



**Neighborhood Services Department**

**2017 COMMUNITY HOUSING DEVELOPMENT  
ORGANIZATION (CHDO) FUNDING  
(HOME INVESTMENT PARTNERSHIP PROGRAM)**

**NOTICE OF FUNDING AVAILABILITY  
AND APPLICATION**

**For Program Years 2015-2019**

**Application Deadline January 12, 2017**

City of Palmdale  
Neighborhood Services Department  
38250 Sierra Highway, 2<sup>nd</sup> Floor  
Palmdale, CA 93550

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# OVERVIEW

## I. Funds Available

The City of Palmdale will make available an estimated \$350,000 in HOME Partnership funds for fiscal years 2017-2018.

## II. Funding Award Limits

Community Housing Development Organizations (CHDOs) funds are intended to leverage other housing funds to maximize the available resources for housing, particularly in areas of the City where assisted housing choices are limited. Sources of leverage include public and private grants, loans, equity investments and in-kind contributions. The total CHDO award may not exceed 50 percent of the total development or operating budget, up to a maximum of the HUD 221 (d)(3) per unit subsidy limits. The established limits for 2016 are listed in the table below. These limits are subject to change in 2017:

Studio	1 Bedroom	2 Bedrooms	3 Bedrooms	4 Bedrooms
\$140,107	\$160,615	\$195,304	\$256,662	\$277,344

Source: US Department of HUD, effective February 5, 2016.

## III. About The CHDO Funds

The Home Investment Partnerships Program (HOME), a source of housing development funds created under Title 11 of the National Affordable Housing Act of 1990, became available in 1992. The purposes of HOME are to: (1) expand the supply of permanent affordable housing for low and very low-income families and individuals, (2) to promote partnerships between States, local jurisdictions and nonprofit organizations, and (3) to expand nonprofit organizations' capacity to develop and manage affordable housing. To assist in achieving these purposes, no less than 15% of the HOME allocation is reserved for investment in housing to be developed, sponsored, or owned by CHDOs. The City will allocate an estimated \$250,000 of the 2015-19 HOME funds for investment in CHDO housing projects and capacity building.

## IV. Eligible Activities

Eligible projects must (1) increase the supply of rental housing affordable to low-income or special needs households, (2) preserve existing affordable housing that is likely to be lost, or (3) create home ownership opportunities for low-income first-time homebuyers. Preservation projects are defined as either projects that will preserve units that will be lost due to conversion to other uses or projects where health or safety hazards put households at risk of losing their homes. Funding is available for the following housing project types and development activities:

- Transitional housing

- Permanent rental housing
- Down payment assistance for first-time buyers
- Homeownership activities for first-time buyers
- New construction
- Acquisition and rehabilitation
- Site improvements
- Capitalized reserves
- CHDO capacity-building activities

**Home Ownership Activities:** Projects must demonstrate that affordability will be maintained over time, with tracking provided by non-profit organizations (such as community land trusts, limited equity cooperatives, mutual housing organizations) or CHDO in partnership with private lenders. Housing development projects may request for education and counseling for first-time homebuyers.

**CHDO Capacity Building Activities:** Agencies that are certified CHDO's may apply for operating support. The funds must be used for activities that will enhance the capacity of the organization to develop and/or manage housing. CHDOs can use these funds to pay for board and staff training, project development costs, staff costs, legal fees, and consultant services eligible under HOME. Nonprofits seeking to become a CHDO and have provided services in Palmdale within the past year may also apply for funds to build their capacity to become a CHDO.

**Tenant Displacement Strongly Discouraged:** Where possible, applicants are encouraged to propose projects that prevent or minimize displacement, such as acquisition of vacant properties, properties being voluntarily sold by an owner-occupant, rehabilitation projects that require only temporary relocation, or new construction projects. If funds will be used in a project that involves acquisition of a property with residential or commercial tenants, federal Uniform Relocation Act or Section 104(d) requirements must be met.

## V. Eligible Applicants

CHDOs and non-profits that have the capacity to become a CHDO are eligible to apply for these funds.

## VI. Eligible Beneficiaries and Affordability Requirements

**Eligible Household Incomes:** Projects supported by CHDO funds must provide housing that is affordable to income-eligible households, rental housing for households up to 60 percent of the Area Median Income ("AMI") and home ownership projects for households up to 80 percent of AMI are eligible for funding.

Income Guidelines for Projects Supported by CHDO Funds					
Percent of Area Median Income	Household Size				
	1	2	3	4	5
60% AMI	\$36,480	\$41,700	\$46,920	\$52,080	\$56,280
80% AMI	\$48,650	\$55,600	\$62,550	\$69,450	\$75,050

Source: US Department of HUD, effective April 13, 2016.

**Below Market Rate Rents:** In addition to the above income limits, City Staff will review each proposed project to assure that proposed rents are below the market rate for the area, thus providing an affordable housing opportunity not otherwise available in the community.

**Affordability Requirements -- Rental Housing:** Rent, including utilities, may not exceed 30 percent of the maximum monthly income level established for each assisted housing unit. The maximum allowable rents each year will be based on City of Palmdale household income guidelines published annually by the US Department of Housing and Urban Development. In projects where housing will be rehabilitated, rents charged after rehabilitation should not exceed the prior rent levels.

**Affordability Requirements -- Ownership Housing:** Maximum sales prices will be established for housing developed for first-time home buyers, taking into account household incomes, current interest rates, a low or no down payment, and typical lending qualification guidelines. The project must assure that housing will remain affordable to eligible households for the term of the agreement, or that subsidy funds will be recaptured upon resale to allow development of additional affordable housing.

## VII. Project Selection Process

City staff will conduct an initial review of the applications to determine eligibility and completeness. Applicants will be immediately notified if they do not meet the initial review. Applications must meet initial review to be considered for funding. Upon successful completion of the initial review, Staff will evaluate the applications according to the following criteria:

- Magnitude of need and compatibility with priorities identified in the City of Palmdale Consolidated Plan
- Appropriateness of the site, structure, and program design for the proposed residents
- Financial feasibility of the project
- Feasibility of project design and scope of work
- Capability and experience of the sponsor
- Capability and experience of the development team

Staff recommendations for funding will be made to the City Council in a Public Hearing in May 2017. City Council funding decisions will be final. All applicants will be notified of the Council's funding decision.

**Disclaimer:** City of Palmdale reserves the right to not award all available funds if submitted proposals do not meet the criteria for evaluation and funding. Funds not allocated during this process may be awarded during a subsequent application cycle for new proposals. Federal deadlines for fund commitment may require reallocation of housing development funds if implementation of the project is significantly delayed.

## **VIII. Application Submission and Deadline**

Applications are due to the City of Palmdale no later than **2:00 P.M., Thursday, January 12, 2017.**

A completed application must be submitted to:

City of Palmdale  
Neighborhood Services Department  
38250 Sierra Highway, 2<sup>nd</sup> Floor  
Palmdale, CA 93550  
Attn: Sarah Scott, Housing Coordinator

## **IX. Who to Contact With Questions**

For any questions regarding the CHDO funds, please contact:

Sarah Scott, Housing Coordinator  
City of Palmdale, Neighborhood Services Department  
Phone: (661) 267-5126  
E-mail: [sscott@cityofpalmdale.org](mailto:sscott@cityofpalmdale.org)

## APPLICATION INSTRUCTIONS

1. Please read the Overview section carefully.
2. **All Applicants** must complete Parts One and Two of the Application.
3. Complete ONLY Parts Three through Seven of the Application **if you are also applying for CHDO funds to do any of the following activities:**
  - Acquisition
  - New Construction
  - Rehabilitation
  - Preservation
  - First Time Homebuyer Assistance
  - Multi-family
  - Single-family
  - Transitional Housing
4. Complete ONLY Part Eight **if you are also applying for CHDO funds for operating support OR capacity building to become a CHDO.**
5. Submit one copy of the completed application to:

City of Palmdale  
Neighborhood Services Department  
38250 Sierra Highway, 2<sup>nd</sup> Floor  
Palmdale, CA 93550  
Attn: Sarah Scott, Housing Coordinator
6. **Applications must be delivered by 2:00 P.M. on January 12, 2017. Post marked and e-mailed applications will not be accepted.**

### APPLICATION CHECKLIST

- Read the entire Request for Proposal and Application
- Complete the relevant portions of the Application (including required signatures and contact information)
- Make a copy of the Application for my records
- Mail or deliver the Application to the City of Palmdale by 2:00 PM on January 12, 2017



# CITY OF PALMDALE

*Community Housing Development Organization (CHDO)*

## Project Application ~ Program Year 2017-2018

### PART ONE

Organization Name: \_\_\_\_\_

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

DUNS Number: \_\_\_\_\_

Federal Tax I.D. Number: \_\_\_\_\_

**Organization Type (check one):**

- Nonprofit Community Based Organization
- Regional Nonprofit Housing Assistance Organization
- Statewide Nonprofit Housing Assistance Organization
- Regional Support Network
- Qualified Tenant Organization
- Community Housing Development Organization (CHDO)
- Community Based Development Organization (CBDO)

**Executive Director Name:** \_\_\_\_\_

Phone: \_\_\_\_\_ Fax Number: \_\_\_\_\_ E-mail: \_\_\_\_\_

**Project Contact Name:** \_\_\_\_\_

Organization: \_\_\_\_\_

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

Phone: \_\_\_\_\_ Fax Number: \_\_\_\_\_ E-mail: \_\_\_\_\_

**Application Contact Name (if different than Project Contact above):** \_\_\_\_\_

Organization: \_\_\_\_\_

Address \_\_\_\_\_

Phone: \_\_\_\_\_ Fax Number: \_\_\_\_\_ E-mail: \_\_\_\_\_

## PART TWO: Eligible Activity

### PART TWO: Eligible Activity

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

Project Address  
or Location: \_\_\_\_\_

Project Tax Parcel #s (if known): \_\_\_\_\_

**For Acquisition and/or Rehabilitation Housing Stock Only (check one):**

- Existing Privately Owned
- Existing Publicly Owned
- Other (please specify)

**Project Activities (check all that apply):**

- |                                 |                                    |
|---------------------------------|------------------------------------|
| Acquisition                     | Multi-family                       |
| Rehabilitation                  | Single Family                      |
| New Construction                | Transitional Shelter               |
| Preservation                    | CHDO Operations                    |
| First Time Homebuyer Assistance | Capacity Building to Become a CHDO |

## PART THREE: Target Populations

**Populations (check all that apply):**

- Families
- Individuals
- Special Needs

Length of Commitment to Target Population: \_\_\_\_\_ (Must be at least 40 years)

**Number of Units/Beds per Special Needs Populations:**

Units	Beds	Population
		Mentally Ill
		Developmentally Disabled
		Domestic Violence
		Elderly
		Homeless
		HIV/AIDS
		Alcohol/Substance Abuse
		Farmworker
		Youth Under Age 21
		Other

**PART FOUR: Proposed Number of Units Per Size and Income Level**

% Median Income	Studio	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	Five Bedroom	Beds	Totals
%								0
%								0
%								0
%								0
%								0

**PART FIVE: Permanent Capital Funding Sources and Total Development Cost**

**Residential**

Source	Proposed Funding	Committed/Conditional Funding	Total Funding
City of Palmdale CHDO Funds			\$0.00
			\$0.00
			\$0.00
			\$0.00
			\$0.00
<b>Residential Development Cost</b>	\$0.00	\$0.00	\$0.00

**Non-Residential**

Source	Proposed Funding	Committed/Conditional Funding	Total Funding
			\$0.00
			\$0.00
			\$0.00
			\$0.00
<b>City</b>			\$0.00
<b>Non-Residential Development Cost</b>	\$0.00	\$0.00	\$0.00

**Total Development Cost**

	Proposed Funding	Committed/Conditional Funding	Total Funding
<b>TOTAL DEVELOPMENT COST</b>	\$0.00	\$0.00	\$0.00

**Signature of Authorized Official**

Signature: \_\_\_\_\_ Title: \_\_\_\_\_  
 Name: \_\_\_\_\_ Date: \_\_\_\_\_

## **PART SIX: Project Description**

(Limit Response to Two Pages)

- Provide a complete but succinct description of the project and the population to be served. Include the following:
  - Describe the property to be acquired, constructed and/or rehabilitated. Include a physical description of the planned project that includes the size, number of stories, type of construction, layout of the buildings, and any other unique features of this particular project and target population.
  - If existing buildings, give the date of construction.
  - If your organization already owns the project, when did your organization purchase it and what was the purchase price?
  - If the CHDO be owner, developer or sponsor of the project?
- Provide a detailed description of any planned construction, rehabilitation or other site improvements, including project design elements. If a rehabilitation project, explain why rehabilitation is preferred over new construction and environmental or abatement issues for this project and population.
- Provide a description of the type of household to be served, including information such as the number of tenants, the size and description of the households, and known special characteristics of tenants (i.e., age, disabilities, special needs, etc.). Also include a description of the living arrangement (i.e., individual apartments, shared housing with onsite management, etc.).
- Describe any design features or material specifications that accomplish the following:
  - Promote the health and safety of the residents.
  - Make the project more durable/sustainable over its lifetime.
  - Minimize the use of resources in either construction or operation of the building.
  - Increase affordability for residents who will pay at least a portion of their utility bill
- Explain why the chosen design features are responsive to the housing needs of the target population.
- Describe the location of the project and its surrounding neighborhood. Include a discussion of transportation options, nearby services, etc.
- Homeownership Projects:
  1. Describe the homeownership units, such as single-family units, duplex, townhouse, etc. and ownership model.
  2. Describe the down payment assistance model proposed including term, rate, deferral period, and contingent interest shared equity formula or right of first refusal.
  3. Describe the proposed repayment plan.

## **PART SEVEN: Site and Project Readiness**

(Limit Response to Two Pages)

- Provide a description of the proposed or actual site and discuss any issues of site control, zoning, special permits, environmental hazards and how they can be resolved in a timely manner. Be sure to describe:
  - Current status of architectural plans and design, and project financing and how they contribute to the timeliness of the proposed schedule. Please include the proposed schedule.
  - Zoning for the site and if the proposed project is consistent with existing zoning requirements and the permit process. If the project is not consistent with zoning, indicate steps taken to resolve the issue(s).
  - Issues or hazards, man-made or natural, associated with the site that will affect its development and/or use for housing. Include a discussion of any recommendations for mitigation of existing conditions noted in the Phase I Environmental Assessment. For rehabs, discuss any recommendations for abatement of asbestos, lead paint, or mold noted in the Hazardous Material Survey.

In the case of scattered site rentals, if a site has not been identified, describe the characteristics of the location being sought and document the availability of applicable sites and the timeline for obtaining site control.



## **PART NINE: Required Attachments**

The following attachments must be submitted with the application:

1. Articles of Incorporation
2. Bylaws
3. Most recent filed Federal Tax Return
4. Most recently completed financial audit (with statements)
5. List of at least three (3) references for projects of a similar nature completed within the last five (5) years.
6. A detailed project pro forma that includes the development budget with sources and uses of funds, permanent financing budget, operating budget, and a minimum 20-year cash flow projection.
7. A detailed implementation schedule from acquisition to occupancy, including significant milestones and dates.
8. If relocation will be required for this project, attach a relocation plan that is consistent with the requirements of the Uniform Relocation Act, including a budget for expenses related to relocation.
9. Resumes and references for each member of the proposed development team, inclusive of developer, architect, consultants, and project manager, as applicable.
10. For rental projects, include an asset management plan, including the names of those responsible for asset management, property management, and service provision (special needs projects).

## **PART TEN: Optional Attachments**

The following attachments must be submitted with the application if they are available:

1. Market studies for this project (if already conducted)
2. Architectural renderings / elevations
3. Other information as determined by applicant.