



**Neighborhood Services Department**

**2017 HOME INVESTMENT PARTNERSHIPS PROGRAM**

**NOTICE OF FUNDING AVAILABILITY  
AND APPLICATION**

**Application Deadline January 12, 2017**

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

# TABLE OF CONTENTS

	<i>Page</i>
<b>Overview</b>	
Funds Available . . . . .	2
Funding Limits . . . . .	2
Eligible Activities . . . . .	2
Eligible Applicants . . . . .	3
Eligible Beneficiaries & Affordability Requirements . . . . .	3
Project Selection Process . . . . .	4
Applicant Submission and Deadline . . . . .	5
Who to Contact With Questions . . . . .	5
<b>Application Instructions</b> . . . . .	6
<b>Application Checklist</b> . . . . .	6
<b>Application Form</b> . . . . .	A - G

# OVERVIEW

## I. Funds Available

The City of Palmdale receives HOME Investment Partnerships (HOME) funds each year from the U.S. Department of Housing and Urban Development (HUD). The HOME program (CFDA No. 14.239) was authorized by Title II of the Cranston-Gonzalez National Affordable Housing Act of 1990, and first 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. The City will make available an estimated \$350,000 of HOME funds for the development of affordable housing opportunities during fiscal year 2017-2018.

## II. Funding Limits

HOME funds are intended to leverage other affordable housing funds to maximize the resources available for the development of affordable housing opportunities, particularly in areas of the City where housing choices are limited. Other sources typically leveraged with HOME include public and private grants, loans, equity investments, Federal/State Tax Credits and in-kind contributions.

The total HOME award may not exceed the HUD 221(d)(3) maximum per unit subsidy limits applicable at the time of HOME commitment for the number of units that will be designated as "HOME units." The current limits listed in the table below 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: U.S. Department of HUD, effective February 5, 2016.

For homeownership housing, the maximum purchase price / after rehabilitation value may not exceed the following HUD 203(b) limits:

	1 Unit	2 Unit	3 Unit	4 Unit
Existing	\$394,000	\$505,000	\$611,000	\$757,000
New	\$394,000	\$505,000	\$611,000	\$757,000

Source: U.S. Department of HUD, effective April, 2016.

## III. 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:

- Site Acquisition
- Development of Rental or Ownership Housing
- Rehabilitation of Existing Rental or Ownership Housing
- Development of Transitional Rental Housing
- Tenant Based Rental Assistance (TBRA)

**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.

#### IV. Eligible Applicants

For-profit and non-profit applicants with a successful track record of developing affordable housing opportunities are eligible to apply for HOME funds for a specific project in the City of Palmdale. Applicants must be registered in the Central Contractor Registry (CCR) found at <https://www.bpn.gov/ccr/default.aspx>, have a valid DUNS number (<http://fedgov.dnb.com/webform>), and may not be debarred by the U.S. Government ([www.sam.gov](http://www.sam.gov)). Applicants will be required to demonstrate financial capacity and development experience commensurate with the project for which HOME funds are to be provided. Submission of recent audited financial statements, tax returns, a development portfolio and references is required.

#### V. Eligible Beneficiaries and Affordability Requirements

**Eligible Household Incomes:** HOME units must be occupied by low- and very-low income households.

HOME Income Limits					
Percent of Area Median Income	Household Size				
	1	2	3	4	5
50% AMI	\$30,400	\$34,750	\$39,100	\$43,400	\$46,900
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: U.S. 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 conform to the high or low HOME

rents and are below the market rate for the area, thus providing an affordable housing opportunity not otherwise available in the community.

**Affordability Requirements -- Rental Housing:** 90% of the HOME units must be rented to households with incomes at or below 60% of AMI (Program Rule). Further, 20% of the HOME units must be rented to households with incomes at or below 50% of AMI (Project Rule).

The maximum rents that may be charged for very-low income units (50% of AMI), including a reasonable utility allowance for utilities and services (excluding telephone) to be paid by very-low income households must be the lesser of the low HOME rents or the high HOME rents.

The maximum rents that may be charged for low-income units (up to 80% of AMI) including a reasonable utility allowance for utilities and services (excluding telephone) to be paid by low-income households must be the lesser of the high HOME rents or the Fair Market Rents.

If the unit receives Federal or State project-based rental subsidy and the Very Low Income family pays as contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

The maximum allowable rents each year will be based on the low and high HOME rents published annually by HUD. 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 downpayment, 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.

## **VI. 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 requirements upon initial review. Applications must meet initial review requirements 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:** The 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.

## **VII. 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

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

For any questions regarding the Entitlement 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. Complete all sections of the application form and attach Project Description (Part 6) and Site and Project Readiness (Part 7) narratives.
3. Attach the “Required Attachments” listed in Part 8 and the “Optional Attachments” (if any) listed in Part 9.
4. 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
5. 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 all sections 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

## HOME Investment Partnerships Program

### Project Application ~ Program Year 2017-2018

#### **PART ONE: Organization Information and Contacts**

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

Legal Name of Applicant: \_\_\_\_\_

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

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

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

#### **Organization Type (check one):**

- Individual
- For-profit corporation or limited partnership
- Non-profit 501(c)(3)
- Community Housing Development Organization (CHDO)
- Community Based Development Organization (CBDO)

#### **Executive Contact Information:**

Name of CEO/President: \_\_\_\_\_

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

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-Mail: \_\_\_\_\_

#### **Project Contact Information:**

Name of Project Manager: \_\_\_\_\_

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

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-Mail: \_\_\_\_\_

#### **Person to Contact Regarding this Application:**

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

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

Phone: \_\_\_\_\_ Fax: \_\_\_\_\_

E-Mail: \_\_\_\_\_

**Federal Grant Experience within the past 5 years:**

Program	Project Name	Purpose of Federal Funds	Date Obtained	Funding Amount

**Fiscal Year and Audit Reports:**

Beginning / Ending Dates of Fiscal Year:

Date of most recently completed financial audit:

Fiscal Year for most recent financial audit:

**PART TWO: Eligible Activity**

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

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

Assessor's Parcel Number(s): \_\_\_\_\_

**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
- Rehabilitation
- New Construction
- Tenant Based Rental
- Assistance (TBRA)
- Multi-family
- Single Family
- Transitional Shelter

## PART THREE: Target Populations

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

- Families
- Individuals
- Special Needs
- Seniors

Length of Commitment to Target Population: \_\_\_\_\_ (Must be at least 45 years)

**Number of Units for Special Needs Populations:**

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

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

% Median Income	Studio	One Bedroom	Two Bedroom	Three Bedroom	Four Bedroom	Five Bedroom	Totals
%							
%							
%							
%							
%							
<b>Total:</b>							

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

**Residential**

Source	Proposed Funding	Committed / Conditional Funding	Total Funding
Palmdale HOME			
<b>Total Residential Development Cost</b>			

**Non-Residential**

Source	Proposed Funding	Committed/ Conditional Funding	Total Funding
<b>Total Non-Residential Development Cost</b>			

**Total Development Cost**

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

**Signature of Authorized Official**

*The undersigned applicant hereby certifies that the information contained herein and in the attached documents is true and correct. The applicant understands that applicant must comply with all Federal, State and local policies and requirements applicable to the HOME program. The applicant further certifies that no more government assistance has been requested than is necessary to provide affordable housing. The applicant understands that if HOME funds are approved for this project, the applicant shall manage, maintain, and operate the project during the period of affordability unless given specific approval from the City to do otherwise. The applicant hereby certifies that if HOME funds are approved for this project in the requested amount, applicant shall obtain sufficient funds to complete the project as proposed within four (4) years of the date of commitment of City of Palmdale HOME funds.*

Signature: \_\_\_\_\_ Title: \_\_\_\_\_

Name: \_\_\_\_\_ Date: \_\_\_\_\_

## **PART SIX: Project Description**

(Attach Response; Limit Response to Five 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?
- 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.

- Tenant Based Rental Assistance:

Describe the rental assistance model proposed including:

- Statement of need
- Project scope
- 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.)
- Participant Outreach
- Participant selection process
- Retention Assistance
- Program Outcomes

## **PART SEVEN: Site and Project Readiness** (Attach Response; Limit Response to Five 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 EIGHT: 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).
11. For Tenant Based Rental Assistance (TBRA) include program budget.

## **PART NINE: 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.