity logotype, and display of fair housing poster):

(iii) Procedures to be used by owners to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing without special outreach (e.g., use of community organizations, places of worship, employment centers, fair housing groups, or housing counseling agencies);

(iv) Records that will be kept describing actions taken by the participating jurisdiction and by owners to affirmatively market units and records to assess the results of these actions; and

(v) A description of how the participating jurisdiction will annually assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.

(3) A State that distributes HOME funds to units of general local government must require each unit of general local government to adopt affirmative marketing procedures and requirements that meet the requirement in paragraphs (a) and (b) of this section.

(b) *Minority outreach*. A participating jurisdiction must prescribe procedures acceptable to HUD to establish and oversee a minority outreach program within its jurisdiction to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts entered into by the participating jurisdiction with such persons or entities, public and private, in order to facilitate the activities of the participating jurisdiction to provide affordable housing authorized under this Act or any other Federal housing law applicable to such jurisdiction. Section 85.36(e) of this title describes actions to be taken by a participating jurisdiction to assure that minority business enterprises and women business enterprises are used when possible in the procurement of property and services.

§ 92.352 Environmental Review.

(a) *General.* The environmental effects of each activity carried out with HOME funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR parts 50 and *58.*

(b) *Responsibility for review.*

(1) The jurisdiction (e.g., the participating jurisdiction or State recipient) or insular area must assume responsibility for environmental review, decision-making, and action for each activity that it carries out with HOME funds, in accordance with the requirements imposed on a recipient under 24 CFR part 58. No funds may be committed to a HOME activity or project before the completion of the environmental review and approval of the request for release of funds and related certification, except as authorized by 24 CFR part 58.

(2) A State participating jurisdiction must also assume responsibility for approval of requests for release of HOME funds submitted by State recipients.

(3) HUD will perform the environmental review, in accordance with 24 CFR part 50, for a competitively awarded application for HOME funds submitted to HUD by an entity that is not a jurisdiction.

§ *92.353* Displacement, relocation, and acquisition

(a) *Minimizing displacement.* Consistent with the other goals and objectives of this part, the participating jurisdiction must ensure that it has taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of a project assisted with HOME funds. To the extent feasible, residential tenants must be provided a reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary, and affordable dwelling unit in the building/complex upon completion of the project.

(b) *Temporary relocation.* The following policies cover residential tenants who will not be required to move permanently but who must relocate temporarily for the project. Such tenants must be provided:

(1) Reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporarily occupied housing and any increase in monthly rent/utility costs.

(2) Appropriate advisory services, including reasonable advance written notice of:

(i) The date and approximate duration of the temporary relocation;

(ii) The location of the suitable, decent, safe, and sanitary dwelling to be made available for the temporary period;

(iii) The terms and conditions under which the tenant may lease and occupy a suitable, decent, safe, and sanitary dwelling in the building/complex upon completion of the project; and

(iv) The provisions of paragraph (b)(1) of this section.

(c) *Relocation assistance for displaced persons*.

(1) *General.* A displaced person (defined in paragraph (c)(2) of this section) must be provided relocation assistance at the levels described in, and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655) and 49 CFR part 24. A "displaced person" must be advised of his or her rights under the Fair Housing Act and, if the comparable replacement dwelling used to establish the amount of the replacement housing payment to be provided to a minority person is located in an area of minority concentration, the minority person also must be given, if possible, referrals to comparable and suitable, decent, safe, and sanitary replacement dwellings not located in such areas.

(2) *Displaced Person.*

(i) For purposes of paragraph (c) of this section, the term displaced person means a person (family individual, business, nonprofit organization, or farm, including any corporation, partnership or association) that moves from real property or moves personal property from real property, permanently, as a direct result of acquisition, rehabilitation, or demolition for a project assisted with HOME funds. This includes any permanent, involuntary move for an assisted project, including any permanent move from the real property that is made:

(A) After notice by the owner to move permanently from the property, if the move occurs on or after:

(1) The date of the submission of an application to the participating jurisdiction or HUD, if the applicant has site control and the application is later approved; or

(2) The date the jurisdiction approves the applicable site, if the applicant does not have site control at the time of the application; or

(B) Before the date described in paragraph (c)(2)(i)(A) of this section, if the jurisdiction or HUD determines that the displacement resulted directly from acquisition, rehabilitation, or demolition for the project; or

(C) By a tenant-occupant of a dwelling unit, if any one of the following three situations occurs:

(1) The tenant moves after execution of the agreement covering the acquisition, rehabilitation, or demolition and the move occurs before the tenant is provided written notice offering the tenant the opportunity to lease and occupy a suitable, decent, safe, and sanitary dwelling in the same building/complex upon completion of the project under reasonable terms and conditions. Such reasonable terms and conditions must include a term of at least one year at a monthly rent and estimated average monthly utility costs that do not exceed the greater of:

(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 <u>displaced person</u> if:

(A) The person has been evicted for cause based upon a serious or repeated violation of the terms and conditions of the lease or occupancy agreement, violation of applicable federal, State or local law, or other good cause, and the participating jurisdiction determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance. The effective date of any termination or refusal to renew must be preceded by at least 30 days advance written notice to the tenant specifying the grounds for the action.

(B) The person moved into the property after the submission of the application but, before signing a lease and commencing occupancy, was provided written notice of the project, its possible impact on the person (e.g., the person may be displaced, temporarily relocated, incur a rent increase), and the fact that the person would not qualify as a "displaced person" (or for any assistance under this section) as a result of the project;

(C) The person is ineligible under 49 CFR 24.2(g)(2); or

(D) HUD determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the project.

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

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

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

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

(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 thereunder, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

(c) *Persons covered.* The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the participating jurisdiction, State recipient, or sub-recipient which are receiving HOME funds.

(d) *Exceptions: Threshold requirements.* Upon the written request of the participating jurisdiction, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME Investment Partnerships Program and the effective and efficient administration of the participating jurisdiction's program or project. An exception may be considered only after the participating jurisdiction has provided the following:

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

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

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

(1) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;

(2) Whether the person affected is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;

(3) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted activity in question;

(4) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (c) of this section;

(5) Whether undue hardship will result either to the participating jurisdiction or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

(6) Any other relevant considerations.

(f) *Owners and Developers*

(1) No owner, developer or sponsor of a project assisted with HOME funds (or officer, employee, agent, or consultant of the owner, developer or sponsor) whether private, for profit or non-profit (including a community housing development organization (CHDO) when acting as an owner, developer or sponsor) may occupy a HOME-assisted affordable housing unit in a project. This provision does not apply to an individual who receives HOME funds to acquire or

rehabilitate his or her principal residence or to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.

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

(i) Whether the person receiving the benefit is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted housing, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class:

(ii) Whether the person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted housing in question:

(iii) Whether the tenant protection requirements of § 92.253 are being observed:

(iv) Whether the affirmative marketing requirements of § 92.351 are being observed and followed; and

(v) Any other factor relevant to the participating jurisdiction's determination, including the timing of the requested exception.

§ 92.357 Executive Order 12372

(a) *General.* Executive Order 12372, as amended by Executive Order 12416 (3 CFR, 1982 Comp., p. 197 and 3 CFR, 1983 Comp., p. 186) (Intergovernmental Review of Federal Programs) and HUD's implementing regulations at 24 CFR part 52, allow each State to establish its own process for review and comment on proposed Federal financial assistance programs.

(b) *Applicability.* Executive Order 12372 applies to applications submitted with respect to HOME funds being competitively reallocated under subpart J of this part to units of general local government.

Attachment "F" Federal Requirements under HOME

§ 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 Program Description

THE NSP PROGRAM DESCRIPTION

NSP Assisted Programs for the State of Wyoming - $19,600,000 (2009-2010) Amounts will be updated if additional funding is granted.

1. **Foreclosure Financing Option, $0** – Financing for the purchase of foreclosed and abandoned homes to be owner occupied. 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.
2. **Wyoming Rehabilitation and Acquisition Program (WRAP), $8,750,000** – WCDA will acquire and rehabilitate foreclosed properties which will be sold to low and moderate income eligible buyers via a drawing. 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.
3. **NSP Rental Opportunities (ReOpp), $2,750,000** – 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.
4. **Land Banking Program, $0** – Financing for the purchase of foreclosed properties for the purpose of land banking. The eligible locations include the following areas:
   a. Campbell, Fremont, Laramie, Natrona, Sweetwater, Uinta
   b. Specific counties may be added or removed in the future depending on the foreclosure market.
5. **Demolition for Housing Program, $200,000** – Financing for cities working with developers or property owners to demolish blighted structures and produce a housing unit on the cleared land. The housing unit may either be sold to an income eligible homebuyer or used as low, moderate, or middle income rental property. 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.
6. **Mortgage Principal Buydown, $0** – Financing assistance for the purchase of foreclosed and abandoned homes to be owner occupied. The eligible locations include the following areas:
   a. Campbell, Fremont, Laramie, Natrona, Sweetwater, Uinta
   b. Specific counties may be added or removed in the future depending on the foreclosure market.

Attachment "G" NSP Program Description

7. **NSP Redevelopment Program , $5,940,000** – Financing for for-profit developers, non-profit entities, or housing authorities to acquire and redevelop any property type. The housing unit may either be sold to an income eligible homebuyer or used as low, moderate, or middle income rental property. 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.
8. **NSP Allowable Administrative Fees, $1,960,000** – 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.

The dollar amounts listed for each eligible program are estimates only. HUD requires an estimated allocation of funds for each eligible program. Once the NSP requirement that 25% of the funding must benefit households at or below 50% of AMI has been met, the NSP funds will be directed to the programs utilizing the funds in the most efficient manner. There are no specific funding set-asides designated under the NSP programs. The above funding amounts are estimates only.

A. Definitions and Descriptions

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 HUD website for the current rents.
http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/rent/2009/wy.pdf

All residential properties will have a 30-year mortgage placed upon them. The property may also have a soft second mortgage and/or an equity share provision triggered by the sale of the property or transfer of title.

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

Properties financed under the Foreclosure Financing Option and the Mortgage Principal Buydown must meet FHA Property Standards, as defined in HUD Handbook 4910.1, Minimum Property Standards for Housing, 1994 Edition.

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. It is the intent of the WRAP program to bring the properties to a standard of substantially rehabilitated.

As required under the NSP Program at least 25% of the $19.6 million allocation 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. Specifically, there are four activities that will be utilized to meet the low income targeting requirement. They are the foreclosure financing option, the mortgage principal buydown program, the WRAP program and the ReOpp program.

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, Wyoming is in serious need of affordable, quality housing so the replacement of any demolished housing unit will be required. Demolition under the NSP Program will only be funded if it is part of an affordable housing activity. A replacement dwelling must be constructed and the property made available to a low income (50% AMI) or moderate income (80%) persons. Preference under this option will be for low income persons. The estimate for demolition under the WRAP program, the ReOpp Program, Demolition for Housing Program, and the NSP Redevelopment Program is ten (10) units.

NSP Information by Activity (Complete for EACH activity)

(1) Activity Name: Foreclosure Financing Option (FFO)

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

NSP Eligible Use

§2301(c)(3)(A) establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-seconds, loan loss reserves, and shared-equity loans for low- and moderate- income homebuyers

CDBG Eligible Use

- As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206.
- Financing mechanisms used to carry out CDBG eligible activities listed.

(3) National Objective: *(Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).*

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

<u>Attachment "G" NSP Program Description</u>

(4) <u>Activity Description</u>:
Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

Under the NSP Foreclosure Financing Option, the Wyoming Community Development Authority (WCDA) will make approximately $ 0 available to WCDA Participating Lenders to provide first mortgage financing for the purchase of foreclosed and abandoned homes in the State of Wyoming. Loans originated under this program, will need to meet the following requirements:

A. **Eligible Properties –** One unit single family foreclosed property. A foreclosed property is one under state or local law, the mortgage or tax foreclosure is complete. HUD generally will not consider a foreclosure to be complete until after the title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure, in accordance with Wyoming law.

1. Single Family Properties are permitted, which includes modular construction.
2. Manufactured Homes are **NOT** permitted. A Manufactured Home is a home that is transportable in one or more sections and was built on a permanent chassis and remains on a permanent chassis. Typically, the weight bearing support structure of a Manufactured Home is not the exterior walls.

B. **Maximum Loan to Value –** 100% of the lower of the sales price or 99% of the current appraised value.

C. **Interest Rate –** 1% for persons at or below 50% of AMI
3% for persons at 51% to 80% of AMI
5% for persons at or below WCDA's standard income limits of 120% of AMI

D. **Term –** 30 years

E. **Property Standards –** the home must meet FHA Property Standards. Even though the loan will not be insured by FHA, the lender must order an FHA Appraisal to determine whether or not the property meets FHA Property Standards.

F. **The NSP Purchase Price Limit -** $236,000. Purchase Price Requirement – The acquisition cost of a home under this program may not exceed $236,000 for all counties. Acquisition cost is defined in Section 1.503 of the WCDA *Seller Servicer* Guide.

Attachment "G" NSP Program Description

G. **Income Requirement –** The Total Annual Family Income may not exceed 120% of HUD's Area Median Income. Income is to be determined in accordance with WCDA's standard program definition of "Annual Family Income".

H. **Residence Requirement –** The home must be a one unit, single-family owner-occupied home located in the State of Wyoming and must be the principal residence of the Borrower(s). "Residence" does not include personal property such as an appliance, piece of furniture, radio, etc., which, under applicable Wyoming law is not a fixture. All terms of the Residence Requirement of the WCDA standard program as outlined in the WCDA *Seller Servicer* Guide Section 1.501 applies to this program. Lenders will need to use *MPP Form 001NSP* Rider to the Mortgage.

I. **Three Year Requirement –** The Three Year Requirement does apply to this program. Borrower(s) must be first-time homebuyers meaning each mortgagor must have had no "present ownership interest" in a principal Residence at any time during the three-year period prior to the date on which the Mortgage Loan is executed. For purposes of the preceding sentence, the mortgagor's interest in the Residence with respect to which the financing is being provided shall not be taken into account. In the event that there is more than one mortgagor with respect to a particular Residence, each of such mortgagors must meet the Three-Year Requirement.

J. **Credit Guidelines –** FHA Mortgage Loan Credit standards must be met.

K. **Servicing –** The servicing of all loans will be by WCDA.

L. Homebuyer Education

WCDA is requesting a waiver of the 8 hour homebuyer education class required by the NSP program and asking HUD to accept the 5 hour course that WCDA offers in conjunction with the Wyoming Partners in Homebuyer Education, Inc. and Wyoming Housing Network, Inc.

M. Loan Documentation

The following required WCDA documents will be required in order to participate in the program.

1. **Form of Note and Mortgage –** Lenders will be required to use the Multi-state Fixed Rate Note – Single Family Fannie Mae/Freddie Mac Uniform Instrument Form 3200 and the Wyoming-Single Family-Fannie Mae/Freddie Mac Uniform Instrument Mortgage Form 3051.

2. **NSP Rider –** This original, signed Rider will be a requirement for all mortgages delivered under the NSP Program, and must be attached and recorded with the Mortgage. Due on Sale Clause – A Mortgage Loan may only be assumed if the

Residence Requirement, the Three-Year Requirement, the Purchase Price Requirement, and the Income Requirement is met at the time of assumption. The NSP Rider contains a broad "due on sale" clause which precludes all transfer of interest without full payment of the loan or the prior written consent of the Authority. The Rider requires that the home must remain the principal residence of the mortgagor as long as the loan is outstanding.

3. **Total Annual Family Income and Family Income Worksheet –** Total annual family income may not exceed 120% of HUD's Area Median Income. The Income must be determined in accordance with definition of Annual Family income as per the WCDA _Seller Servicer_ Guide and MPP Form 275 (revised 12/97) must be signed by borrower(s) and submitted with all mortgage loan files delivered under the NSP Program.

4. **Affidavit of Seller –** *MPP Form 002 NSP*. This form must be signed by the Seller and submitted with all mortgage loan files delivered under the NSP Program. This document will be required to be signed by the sellers of properties financed under this program in order to meet the requirements under the Uniform Real Property Acquisition and Relocation Act

5. **Mortgagor's Affidavit of Eligibility –** *MPP Form 003 NSP*. This form must be signed by the Borrower(s) and the real estate professional and submitted with mortgage loan files delivered under the NSP Program. This form should be submitted with all loans. This document lists all of the requirements of the loan program.

6. **Lead Based Paint Notice –** This form will be required to be given to all Mortgagor(s) purchasing a home that was built prior to 1978.

7. **Affordability Requirements –** The loans will have an affordability period of 30 years. If at any point during that first 30 years, the homebuyer should sell the property or cease to occupy the property as their principal residence the NSP Note will be called due and payable. If the borrower should pay the NSP funds Note off prior to the 30 years, the borrower will still be required to participate in the Shared Equity provision of the second mortgage which states they will share the profits of the sale of the home at any time during that first 30 years.

8. **Environmental Review –** According to Notice CPD-01-11 issued July 17, 2001, HUD has determined that certain categorically excluded activities would not alter any conditions that would require an environmental review or compliance determination under Federal laws and authorities cited in 24CFR 58.5. Examples of activities that are categorical exclusions not subject to §58.5 include activities to assist homebuyer to purchase existing dwelling units or dwelling units under construction, including closing costs and down payment assistance, interest buydowns, and similar activities that result in the transfer of title. As the NSP

funds will be used as a first mortgage financing option, it has been determined these properties will be categorically excluded and not subject to §58.5 authorities.

9. **Davis Bacon –** Not applicable, no construction financing.

10. **Flood Insurance –** Flood Insurance will be required on properties located in a FEMA designated 100-year flood plain.

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

The foreclosure financing option will encompass the counties of Campbell, Fremont, Laramie, Natrona, Sweetwater, and Uinta. Additional locations may be added 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.

(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).

The estimated income levels of households benefiting are:

≤ 50% AMI	0 units
51% to 80%	0 units
81% to 120%	0 units

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

$ 0 - NSP funds
Funds may be reallocated on a first come first serve basis for other eligible NSP activities and the budget for the Foreclosure Financing Option may be increased in the future.

(8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

Attachment "G" NSP Program Description

Wyoming Community Development Authority
155 North Beech Street
Casper WY 82601
307-265-0603
Cheryl G. Gillum

(9) Projected Start Date: March 20, 2009 (anticipated)

(10) Projected End Date: September 30, 2010 (All NSP monies must be allocated to a specific property by this date. The program will continue beyond September 30, 2010 through the use of program income.)

(11) Specific Activity Requirements:
For acquisition activities, include:

- discount rate – all properties must be acquired at a minimum discount of 1% provided that each property is evaluated individually to determine an appropriate discount taking into account the estimated carrying costs and holding period if the property were not purchased with NSP funds. Borrowers should attempt to acquire properties at a greater discount if possible.

For financing activities, include:

- range of interest rates

50% or less AMI	one percent (1%)
51% to 80% AMI	three percent (3%)
81% to 120% AMI	five percent (5%)

For housing related activities, include:

- duration or term of assistance;
- tenure of beneficiaries--rental or homeownership;
- a description of how the design of the activity will ensure continued affordability

Duration – 30 year mortgage
Tenure – homeownership
Affordability – A 30 year mortgage will be placed on all properties. The acquisition cost of the home will be 100% recaptured through the repayment of the loan either through normal amortization of the principal and interest or by full payment of the loan principal at the time the home is sold, transferred or ceases to be the principal residence of the mortgagor. The payment of principal and interest becomes revenue to the NSP Program and will be recycled for NSP eligible activities. Revenue, regardless of the NSP program it originated from must be used to fund the next eligible NSP program draw.

Attachment "G" NSP Program Description

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

(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.

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

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

(4) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

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 properties from the Department of Housing and Urban Development (HUD), the Veterans Administration (VA), Rural Development (RD), Wyoming lending institutions, Private Mortgage Insurance (PMI) companies, and from public foreclosure proceedings. The foreclosed properties will be rehabilitated and sold to low and moderate income eligible buyers via a drawing system in order to provide homeownership opportunities while preserving existing housing stock and revitalizing neighborhoods.

Under the Wyoming Rehabilitation and Acquisition Program, WCDA intends to use the NSP funds to purchase foreclosed properties. In order to be eligible for the NSP Program, the mortgage insurer/guarantor must be willing to sell the property for not more than 99% of the current appraised value as defined in the NSP regulations.

WCDA will provide a complete paper trail for each of these transactions. Among the documents to be provided in WCDA's NSP files will be current appraisals, purchase agreements, rehabilitation costs and complete resell documents for the sale of the property to the homebuyer.

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 applicant must be a first-time homebuyer (cannot have owed a home within the last three years).
5. The property must be the applicant's primary residence for the term of the loan.
6. The applicant must meet specific income and credit requirements.
7. The applicant must pay a $20.00 application fee.
8. The applicant must have a steady income stream.
9. 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.
10. All household members' credit will be considered.
11. All household members' anticipated income will be considered, this includes anyone who will be occupying the property, and any family members not living in the household.
12. A minimum gross income of $1,135 per month is required ($6.55 x 40 x 52 / 12).
13. 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%.
14. The Household's total assets cannot exceed $50,000.
15. No current judgments, collections or bankruptcy.

The applicant must attend and complete a homebuyer education program prior to closing on an NSP assisted property. The Wyoming Housing Network, Inc. offers an in-person class. All eligible candidates will be required to participate in a one-on-one counseling session with the Wyoming Housing Network in addition to the in-person class.

Preference will be given to applicants, who currently work or reside in the city, town, or county of the NSP assisted foreclosed property. WCDA employees, members of the WCDA Board of Directors, and their immediate family members are not eligible to participate in the Program.

Homeownership opportunities for households at or below 50% of the area median income (AMI) are limited. Therefore, until the 50% AMI set-aside is met, the WRAP program will target appropriate properties for those households at or below 50% AMI. However, if a higher cost property comes available that would otherwise qualify for the program and is located in a priority area it may be acquired, rehabilitated, and sold to a household at or below 80% AMI. If it is determined that an eligible property is accessible or is easily rehabilitated to be accessible the household selected must demonstrate a need for the accommodations and the household income must be at or below 80% of AMI.

Property Selection

All properties selected must have been foreclosed upon 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. Properties will be visited by WCDA staff and evaluated for participation in the 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 greatly exceed the after rehabilitation value WCDA has the option 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 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. The property will also 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 the property, such as electrical, plumbing, heating, roofing, and foundation, will be addressed first. It is the intent of the WRAP program to bring the properties to a standard of substantially rehabilitated. However, that does not mean that the property will automatically receive a cosmetic update.

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 $225,000, 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 $225,000 cap. The location of the properties is subject to the availability of foreclosed properties and therefore specific neighborhoods cannot be targeted for improvement using NSP funds. However, the program will generally target older properties that have fallen into a state of disrepair. It is the intent of the program to increase the economic life of the 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. All properties will also be tested for illegal drug usage. Properties that test positive will be remediated prior to any rehabilitation work being completed. All properties will be tested for Radon and will be remediated if necessary.

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 rehabilitation contract will include one property. 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. All properties built prior to 1978 will be tested for lead-based paint and any rehabilitation required will be completed in accordance with lead safe work practices and all contractors must be lead certified. All properties will be tested for illegal drug residue. Any property that tests positive will require mitigation prior to any rehabilitation work being completed. 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 using NSP funds. 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. At a minimum, all properties will receive a thorough cleaning, both inside and out. The appliances will only be considered for replacement if they are not functioning properly, economic life is unknown, and/or repair is not economically feasible, or if appliances are not currently present in the property.

Application for Properties

Application packets for the WRAP program will be made available at the WCDA office, via the internet, and by U.S. Postal Service, by 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 50% of AMI. Until the 50% set-aside is met, households with incomes in excess of 50% AMI will not be eligible to participate in the drawing unless:

1. There are no households at or below 50% of AMI interested in the specific property.
2. The households at or below 50% of AMI who are interested in the specific property cannot meet minimum underwriting standards.
3. The property is considered accessible and then households up to 80% of AMI are eligible to participate in the drawing, however, preference will not be given to either income group.

Attachment “G” NSP Program Description

4. The property following rehabilitation exceeds an affordable amount for a 50% 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 50% or less AMI household.

Applications will be accepted at any time from households at or below 80% of AMI.

The application packet will contain an initial application, the WRAP program description, applicant responsibilities if awarded a property, and a listing of selected properties (if available). The applicant must return the completed initial application along with verification information at least 45 days prior to any property drawing to be eligible for said drawing. All initial applications will be reviewed by WCDA staff to determine if the applicant meets the basic eligibility requirements. Applicants may be referred for credit counseling to assist them in repairing credit in order to be “mortgage ready”. The review will include verification of data relating to income, employment, financial/banking/investment information, rental history, and credit report. If an applicant is not eligible they will receive notification in writing of said determination. All applicants who meet the basic eligibility requirements will be contacted by telephone to discuss the program requirements and to make sure that the applicant understands the process and the requirements. If the applicant confirms that they are in fact interested in the program and agree to the conditions, their name will be entered into a drawing for the homes they have selected within their eligibility level.

In addition to having to meet 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 household must have three or more persons to apply for a three (3) + bedroom home.
- Families shall be housed with no more than two persons per bedroom.
- Exceptions may be made to the occupancy requirements for unusual circumstances and will be made on a case by case basis.

Those who are successful in the drawing will be required to have a meeting with WCDA staff within 1 week of the drawing to discuss the terms and to collect additional information in order to determine if they meet the full underwriting criteria. FHA underwriting standards will be used. WCDA will originate all WRAP program loans. The loan underwriting must take place within 4 weeks of the drawing date and the applicant must be approved before they are officially awarded a home. If an applicant fails to meet the underwriting criteria or it is determined that they did not meet the basic eligibility requirements the property will be returned to the pool or offered to the second place designee (if drawn). Applicants who were determined to be eligible but who were not selected during the initial drawing will be notified of future drawings, and if said drawing takes place more than six months from the date of the original application an update to the application must be made to verify current eligibility before the applicant may be entered in future drawings.

Notification of Open House and Three-Day Cooling Off Period

Eligible applicants will be notified of the open house date and times on the properties for which they are eligible. They will also have a “three-day cooling off period” in which they can make the decision whether or not they wish to participate in the WRAP program. The cooling off period also gives the applicants time to gauge their interest in a particular property therefore avoiding buyer’s remorse should they be selected to purchase the property.

Execution of the Property Drawing

Properties will be distributed through a drawing system. Qualified applicants will be entered into a drawing on the properties for which they are eligible. The size of the household, the income of the household, credit eligibility, debt ratios, cost of property taxes, homeowners association dues, covenants, future upkeep, and property insurance will all be taken into consideration when determining the eligibility criteria of the household. Applicants may be eligible for more than one property; however, they will only be able to take possession of one property. The drawing will be a public drawing held in the community that the properties are located and eligible households along with members of the public are encouraged to attend.

After the drawing has been conducted a meeting will be held with the potential homeowners to discuss what they should expect.

1. They will be required to execute a 30 year loan for the property during which time they are expected to occupy the property as their primary residence. The residence may not be used as rental property at any time.
2. The amount of the loan will be discussed and possibly set if full underwriting has taken place. The terms of the soft second mortgage and equity-share upon sale provision (if applicable) will be discussed as well as any additional restrictions placed upon the property. The first mortgage will be calculated using the applicant’s income and at least 25% of their gross income must be contributed towards the mortgage payment. The balance of the cost of the property will be taken as a soft second and an equity share provision may be incorporated into the mortgage.

   Example – The Smith family (dad, mom, and 2 children) live in Cheyenne and together they earn $24,000 a year. The 50% AMI limit for a family of 4 in Laramie County is $31,300 so the household is determined to be income eligible for the WRAP program. The household must contribute a <u>minimum</u> of 25% of their gross monthly income towards the principal, interest, taxes and insurance payment (PITI) each month. The maximum debt to income ratio for housing cannot exceed 31% so it is possible that the required monthly contribution would be higher than 25%. In this example the minimum monthly contribution required is $500 ($24,000 x 25% / 12). It is estimated that approximately $150 per month is required for taxes and insurance so the household would have at least $350 per month to pay the principal and interest on a mortgage. If the total acquisition cost of the home was $150,000, 30 year term, 1% interest rate, the principal and interest payment would be $482.46. The family could not reasonably afford the PITI payment of $632.46 ($482.46 + $150) without assistance. Under the WRAP program, the mortgage on the property would include both an amortized loan amount (requiring a monthly payment) and a deferred loan amount (requiring repayment at the time of sale, transfer of title, or when the property ceases to be the primary residence of the family). In this example, it would be reasonable to structure the $150,000 loan as $110,000 amortized and $40,000 deferred. A $110,000 amortized loan for 30 years at a 1 % interest rate would require a monthly principal and interest payment of $353.80. When you add the taxes and insurance payment of $150 per month, the total payment for the household is estimated to be $503.80 (a monthly savings of approximately $128.66 and a PITI ratio of 25.2%).

3. The applicant will be made aware of their responsibilities as a homeowner such as utility payments, taxes, insurance, homeowner's association fees, covenants, and routine maintenance. The applicant will also be made aware of the rehabilitation work that was performed on the property and any warranties that may apply.
4. The applicant will be questioned regarding their participation in the WRAP program and whether or not they have any reservations about the program or the property.
5. Closing for the properties is expected to take place within 45 days from the date of the drawing.

Mortgage Loan Financing Structure

1. The amount of the mortgage will be based on the applicant's income and their ability to qualify for a loan covering the cost of the purchase, rehabilitation and carrying costs. The difference between the actual cost of purchase, rehabilitation and carrying costs and the amount the borrower can qualify for will be recaptured as a deferred loan which will be part of the mortgage and will be recaptured upon sale of the property, transfer of title, or when the property ceases to be the primary residence of the mortgage holder. No more than 50% of the purchase price will be deferred.
2. When a homeowner decides to sell a property WCDA will have the first right of refusal on all WRAP properties.
3. If, in the future, market conditions are such that the mortgage holder 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.

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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.

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%	3.00%
81% to 120%	5.00%

The monthly payments collected on the loans (program income) will be returned to the general NSP program and recycled for future use by any and all NSP eligible activities. All mortgages will be serviced by the WCDA.

(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. Additional locations may be added depending on the foreclosure market.

The specific location of the properties will vary depending on where the foreclosures take place, who owns the foreclosed properties, and if the owner is willing to sell the property to WCDA and the WRAP program at a discounted rate. Properties located in areas identified as higher risk may be given priority evaluation for selection into the program. It is likely that several properties, if available, may be selected in a community at one time to encourage economies of scale in the rehabilitation process and also to allow some choice for the applicants. 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.

(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).

We hope to be able to acquire and rehabilitate 59 homes at an average price of $150,000. The estimated income levels of households benefiting are:

Attachment "G" NSP Program Description

≤ 50% AMI 12 units (to meet the 25% at or below 50% of AMI requirement)
51% to 80% 46 units
81% to 120% 0 units

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

$1,800,000 million of the NSP allocation will be used to assist households at or below 50% of AMI. It is estimated that 9 homes can be acquired, rehabilitated and sold to income eligible borrowers who are at or below 50% AMI.

$6,950,000 million of the NSP allocation will be used to assist households at or below 80% of AMI which also includes households at or below 50% of AMI. It is estimated that 35 homes can be acquired, rehabilitated and sold to income eligible borrowers who are at or below 80% of AMI.

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

(8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

Wyoming Community Development Authority
155 North Beech Street
Casper WY 82601
307-265-0603
Jennifer Crawford

(9) Projected Start Date: March 20, 2009

(10) Projected End Date: September 30, 2010 (All NSP monies must be allocated to a specific property by this date. The program will continue beyond September 30, 2010 through the use of program income.)

(11) Specific Activity Requirements:
For acquisition activities, include:

- discount rate – all properties must be acquired at a minimum discount of 1% provided that each property is evaluated individually to determine an appropriate discount taking into account the estimated carrying costs and holding period if the property were not purchased with NSP funds. WCDA will attempt to acquire properties at a greater discount if possible.

Attachment "G" NSP Program Description

For financing activities, include:

- range of interest rates

Percentage of Area Median Income	Interest Rate
Up to 50%	1.00%
51% to 80%	3.00%
81% to 120%	5.00%

For housing related activities, include:

- duration or term of assistance;
- tenure of beneficiaries--rental or homeownership;
- a description of how the design of the activity will ensure continued affordability

Duration – 30 year mortgage
Tenure – homeownership
Affordability – A 30 year mortgage will be placed on all properties. The amount of the mortgage will be equal to the purchase price of the property, the rehabilitation cost, and any carrying costs. The mortgage will most likely consist of an amortized portion and a deferred portion of the loan. The deferred portion will be a second mortgage executed to recapture the outstanding balance between the amount of the first mortgage and the after rehabilitation appraisal. The second mortgage will contain a clause whereby $1/30^{th}$ of the principal amount will be forgiven for each complete year the homeowner resides in the property. If the homeowner resides in the property for a full 30 years the entire second mortgage will be forgiven. If a homeowner sells the property, transfers title to the property, or the property ceases to be the homeowner's primary residence during the 30 year term the mortgage(s) will become due and payable and the funds returned to the NSP Program as program income and will be used for NSP eligible activities. Program income, regardless of the NSP program it originated from must be used to fund the next eligible NSP program draw. The payment of principal and interest becomes program income to the NSP Program and will be recycled for NSP eligible activities.

Attachment "G" NSP 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: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

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

(4) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

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 $200,000, and for multi-family properties the following per unit subsidies apply:

Attachment "G" NSP Program Description

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

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 HUD website (http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/rent/2009/wy.pd) and may be adjusted by WCDA when new income limits are made available. The current maximum rents limits are based on the lesser of 50% of the AMI or Fair Market Rent. 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 units 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) <u>Location Description</u>: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

Attachment "G" NSP Program Description

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

(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).

We hope to be able to finance 18 units at an average price of $150,000. The estimated income levels of households benefiting are:

≤ 50% AMI	18 units
51% to 80%	0 units
81% to 120%	0 units

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

$2,750,000 - NSP funds
Funds may be reallocated on a first come first serve basis for other eligible NSP activities.

There is a $200,000 NSP limit for single family properties. The NSP funding limit for multi-family properties will be subject to the HOME subsidy dollar limits and underwriting guidelines. 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.

(8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

Wyoming Community Development Authority
155 North Beech Street
Casper WY 82601
307-265-0603
Gayle Brownlee

(9) Projected Start Date: March 20, 2009

Attachment "G" NSP Program Description

(10) Projected End Date: September 30, 2010 (All NSP monies must be allocated to a specific property by this date. The program will continue through the use of program income.)

(11) Specific Activity Requirements:
For acquisition activities, include:
- discount rate – minimum discount will be 1%.

For financing activities, include:
- range of interest rates

The interest rate will not exceed 6% on the face of the mortgage but could be accelerated to 10% in the case of default or resale.

For housing related activities, include:
- duration or term of assistance;
- tenure of beneficiaries--rental or homeownership;
- a description of how the design of the activity will ensure continued affordability

Duration – 40 year mortgage
Tenure – rental
Affordability – A 40 year mortgage and ReOpp Agreement will be placed on all properties. If an owner sells the property or transfers title to that property during that 40 year period the mortgage will become due and payable 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. The funds returned to the NSP Program as program income and will be used for NSP eligible activities. The payment of principal and interest becomes program income to the NSP Program and will be recycled for NSP eligible activities. Program income, regardless of the NSP program it originated from must be used to fund the next eligible NSP program draw.

Attachment "G" NSP Program Description

(1) Activity Name: **Land Banking Program**

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

NSP Eligible Use
§2301(c)(3)(C) Establish land banks for homes that have been foreclosed

CDBG Eligible Activity
- 24 CFR 570.201
- (a) Acquisition
- (b) Disposition

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

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

(4) Activity Description:
Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

Foreclosed properties may be acquired using NSP funds for the purpose of land banking. From time to time, affordable housing entities may have a need to acquire a vacant foreclosed property suitable for NSP-eligible affordable housing opportunities sometime in the near future. This set-aside will allow them to acquire and hold that property until a housing plan and a full financing package can be put in place. Non-profit entities 501 (c) (3) or (c) (4) or Public Housing Authorities may apply to WCDA for a loan under this set-aside.

WCDA will hold a Note and Mortgage for the amount borrowed. The loan will be a three percent (3%) simple interest rate loan for a term not to exceed five years. This funding may be used for acquisition only and may not be used for other development activities. Applicants will be required to pay off the loan on or before the five year term and the property may only be used for affordable housing that meets the requirements of the NSP Program. If not paid in full sooner, the entire principal balance plus accrued interest will be due and payable at the end of the five year term.

WCDA will also require the applicant to execute a NSP Program Agreement which will outline the requirements of the funding and will be recorded in the office of the county clerk. This NSP Agreement will remain as a restriction on the title of the property even if the NSP funds are paid back. At the time an acceptable replacement use agreement, outlining a project which will provide affordable NSP-eligible housing, is put in its place, the NSP Agreement may be released. Some examples of acceptable replacement use agreements are: the Land Use Restrictive Covenants Agreement under the Low Income Housing Tax Credit Program, the HOME Agreement under the HOME Program, and other land use restrictions that may be used by various affordable housing programs under the U.S. Department of Housing and Urban Development or USDA Rural Development.

The definition of a land bank in the Federal Register Notice refers to "vacant" land, it is referring to unoccupied properties specifically. Land banking activities may include properties with or without structures, as long as they are foreclosed upon as required by the land bank eligible use as described in the Notice.

HUD does not believe the benefits of just holding property are sufficient to stabilize most neighborhoods or that this is the best use of limited NSP funds absent a re-use plan. Therefore, HUD is requiring that a land bank may not hold a property for more than 10 years without obligating the property for a specific, eligible redevelopment of that property in accordance with NSP requirements. The State of Wyoming is further restricting the length of time land can be held in a land bank to not more than five (5) years. By the end of the maximum five (5) year holding period the property must have a housing development plan showing benefit to low, moderate, or middle income households. At the point in time that development commences the NSP mortgage must be refinanced. The intent of the land banking option is to finance foreclosed property that will be held for future housing development. Activities financed under the land banking program will not include development of the foreclosed property.

All land banking activities must demonstrate how they will benefit low, moderate, and middle income households and specifically what the anticipated housing benefit will be once a housing development plan is created.

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

The Land Banking Program will encompass the counties of Campbell, Fremont, Laramie, Natrona, Sweetwater, and Uinta. Additional locations may be added 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.

(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).

≤ 50% AMI	0 units
51% to 80%	0 units
81% to 120%	0 units

A maximum of $500,000 may be requested by a project. It is not known at this time how many housing units or persons will benefit from the NSP funds in land banking activities. The NSP funds will be used for acquisition of foreclosed property only. At the point the land will be developed the NSP mortgage will need to be refinanced. The program income received through repayment of principal and interest financed under a land banking activity will be returned to the NSP program and used for other NSP eligible activities.

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

$0 - NSP funds
Funds may be reallocated on a first come first serve basis for other eligible NSP activities and the budget for the Land Banking Option may be increased in the future based on demand.

There is an NSP per project funding limitation of $500,000 for land banking activities.

(8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

Wyoming Community Development Authority
155 North Beech Street
Casper WY 82601
307-265-0603
Jennifer Crawford

(9) Projected Start Date: March 20, 2009

(10) Projected End Date: September 30, 2010 (All NSP monies must be allocated to a specific property by this date. The program will continue through the use of program income.)

(11) Specific Activity Requirements:
For acquisition activities, include:
- discount rate – minimum discount will be 1%.

For financing activities, include:
- range of interest rates - the interest rate will be 0% to 6%.

For housing related activities, include:
- duration or term of assistance;
- tenure of beneficiaries--rental or homeownership;
- a description of how the design of the activity will ensure continued affordability

Attachment “G” NSP Program Description

The term of the loan is not to exceed 5 years.
The beneficiaries may be assisted through rental or homeownership once the land is developed. There will be a mortgage placed on the land. There will also be an NSP agreement to ensure benefit to low, moderate and middle income persons. The payment of principal and interest becomes program income to the NSP Program and will be recycled for NSP eligible activities. Program income, regardless of the NSP program it originated from must be used to fund the next eligible NSP program draw.

(1) Activity Name: **Demolition for Housing Program**

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

NSP Eligible Use

§2301(c)(3)(D) Demolish Blighted Structures
§2301(c)(3)(E) Redevelop Demolished or Vacant Properties

CDBG Eligible Activity

- 24 CFR 570.201
- (d) Clearance for blighted structures only
- 24 CFR 570.201
- (a) Acquisition
- (b) Disposition
- (c) Public facilities and improvements
- (e) Public services for housing counseling, but only to the extent that counseling beneficiaries are limited to prospective purchasers or tenants of the redeveloped properties
- (i) Relocation
- (n) Direct homeownership assistance (as modified below)
    - 204 Community based development organizations

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

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

(4) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 80% of area median income.

Attachment "G" NSP Program Description

Clearance alone does not prove benefit to low, moderate and middle income persons. All demolition activities must result in the production of a housing unit and the applicant must demonstrate how the demolition activity will directly benefit low, moderate, and middle income households. If the property is used as rental housing it must be affordable as defined above. If the property is to be sold it must be sold at a price equal to or less than the cost of demolition, rehabilitation, carrying costs, and closing costs. The maximum amount of NSP funds that any one demolition project may request is $200,000.

Under the demolition program the applicant must be in control of the property either through ownership, option to purchase, or purchase contract, prior to making application for NSP funds. NSP funds will not be used to finance the acquisition of the property under the Demolition for Housing Program. This paragraph may be stricken if federal regulations are enacted or guidance is received from HUD allowing such activity.

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

The Demolition for Housing Program will encompass the counties of Campbell, Fremont, Laramie, Natrona, Sweetwater, and Uinta. Additional locations may be added 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.

The demolition for housing program is not restricted to foreclosed properties, therefore additional reference materials were used to establish where the greatest need was located. The 2007 Wyoming Housing Conditions report (Attachment A) Map I.2 has the percent of single-family homes in worn out or badly worn condition by county. The Housing Conditions report utilizes data gathered from the county assessors. The report indicates that Natrona County as of December 2006 had the largest number of worn out or badly worn housing units at 4,906. Table II.11 of the report lists the conditions of single-family homes by county and current condition. For reference, the definition of worn out includes repair and overhaul needed on painted surfaces, roofing, plumbing, heating, numerous functional inadequacies, substandard utilities, etc. (found only in extraordinary circumstances). Excessive deferred maintenance and abuse, limited value-in-use, approaching abandonment or major reconstruction, reuse or change in occupancy is imminent. Effective age is near the end of the scale regardless of the actual chronological age. The definition of badly worn includes much repair needed. Many items need refinishing or overhauling, deferred maintenance obvious, inadequate building utility and services all shortening the life expectancy and increasing the effective age.

(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).

<u>Attachment "G" NSP Program Description</u>

We hope to be able to finance demolition and reconstruction of 1 multi-family housing project at an average price of $200,000. The estimated income levels of households benefiting are:

≤ 50% AMI	10 units
51% to 80%	10 units
81% to 120%	0 units

(7) <u>Total Budget</u>: (Include public and private components)

$200,000 - NSP Funding

There is a $200,000 limit per demolition project. Funds may be reallocated on a first come first serve basis for other eligible NSP activities and the budget for the Demolition for Housing may be increased in the future based on need

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

Proposals will be considered on a case by case basis regarding demolition activities providing the activity results in a housing unit occupied by a low, moderate, or middle income family following demolition. Additional demolition activities that do not result in a direct housing unit may be added as an eligible activity at a future date.

(8) <u>Responsible Organization</u>: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

Wyoming Community Development Authority
155 North Beech Street
Casper WY 82601
307-265-0603
Jennifer Crawford

(9) <u>Projected Start Date</u>: March 20, 2009

(10) <u>Projected End Date</u>: September 30, 2010 (All NSP monies must be allocated to a specific property by this date. The program will continue through the use of program income.)

(11) <u>Specific Activity Requirements:</u>
For acquisition activities, include:
- discount rate – not applicable

For financing activities, include:
- range of interest rates

Percentage of Area Median Income	Interest Rate
Up to 50%	up to 1.00%
51% to 80%	up to 3.00%

81% to 120%	up to 5.00%

For housing related activities, include:

- duration or term of assistance;
- tenure of beneficiaries--rental or homeownership;
- a description of how the design of the activity will ensure continued affordability

Duration – 30 year mortgage
Tenure – homeownership or rental
Affordability – a 30 year mortgage will be placed on all properties and if the property is sold or if the title to that property is transferred during that time the mortgage will become due and payable. Depending on the activity, homeownership or rental, additional restrictions may apply and trigger repayment of the mortgage. Any fund repaid will be returned to the NSP Program as revenue. The payment of principal and interest becomes revenue to the NSP Program and will be recycled for NSP eligible activities. Program income, regardless of the NSP program it originated from must be used to fund the next eligible NSP draw.

(1) Activity Name: NSP Mortgage Principal Buy Down

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

Financing Mechanism §2301(c)(3)(A) establish financing mechanisms for purchase and redevelopment of foreclosed upon homes and residential properties, including such mechanisms as soft-seconds, loan loss reserves, and shared-equity loans for low- and moderate- income homebuyers

Correlated Eligible Activities from the CDBG Entitlement Regulations

- *As part of an activity delivery cost for an eligible activity as defined in 24 CFR 570.206.*
- *Financing mechanisms used to carry out CDBG eligible activities listed.*

(3) National Objective: *(Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).*

(4) Activity Description:
Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

The Wyoming Community Development Authority (WCDA) is the state housing finance agency for Wyoming. WCDA administers several housing programs in the State of Wyoming, the largest of which is the Single Family Mortgage Purchase Program under which WCDA Participating Lenders are provided permanent loan financing at below market interest rates for first time homebuyers meeting the requirements of the federal Mortgage Revenue Bond Program.

Attachment "G" NSP Program Description

PROGRAM DESCRIPTION: WCDA is proposing to provide NSP funds through the WCDA Participating Lenders as a first mortgage principal buy down in the following manner:

1) Up to $50,000 will be available to an eligible borrower to buy down / reduce the principal amount of the first mortgage used to purchase a vacant foreclosed property. The amount of HSP funds will be based on the borrower's income and debt ratios.
2) The principal will be secured by a Note and Mortgage in 2nd lien position.
3) Underwriting: (the following underwriting criteria are subject to change)
   a. The borrower(s) must have a PITI ratio of between 24% and 29%
   b. The borrower(s) must have a Total Debt to Income Ratio of between 36% and 41%
   c. The borrower(s) must have a minimum FICO score of 620
4) This mortgage principal buy down program will be in the form of a 25 year 0% forgivable loan where 1/25th of principal is forgiven for each full year the home remains the principal residence of the borrower.
5) The Note will be due and payable upon sale or transfer of the property or if the property ceases to be the principal residence of the borrower. Any NSP funds not forgiven will be due and payable. If there are no net proceeds or the net proceeds are insufficient to repay the NSP funds due, WCDA will only recapture the net proceeds, if any.

A. Eligible Properties – One unit single family foreclosed property located in the counties of Campbell, Fremont, Laramie, Natrona, Sweetwater, and Uinta. A foreclosed property is one on which the mortgage or tax foreclosure is complete under state or local law. HUD generally will not consider a foreclosure to be complete until after the title for the property has been transferred from the former homeowner under some type of foreclosure proceeding or transfer in lieu of foreclosure, in accordance with Wyoming law. WCDA will require a copy of the Sheriff's Deed as part of the loan file transmittal.

1. Single Family Properties are permitted.
2. Manufactured Homes are **NOT** permitted.
3. Modular Homes are permitted.
4. The property must be vacant
5. The property must have been built on or after January 1, 1978
6. The property may not be located in a 100 year flood zone
7. The property must meet or exceed FHA 203(b) property standards
8. The property may not be owned by WCDA.
9. The first mortgage must be a WCDA 1st mortgage and therefore be at or below the WCDA Purchase Price Limits in effect at the time of the loan closing..
10. The Borrower must be a first time homebuyer or someone who has not owned a principal residence in the past three years.
11. The Borrower must be getting a WCDA FHA first mortgage. No FHA 203(k) loans can be allowed.
12. The Borrower will have a minimum cash requirement depending on income that may be as high as 2% of the purchase price but at least $500.

B. Maximum Combined Loan to Value – The combined loan to value of the first purchase mortgage and second NSP mortgage may not exceed 100% of the lower of the sales price or the appraised value.

C. Property Standards – the home must meet FHA Property Standards.

D. The NSP Purchase Price Limit - $236,000. Purchase Price Requirement – The acquisition cost of a home under this program may not exceed $236,000 for all counties. Acquisition cost is defined in Section 1.503 of the WCDA *Seller Servicer* Guide. The term does not include personal property such as an appliance, piece of furniture, radio, etc., which, under applicable Wyoming law is not a fixture.

E. Income Requirement – The Total Annual Family Income must be the lower of 120% AMI or WCDA's income limit as listed on the attached MPP250-A (Revised 04/09). Income is to be determined in accordance with WCDA's standard program definition of total "Annual Family Income".

F. Residence Requirement – The home must be a one unit, single-family owner-occupied home located in the State of Wyoming and must be the principal residence of the Borrower(s). All terms of the Residence Requirement of the WCDA standard program as outlined in the WCDA *Seller Servicer* Guide Section 1.501 applies to this program.

G. Servicing – The servicing of the NSP mortgage will be done by the WCDA mortgage servicing department.

H. Homebuyer Education - borrowers will be required to take either the classroom homebuyer education class or the on-line homebuyer education class **and** the one-on-one homebuyer counseling offered through the Wyoming Housing Network, Inc. (WHN). WHN is an approved HUD housing counseling agency and an affiliate of the national Neighborworks network.

I. Affordability Requirements – The properties will have an affordability period of 25 years. If at any point during that first 25 years the homebuyer should sell or transfer the property or cease to occupy the property as their principal residence, the portion of the principal that has not been forgiven will be due and payable.

J. Environmental Review – According to Notice CPD-01-11 issued July 17, 2001, HUD has determined that certain categorically excluded activities would not alter any conditions that would require an environmental review or compliance determination under Federal laws and authorities cited in 24CFR 58.5. Examples of activities that are categorical exclusions not subject to §58.5 include activities to assist homebuyer to purchase existing dwelling units or dwelling units under construction, including closing costs and down payment assistance, interest buy downs, and similar activities that result in the transfer of title. As the NSP funds will be used as a first mortgage financing option, it has been determined these properties will be categorically excluded and not subject to §58.5 authorities.

K. Davis Bacon – Not applicable, no construction financing.

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

The mortgage buy down financing option will be eligible in the Counties of Campbell, Fremont, Laramie, Fremont, Sweetwater and Uinta.

(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).

We hope to be able to finance 10 homes at an average price of $150,000. The estimated income levels of households benefiting are:

< 50% AMI = 0
51% to 80% AMI = 0
81% to 115% AMI = 0

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

$ 0 - NSP funds

(8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

Wyoming Community Development Authority, 155 North Beech Street, Casper, Wyoming 82601, 307-265-0603, Cheryl G. Gillum, Deputy Director/Director of Housing Programs

(9) Projected Start Date: March 1, 2010

(10) Projected End Date: September 30, 2010

(11) Specific Activity Requirements:
For acquisition activities, include:

- discount rate – not applicable as activity is a financing mechanism

For financing activities, include:

- range of interest rates – 0% interest

For housing related activities, include:

- duration or term of assistance;
- tenure of beneficiaries--rental or homeownership;

Attachment "G" NSP Program Description

- a description of how the design of the activity will ensure continued affordability

Duration – 25 year mortgage
Tenure – Homeownership
Affordability – a 25 year mortgage and note will be placed on all properties. If an owner sells the property or transfers title to the property during that 25 year period the balance of the mortgage will become due and payable. The funds returned to the NSP Program as program income and will be used for NSP eligible activities. Program income, regardless of the NSP program it originated from must be used to fund the next eligible NSP draw.

Attachment "G" NSP Program Description

(1) Activity Name: **NSP Redevelopment Program**

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

NSP Eligible Use

§2301(c)(3)(E) redevelop demolished or vacant properties.

CDBG Eligible Activity

- 24 CFR 570.201
- (a) Acquisition
- (b) Disposition
- (c) Public facilities and improvements
- (e) Public services for housing counseling, but only to the extent that counseling beneficiaries are limited to prospective purchasers or tenants of the redeveloped properties
- (i) Relocation
- (n) Direct homeownership assistance
- 24 CFR 570.202 Eligible rehabilitation and preservation activities for demolished or vacant properties.
- 24 CFR 570.204 Community based development organizations
- HUD notes that any of the activities listed above may include required homebuyer counseling as an activity delivery cost.

(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤ 120% of area median income).

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

(4) Activity Description:

Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.

The NSP Redevelopment Program allows for-profit developers, non-profit entities, or housing authorities to redevelop any property type. Redevelopment need not be on abandoned or foreclosed upon. However, it must be vacant. "Vacant properties" includes both vacant land and properties with vacant structures on the land. However, HUD understands redevelopment to imply that properties were once developed or are surrounded by existing development. Therefore undeveloped or "Greenfield" sites, at the edge of development, may not be acquired under NSP Eligible Use E (Redevelopment). Previously undeveloped in-fill sites are generally eligible. Redevelopment may be in the form of rental units, homeownership units, or a public facility such as a shelter, battered spouse shelter, halfway house, group homes for persons with special needs, and the homeless.

All housing units produced must benefit households at or below 50% of Area Median Income. The maximum NSP funds for the acquisition, rehabilitation, demolition and/or rebuilding of a single family property cannot exceed $200,000. For multi-family properties, development of multiple single family properties, and group homes 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			

Properties requiring environmental mitigation such as lead-based paint remediation, illegal drug residue remediation or demolition may have additional costs associated and such costs are not subject to the cap. The remaining underwriting guidelines as established for HOME program apply.

For homeownership projects, the maximum acquisition for the housing unit must be less than or equal to $160,000.

For rental projects, the maximum rent from all sources is as listed on the HUD website http://www.hud.gov/offices/cpd/affordablehousing/programs/home/limits/rent/2009/wy.pdf and may be adjusted by WCDA when new income limits are made available. These rent limits include an allowance for tenant-paid utilities.

For public facilities, the affordable rent is determined to be at or below Low HOME Rent based on the number of bedrooms or up to 30% of the gross income of each tenant, whichever is less.

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 actual costs including a development fee or the NSP subsidy maximum, 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 property rentals and group homes. For multi-family rental 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 Redevelopment Program. All Redevelopment 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 including acquisition. The

Attachment "G" NSP Program Description

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 apply.

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

The NSP Redevelopment Program will encompass the counties of Campbell, Fremont, Laramie, Natrona, Sweetwater, and Uinta. Additional locations may be added in the future.

(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).

We hope to be able to finance 20 housing units at an average price of $150,000. The estimated income levels of households benefiting are:

≤ 50% AMI	10 units
51% to 80%	10 units
81% to 120%	0 units

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

$5,940,000 - NSP funds
Funds may be reallocated on a first come first serve basis for other eligible NSP activities. Funding for the NSP Redevelopment Program will be released under a specific notice of funding availability which will be made available on the WCDA website and will also be sent out to an established list of interested parties which includes units of local government, non-profits, and developers.

There is a $200,000 NSP limit for a single family property. The NSP funding limit for multi-family rental properties, development of multiple single family properties and public facilities will be subject to the limits listed above. Properties requiring environmental mitigation such as lead-based paint remediation, illegal drug residue remediation or demolition may have additional costs associated and such costs are not subject to the cap.

(8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

Wyoming Community Development Authority
155 North Beech Street
Casper WY 82601
307-265-0603
Gayle Brownlee

Attachment "G" NSP Program Description

(9) Projected Start Date: March 1, 2010

(10) Projected End Date: September 30, 2010 (All NSP monies must be allocated to a specific property by this date. The program will continue through the use of program income.)

(11) Specific Activity Requirements:
For acquisition activities, include:

- discount rate – minimum discount required for all foreclosed and abandoned properties is 1%. All acquisition activities are encouraged to obtain property at a discounted rate.

For financing activities, include:

- range of interest rates

The interest rate will not exceed 6% on the face of the mortgage but could be accelerated to 10% in the case of default or resale.

For housing related activities, include:

- duration or term of assistance;
- tenure of beneficiaries--rental or homeownership;
- a description of how the design of the activity will ensure continued affordability

Duration – 40 year mortgage
Tenure – rental or homeownership
Affordability – A 40 year mortgage and NSP Redevelopment Agreement will be placed on all properties. If an owner sells the property or transfers title to that property during that 40 year period the mortgage will become due and payable 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 NSP Redevelopment Agreement. The funds will be returned to the NSP Program as program income and will be used for NSP eligible activities. The monthly payment of principal and interest becomes program income to the NSP Program and will be recycled for NSP eligible activities. Program income, regardless of the NSP program it originated from must be used to fund the next eligible NSP program draw.