

HOME/AAHTF APPLICATION INSTRUCTIONS (FY20/21)

Pre-Applications must be received by Housing and Neighborhood Services Division (HNS), no later than 3:00 P.M. (Pacific Standard Time) on Monday, October 05, 2020. Applications must be received by Housing and Neighborhood Services Division (HNS), no later than **5:00 P.M. (Pacific Standard Time) on Friday November 06, 2020.** Applications may only be submitted through the ZoomGrants link on the Land Development and Community Services Department website:

http://www.cityofnorthlasvegas.com/departments/ldcs/home_investment_partnerships.php

A. GENERAL INFORMATION

Purpose and General Applicable Provisions

The City of North Las Vegas (CITY) is accepting applications for HOME/AAHTF funding cycle. The funds are granted to the City which then provides grants to successful nonprofit or for profit respondents to expand the supply of decent, affordable housing for low and very low-income families. The City will fund those housing programs that meet local needs and priorities. For this application cycle, applications for the following rental activities will be accepted:

- **New construction of multifamily housing for rental**

The term Multifamily Project means “a project which consists of not less than 5 (five) dwelling units on one site, each such unit providing complete living facilities including provisions for cooking, eating, and sanitation within the unit”.

**SRO units as defined under 24 CFR part 92 for new construction and for acquisition and rehabilitation are considered “dwelling units” for purposes of this application.

Please note that while you are applying for HOME/AAHTF funding through this application, your project, if selected, may be offered funding through the Neighborhood Stabilization Program 1 and/or 3 if located in one of the target areas.

NOTE: If your agency has unresolved audit findings or has been issued a letter of concern then the agency may not be eligible to apply for HOME/AAHTF funds this year.

Rental Housing Development (projects of 5 or more units)

Rental Housing Development includes the acquisition and rehabilitation, rehabilitation, or new construction of affordable rental housing units.

- Eligible projects must be multifamily housing (see definition above) to qualify for consideration. No scattered site rental housing will be considered.

- Rehabilitation only projects must meet a minimum threshold of an average of **\$10,000 per unit** in necessary repairs, as determined by a qualified construction cost estimator and the project must be a minimum of **10** years old. In addition, for projects of 26 units or more, an independent third party capital needs assessment has to be performed to determine the long-term physical needs of the project.
- Properties previously financed with HOME or AAHTF cannot receive additional HOME/A funds during the affordability period unless the assistance is given in the first year after project completion.
- Owners are required to make the units available to low, very low, and extremely low-income families and must meet long-term rent restrictions.
- A standard underwriting review will be performed on applications under this activity to determine appropriate levels subsidy and developer compensation.
- A market analysis is required to demonstrate market conditions and housing need.
- Developer capacity and fiscal soundness will be reviewed
- Owners of rental units assisted with HOME funds must comply with initial and long-term income restrictions and must keep the units affordable for a minimum period required by HUD.
- Housing assisted with HOME funds must meet all applicable local codes and standards.
- Terms of the funds provided under this activity may vary from project to project based on City staff recommendations.
- All multifamily units created through this program must comply with Section 504. Rehabilitation of units should meet Building Performance Institute (BPI) standards, the Fair Housing Act, as well as any State or local codes. All new construction housing must meet the current edition of the Model Energy Code (MEC), the Fair Housing Act, as well as any State or local codes. An energy audit may also be required upon completion of construction.

CHDO Set-Aside

A Community Housing Development Organization (CHDO) is a private, nonprofit, community-based service organization that has the capacity to develop affordable housing for the community it serves. CHDOs qualify for consideration in the set-aside if the CHDO is the owner, developer or sponsor of the housing development activity. Eligible CHDO set-aside activities are Homeownership Development (not available for this application cycle) and Rental Housing Development. These organizations can apply for rental housing acquisition, rehabilitation, and new

construction and homeownership development if their organization is the owner, developer or sponsor of the housing development.

HOME staff will not recommend an award for CHDO set-aside funding unless the CHDO certification is approved. The CHDO Certification Application must be submitted at the same time that the funding application is submitted. The set-aside for CHDO applicants is 15 percent of the total HUD allocation received by the City for the HOME Program.

CHDO Roles

CHDO Owner: the CHDO owns the rental property in fee simple during the affordability period, but does not directly undertake the development of the property. The CHDO can purchase standard rental housing that it will own and operate. Or, in projects involving rehabilitation or new construction, the CHDO purchases the land or project, and contracts with a developer to carry out those development activities. The CHDO must maintain control of the development process. If it lacks in-house capacity, it may hire or contract with an experienced project manager to oversee the project on its behalf.

CHDO Developer: the CHDO must own and directly develop the property. For rental projects, the CHDO is required to own the housing, act as the developer in sole charge of the development process, and then continue to own the project in fee simple absolute and maintain effective project control during the period of affordability.

CHDO Sponsor: a CHDO owns and develops a rental project on behalf of another nonprofit organization and then transfers ownership of the project to that nonprofit at a pre-determined point in the development process. The CHDO must obtain title to the project before development begins. It must also identify the nonprofit that will eventually own the property before it enters into a written agreement for HOME funds with the participating jurisdiction. The nonprofit to which ownership is transferred cannot be an entity created by a governmental entity. If transfer does not occur for any reason, the CHDO retains responsibility for both the HOME funding and the HOME project.

Additional sponsorship model for rental project partnerships: projects that will be owned by a wholly owned subsidiary of the CHDO or a partnership of which the CHDO or its wholly owned subsidiary is the sole managing member or sole general partner. The CHDO, or its wholly owned subsidiary, must be the sole general partner of a limited partnership or the sole managing member of a limited liability company. When a CHDO set-aside project is owned by a Limited Partnership or Limited Liability Company under this sponsorship model, the partnership agreement does not permit the CHDO or its subsidiary to be removed as sole general partner or sole managing member except for cause – such as mismanagement of the project. If the partnership agreement permits

removal of the CHDO or its subsidiary for cause, it must also stipulate that the new sole general partner or managing member can only be another CHDO.

CHDO Certification

Certification will be awarded as defined in the rules and procedures set forth in the HOME Investment Partnerships Program rules. If all requirements under this section are met, the City certifies the applicant as a CHDO upon the award of HOME funds. A new application for CHDO certification must be submitted to the City with each new application for HOME funds under the CHDO set aside. If an applicant submits an application for CHDO certification for a project or service area that is located entirely in the cities of Las Vegas, North Las Vegas and/or Henderson, the applicant must submit evidence of that jurisdictions support of the applicant as a CHDO.

An application for CHDO certification will only be accepted if submitted with an application to the City for HOME funds.

DUNS and SAM Requirements

Agencies awarded \$25,000 or more in funds must register with the federal System for Award Management (SAM), formerly the federal Central Contractor Registration (CCR), before funds can be committed. Agencies previously registered in CCR will have to re-register on SAM. First time registries in SAM will require a DUNS number, which refers to the Data Universal Numbering System, a 9-digit number established and assigned by Dun and Bradstreet, Inc. (D&B) to uniquely identify business entities. A DUNS number may be obtained from D&B by telephone or Internet (currently at <http://www.dunandbradstreet.com>).

Registration with SAM must be maintained and kept current at all times when the agency has an active federal award – including federal funds such as the HOME Program. The purpose of SAM registration requirement is to fully implement the Federal Funding Accountability and Transparency Act of 2006 (Pub. L. 109-282, hereafter referred to as “the Transparency Act”). That Act requires that a Web site be maintained where the public may access and search data on federal financial assistance awards. More information about this requirement is available in the June 6, 2008 Federal Register, pages 32417 – 32421 (the proposed guidance can be downloaded from <http://edocket.access.gpo.gov/2008/pdf/E8-12558.pdf>).

No entity may receive funds in the amount of \$25,000 or more unless the entity is registered in SAM, which also requires that the Subrecipient agency have a Data Universal Number System (DUNS) number. Unless your agency is exempted from this requirement under 2 CFR 33.105(b)(2), your agency must maintain the currency of your information in SAM until you submit the final financial report required under this award.

Application Evaluation Review Process

Each application received by the City will be first reviewed by staff to determine whether minimum application submission requirements have been satisfied. Only complete applications will be forwarded to the HOME Application Review Team (HART) for their review. HART will review each application and if necessary, will receive oral presentations from each applicant, may visit each proposed project location and will query City staff to address various technical and programmatic questions. After this review process, HART will rank and prioritize the applications.

The intent of this application is for HART to determine if applicants have the capacity to develop or run the activity proposed, meets the program criteria, in addition to determining if the project is financially feasible, if there is a community need and if there is adequate leverage of other financial resources. HART approval for the proposed activity is only the first step in determining that the applicant qualifies to receive funding. HART approval does not imply that the applicant has met all the programmatic requirements. The proposed activity will be implemented per the regulations of the HOME Program at 24 CFR Part 92 and per the AAHTF Administrative Guidelines. All proposed activities will be undertaken per City of North Las Vegas Real Property and Housing Services Division HOME/AAHTF Program Guidelines.

As indicated in the HOME Program description, the HART does not use a specific rating formula, nor does it rely on specific rating criteria. HART follows a more holistic approach to project evaluation, which encompasses a range of data and project information. In general, the HART considers such factors as:

- *financial feasibility (from both a developmental and operational viewpoint)*
- *leverage of resources*
- *applicant capability and track record*
- *community need*
- *extent of lower-income targeting*
- *length of affordability period*
- *consistency with the Consortium's HUD Consolidated Plan 2018-2020*

HART may recommend a different amount of HOME funds to award than that requested by the applicant. Be prepared to justify the amount of funds that you are requesting and also to explain how reduced funding will impact your project. The HART recommendations are only advisory and the City of North Las Vegas City Council will make the final award.

Eligible Applicants

For the purpose of responding to this application, eligible applicants include 501(c)(3) or 501(c)(4) Non-Profit Corporations, Joint Venture Partnerships between one or more for-profit entities and one or more non-profit corporations and governmental entities.

Any entity that is eligible to apply for tax exempt bond financing, including for-profit firms, may apply for HOME funds through this solicitation process when the HOME

funds will be part of a proposal to develop affordable rental housing in the City of North Las Vegas using Private Activity Bond Cap issued by the State of Nevada Housing Division. Application for North Las Vegas Private Activity Bond Cap must be made with the CNLV Economic Development department.

All proposed projects must be located within the geographic boundaries of the City of North Las Vegas. Projects that will be located in areas outside of the City of North Las Vegas must demonstrate support from that local jurisdiction. Additionally, projects proposed for the Cities of Las Vegas, Henderson and Clark County must demonstrate that a significant portion of the project's HOME funding will be provided by the local jurisdiction, to the degree that the jurisdiction has such funds available.

Deadline for Submittal

Applications must be received by Housing and Neighborhood Services Division (HNS), no later than **5:00 P.M. (Pacific Standard Time) on Friday November 06, 2020**. Applications may only be submitted through the ZoomGrants link on the City of North Las Vegas Land Development and Community Services Department website (see below).

http://www.cityofnorthlasvegas.com/departments/ldcs/home_investment_partnerships.php

If the City determines that a recipient of the HOME monies has made a material misstatement relating to the recipient's application for, or administration of a grant, the City will, at its discretion, require the recipient to repay the received funds to the City.

B. PRE-APPLICATION, APPLICATION, and DOCUMENTS SUBMISSION

Applications are accepted through the ZoomGrants process at our website:

http://www.cityofnorthlasvegas.com/departments/ldcs/home_investment_partnerships.php

No hard copies will be accepted and all attachments must be submitted through Zoom Grants.

The Application on ZoomGrants is divided into 5 tabs:

SUMMARY

This section includes information such as, *Organization name, address, city, state, zip, country, telephone, fax, website, EIN, CEO/Exec. Director (and contact info), program contact (and contact info), proposal title, and dollar amount requested.*

PRE-APPLICATION

Applicants will be required to complete the Pre-Application Questions and gain

approval from Clark City before being allowed to continue with their proposal.

APPLICATION QUESTIONS

This section has to be completed in its entirety.

BUDGET

Complete this section as a general sources and uses budget to give the committee a simplified version of the overall budget of the proposed project.

DOCUMENTS

DOCUMENTS Section of the HOME/AAHTF Application is where you will upload the documents required or requested for the application.

Save the templates on your computer for upload to ZoomGrants once completed.

All documents required for your project must be completed and returned with the Application; if one is missing or incomplete, your Application could be disqualified.

Please call Housing & Neighborhood Services staff with your questions at (702) (633-2610) or e-mail questions to DamianR@cityofnorthlasvegas.com

C. APPLICATION INSTRUCTIONS SPECIFICS

PRE-APPLICATION

All applicants are required to complete the pre-application questions. Applicants will have to meet all the pre-application requirements before being allowed to continue with the main application.

APPLICATION QUESTIONS

- **PUBLIC FUNDING:** Questions 1, 2 & 3 require you to indicate if you are receiving HOME/AAHTF funds from another jurisdiction and/or LIHTC or BOND financing and/or other public funds. If you already have applied for any of these funds copies of applications to these funds need to be uploaded as part of **ATTACHMENT 1**. If you are planning to apply and have not submitted applications yet, please complete the template as part of **ATTACHMENT 1**.
- **MARKETING STRATEGY:** Projects funded through the HOME Program must follow HOME Affirmative Marketing Procedures. Complete and submit the Affirmative Fair Housing Marketing Plan **ATTACHMENT 9** and Affirmative Marketing Certification form. **ATTACHMENT 10**. In the space provided, describe your marketing strategy for the proposed project with particular attention to your plans for Affirmative Marketing. Describe your strategy for reaching those eligible households least likely to apply. Describe your specific plan for insuring that the assisted units are occupied with renters at 50% or less of median income.
- **BOARD MEMBER DATA:** Please disclose all relations and information as required

from question 5 through 9.

- **PARTNERSHIP INFORMATION:** To qualify as a nonprofit sponsor, the applicants must materially participate in the development and operation of the project throughout the compliance period. As a proxy for understanding how this is to be interpreted refer to IRC 469 (h), “a (nonprofit) shall be treated as materially participating in an activity only if the (nonprofit) is involved in the operations of the activity on a basis which is regular, continuous, and substantial.” The nonprofit must not be affiliated with or controlled by a for-profit corporation.
- **PROJECT NARRATIVE:** Provide a concise description of the project or program applied for in *this* application. A). For New Construction Projects - Describe the type of units (multifamily, SRO, mixed use), and the types of individuals that will be served by the project (all low income vs mixed income). Are there plans to provide units exclusively for the use of Special Needs Populations (elderly, frail elderly homeless, persons with disabilities, persons with HIV or AIDS)? If so, how many? Describe how the project meets a local community need (including needs identified in the Consolidated Plan), and note any special project features/amenities distinguishing it from other similar type projects. B). For a Homebuyer Assistance Program (HAP) Projects – Provide a detailed narrative on the HAP that will be administered. Describe the number of projected/anticipated clients that will be served over a 2 years period. C). For Rehabilitation Programs - Provide a detailed narrative on the Rehabilitation Program that will be administered. Describe the number of projected/anticipated clients that will be served over a 2 years period.
- **OWNERSHIP STRUCTURE:** describe the ownership structure and provide %'s of the ownership entities and their relationship.
- **NEIGHBORHOOD AND MARKET FEASIBILITY:** For New Construction Only - All Applicants are required to submit an independent third party Market Study prepared by a qualified Analyst. **ATTACHMENT 23**. Discuss the suitability of the site for the proposed development. Focus on Project area/neighborhood, housing demand in the area, existing rental stock, how comparable are you to the competition, vacancy rates, compare amenities etc.
- **COMMUNITY SUPPORT:** For New Construction Only - Describe community support and involvement in the development and implementation of the proposed project. Include (up to 5) letters of support for this specific project and provide evidence of any community or neighborhood meetings convened to discuss the project (if applicable). **ATTACHMENT 13**.
- **LOCAL GOVERNMENT SUPPORT:** For New Construction Only - If the project will be located/operated in a political jurisdiction other than unincorporated Clark City describe any support for the project that you have received from the local political jurisdiction. Include the following: 1) a resolution from the local political jurisdiction supporting the project or indicate how and when you will solicit the required support; 2) Projects proposed for the Cities of Las Vegas, North Las Vegas or Henderson must demonstrate a substantial commitment of HOME/AAHTF funds has been/will be provided by the local jurisdiction. See

<https://www.hudexchange.info/resources/documents/HOMEfires-Vol8-No1-Using-HOME-Funds-Outside-of-PJs-Boundaries.pdf> for information on use of HOME funds in incorporated cities. **ATTACHMENT 11.**

- **ACCESSIBILITY:** For New Construction Only - The Section 504 regulations define an Accessible dwelling unit as a unit that is fully accessible and all required features are present at first occupancy. A unit that is on an accessible route and is adaptable and otherwise in compliance with the standards set forth in 24 CFR 8.32 is accessible. In addition, the Section 504 regulations impose specific accessibility requirements for new construction and alteration of housing in HUD assisted programs. Complete the checklist and certification **ATTACHMENT 21.**
- **FAIR HOUSING:** Explain how the project affirmatively promotes fair housing and complies with fair housing laws and regulations, particularly as related to the following 1) describe how the project/program promotes greater housing choice; 2) is the project located in an area of high minority concentration? 3) is the development in an area containing a high proportion of low income persons?
- **SUPPORT SERVICES:** For New Construction Only - Describe plans for providing support to the residents of the project before and/or after the project is completed (or, as appropriate, before/after financial assistance is provided). Are support services included in the project budget? If support services will be provided by other entities, provide MOA, MOU, or other formal agreement. **ATTACHMENT 12.**
 - **CHDO INFORMATION:** A Community Housing Development Organization (CHDO) is a private, nonprofit, community-based service organization that has the capacity to develop affordable housing for the community it serves. CHDOs qualify for consideration in the set-aside if the CHDO is the owner, developer or sponsor of the housing development activity. Eligible CHDO set-aside activities for this cycle are Rental Housing Development. These organizations can apply for rental housing acquisition, rehabilitation, and new construction if their organization is the owner, developer or sponsor of the housing development. **ATTACHMENT 5.** For additional information on CHDO eligibility visit the HUD web page at: <https://www.hudexchange.info/home/topics/chdo>

BUDGET

- **Section 1:** In this section please list all your “Sources” of funding for the proposed development/Project. If you don’t find an appropriate category in the sources listed please enter the dollar amount in the “Other” category.
- **Section 2:** In this section please included all the “Uses” for the funds listed in Section 1 of the Budget. Please do not modify the Item description except for the last 10lines that say "Other".

For New Construction;

- Acquisition costs or Land (include site, existing blds, closing costs and legal etc.)
- Off Sites (include all off site development costs)
- Site Work
- Direct Construction Costs (Residential Construction, appliances, flooring etc.)
- Other construction Costs (include general requirements, contractor overhead, contractor profit, Insurance, Bond, hard contingency costs etc.)
- Architectural/Engineering (include Environmental, Soils, Survey, Impact etc.)
- Developer Fees
- Loans (Financing Fees) (include insurance, appraisal, marketing, audit).
- Other Financing Costs (include tax credit fees, bond fees and legal fees
- Reserves

For Homebuyer Assistance Program (HAP) or Rehabilitation Programs;

- Operational costs and fees associated with administering a HAP or Rehabilitation Program

For Single-Family Owner-Occupied Rehabilitation Programs (SFOOR);

- Operational costs and fees associated with administering a SFOOR program

DOCUMENTS

The DOCUMENTS Section of the HOME/AAHTF Application is also where you will upload the documents required or requested for the application.

The DOCUMENTS list includes:

1. Tax Credit/Bond Application or HOME application from other jurisdiction
2. A copy of your State of Nevada Certificate of Existence with Status in Good Standing
3. IRS document proof of non-profit status
4. A copy of your organization's most recent Single Audit report. If no audit, complete the attached template
5. CHDO Packet, if applicable (download template)
6. A copy of the Partnership or Joint Venture Agreement
7. Ownership Chart
8. Site Photo and Map
9. Affirmative Fair Housing Marketing Plan
10. Affirmative Marketing Certification
11. Local Government Support/HOME or AAHTF Commitment (see <https://www.hudexchange.info/resources/documents/HOMEfires-Vol8-No1-Using-HOME-Funds-Outside-of-PJs-Boundaries.pdf> for more information)
12. Supportive Services Agreement(s)
13. Community Involvement (see above for instructions)
14. Project financing letter(s), if applicable (e.g. construction financing, permanent financing)
15. Site information
16. Evidence of site control
17. Capital Needs Assessment (CNA)
18. Rehab Scope of Work and Rehab Standards, if applicable
19. Rehab photos minimum of 5
20. Lead Based Paint Control Plan (for pre-1978 properties), if applicable
21. Accessibility checklist and Architect certification
22. Architectural Drawings
23. Market Study report and engagement letter
24. Construction cost estimate
25. Site and Neighborhood standards
26. Environmental Review form and certification
27. Phase 1 Environmental Review
28. HUD Section 3 certification
29. Development team members
30. DUNS and SAM (aka CCR) requirements
31. URA plan
32. Appraisal
33. Financial feasibility form
34. North Las Vegas Business License

GOOD LUCK WITH YOUR APPLICATION!