



Housing and Citizen Services

HOME INVESTMENT PARTNERSHIP PROGRAM

FUNDING APPLICATION

City of Pueblo
HOME Investment Partnership Act
Application Checklist

Return one signed original and two copies of this form to:

By Mail or Hand Delivery:

City of Pueblo

Department of Housing & Citizen Services

2631 East 4 Street

Pueblo, CO 81001

Telephone: 719-553-2850

Attn: Bryan Gallagher

Please review the HOME application for completeness using this checklist:

- All pages are single sided
- All pages are 8 ½ by 11 inches
- All pages are paper-clipped. No staples, notebook binders, plastic binders, etc.

HOME Application completed with all exhibits and:

- For Rental projects -- Rental Project Worksheets in the City of Pueblo format
- For Home-ownership projects -- Home-Ownership Project Worksheets in the City of Pueblo format.
- Low-Income Housing Tax Credits enclose one copy of the LIHTC application (if applicable)

Exhibits –Checklist

- I. Owner/Sponsor Information
- II. Project Information
- III. Type of Funding Requested (A, B, C)
- IV. Feasibility and Need for Funding (A, B, C)
- V. Affirmative and Fair Housing Marketing
- VI. Targeting (40pts)
- VII. Subsidy per Unit (10pts)
- VIII. Donated Property (10pts)
- IX. Non-Profit Sponsor (A-J) (10pts)
- X. Community Stability (10pts)
- XI. Priority 1 (A, B, C) (20pts)
- XII. Low-Income Housing Tax Credit Application (if applicable)
- XIII. Developer's Financial Statements
- XIV. Section 3 Plan

If Approved Following Requirements May Apply (if applicable)

- Environmental/Historical Review
- Lead-Based Paint Requirements/Asbestos Requirements/Radon Requirements
- Davis-Bacon Wage Requirements
- Appraisal

CITY OF PUEBLO
HOME INVESTMENT PARTNERSHIP ACT
APPLICATION INSTRUCTIONS

General

Review the regulations governing the HOME Investment Partnership Program (HOME) 24 CFR 92 and the City of Pueblo HOME guidelines and Consolidated Plan. Copies are available for review from the City of Pueblo's Department of Housing & Citizen Services.

For an application to be considered for funding, the following apply:

1. Finance the purchase, construction and/or rehabilitation of owner-occupied or rental housing for very-low, low and moderate-income households (households with incomes 80 percent or less of the area median income, as determined and published yearly by the U.S. Department of Housing and Urban Development (HUD).
2. Use the current application form, which is provided in this packet.
3. Submit one original and two copies of the application with attachments. At least one of the copies must contain an original signature of an officer of the company, nonprofit, or business authorized to sign for HOME advances as well as signatures of the project sponsor and owner as appropriate. All copies and attachments must be single sided. Answer each question in the application clearly and concisely. Be sure to review your application to ensure consistency. Applications are evaluated and ranked on the extent to which they meet the priorities set-out in the Request for Proposal and the City of Pueblo's Consolidated Plan priorities and objectives, and the HOME Investment Partnership Act program eligibility thresholds outlined in the regulations.
4. Use only standard 8 ½" x 11" paper. Separate each Exhibit with a tab. Do not use staples, binders, or folders. Attachments should be single sided. Attach supplemental information to the back of the application form.
5. Copies of the most recently published HUD household income data for metropolitan areas and counties in Colorado are included in this package.
6. Applicants may request no more than is needed in funding for any one project. The City reserves the right to reduce the amount of the HOME funding requested. The City may also limit the funding available based upon its own analysis of the level of funding appropriate for the project.

7. All funds should be used to directly benefit low-and moderate-income households. Funds may not be used for administrative or operating expenses of the owner/sponsor, developer or the project.
8. Note that the term “project” is used in a general sense as a reference to the housing complex or project being proposed.

Application Instructions for Exhibits

I. APPLICANT INFORMATION (p. 19)

“Applicant” means the project owner. The date of submission for applicants will be the day the application is submitted to the City of Pueblo Department of Housing & Citizen Services.

SPONSOR INFORMATION (p. 20)

“Sponsor” means a certified CHDO, non-profit, governmental, or other community-based housing group integrally involved in an owner-occupied project by exercising control over its planning, development or management. For rental projects, the nonprofit must have an ownership interest in the project including any partnership interest and must also be a qualified nonprofit or public entity.

II. PROJECT INFORMATION (p. 20)

Complete the items applicable to this project. Identify location of project by providing corresponding census tract or block numbering information. The neighborhood where the project is to be undertaken must be provided.

Provide a description of the project summarizing the background and history of the project. Provide a detailed explanation of how the requested funding will be used in the project. This description should also summarize such information as location: neighborhood; nature of the project (i.e., first time home-buyer, rehabilitation, infill, etc.); project sponsors, if any; community need to be met; target population and structure of the project. Also, include site plan and building elevations and floor plans. Use additional sheets if necessary.

The design of the houses/complex, the impact of the new construction on the streetscape, and the impact of the development on the surrounding neighborhood will be evaluated. Of particular importance are the design of the houses or complex and the overall appearance of the development. Details which are considered desirable are: front porches, soffit roof overhangs, and other architectural details found on the homes in the surrounding area. Attention should be given to

finish details such as corner trims, window and door trims and moldings. Landscaping is also considered important. In addition to giving information about the houses you intend to build, please include information concerning the standard to which the homes/ complex will be landscaped.

Indicate if the applicant has any interest in the property proposed to be used for the project. This question is intended to determine whether the applicant proposes to sell or provide property that it owns for the project. Other forms of interest in the project other than the financing described in the application should be disclosed. Projects involving sponsor/owner real estate owned will be required to submit a copy of a third party appraisal documenting the value of the property being sold or transferred to the development.

III. TYPE OF FUNDING REQUESTED (p. 20)

A. Complete those parts of this section that apply to the type of funding requested.

B. Use of Funds (p. 21)

Specify the form in which the funding will be provided. HOME funding is most often used as grants or interest bearing loans. If the project is proposing utilization of the HOME funds in some other manner, specify the use in the last part of this section. If HOME funds are loaned to the project, the principal and interest on the loan must be repaid to the City and may not be used as part of a revolving loan fund or repaid to the sponsor.

The Staff will review the amount and type of funding requested to insure that the funding is needed to make the project feasible.

Indicate if there is any commercial space included in the project or the property involved in the proposed project. Please note that HOME funds may not be used to fund any commercial space in the project.

C. Ability of the Project to Begin within 12 Months (p. 21)

The responses to these criteria will be evaluated to determine whether it is likely that the project will begin within twelve months of approval as required by HOME regulations. If the project is not expected to begin within twelve months, either provide an explanation in the space provided or postpone submission of the application until a later date. Approved projects will be evaluated one year after approval to determine if satisfactory progress is being made.

IV. FEASIBILITY AND NEED FOR FUNDING (p. 22)

All applications are required to submit the appropriate feasibility and development information intended to justify the amount of funding being requested. The Rental Project Worksheet or Home-ownership Project Worksheet information should be included in the application as Exhibit IV -- Feasibility Funding Review.

As is evident by the number of pages devoted to this threshold criterion, along with the information submitted as part of Exhibit I, the analysis of the feasibility of applications for assistance is an important factor in evaluating requests. The feasibility review includes not only a review of the need and market for the proposed project, but also the appropriateness of the amount of funding being requested.

If the project involves Low-income Housing Tax Credits, attach one copy of the signed application as Exhibit XII.

A. Rental Projects Feasibility Criteria (p. 22) -- Responses to the questions related to rental projects will be evaluated by the Staff members along with other aspects of the project information found in the Rental Project Worksheet (development budget, pro forma, sources of funds to confirm the need for the funding requested). The factors included in this portion of the application are not the only ones to be used in the Staff's evaluation but do represent some of the more important factors that affect the decision.

Developer's Fees - Provide the information requested concerning the amount of developer's fees, developer's fees as a percent of project costs not including developer's fees, the terms associated with payment of the fees, whether the fees are deferred, and whether the developer's fees exceed the amount of funding requested.

The purpose of this section is to determine whether developer's fees are reasonable for the proposed project and whether the project would be feasible without the funding. If the amount of the developer's fees exceeds the amount of funding requested, please explain why the funds are needed. If the developer's fees exceed the funding, explain why the developer's fee could not be reduced to eliminate or reduce the amount of funding requested.

Describe the terms associated with the payment of developer fees including whether the fees are deferred and how the fees shown on the application will be paid. For example, if developer fees are deferred, describe whether the fees will be repaid from cash flow or other sources. This description should be consistent with the information shown on the development budget.

The Consortium will evaluate the reasonableness of the developer fees based upon whether the proposed level of fees is within the limits allowed. The applicant should describe how the project's developer fees compare to that allowed by the tax credit agency in the state in which the project is located.

Vacancy Rate - Indicate the vacancy rate used in the pro forma for the project. If the vacancy rate is projected to exceed 7%, explain the reason for the vacancy rate used. High vacancy rates may indicate weak demand and could be interpreted to mean that the need for the type of housing projected is not as great as described in the needs assessment portion of the application.

Debt Service Coverage Ratio - Indicate the debt service coverage ratio used for structuring the financing for the project. An excessive debt service coverage ratio results in the creation of a financial gap that appears to be greater than necessary to successfully develop the project. If the proposed debt service coverage ratio exceeds 1.25, explain why the excessive debt coverage is warranted by this project.

Operating Expenses Per Unit - Provide details concerning the proposed operating expenses per unit. If the operating expenses per unit exceed \$3,500, indicate why this project requires such a high level of operating expenses. Provide documentation of the individual components of the operating expenses that make up the operating costs.

Low-income Housing Tax Credits (LIHTC) - Describe the net proceeds projected or committed for the sale of LIHTC. If the equity contribution is projected to be lower than 60 cents per dollar of approved LIHTC, provide an explanation of the low value of the proposed net equity. Provide copies of partnership agreements with your tax credit investors.

OR

Home-Ownership Projects (p. 23)

Provide the information requested for the terms of the ownership program being proposed for assistance. The underwriting criteria refer to the criteria that will be used for the conventional first mortgage or other loans to be provided for the project. The criteria may be those of the lender making the first mortgage loans to households to be assisted by the project or the criteria may be those of a federal, state, local or secondary market program. These responses provide the parameters that will define how homebuyers will be qualified for loans under the program.

The underwriting criteria also serve as the assumptions that will determine, when combined with the income levels of the households to be assisted, the projected financing gap being addressed by the funding.

The underwriting assumptions described in this section of the application should be consistent with the same criteria found on the Homeownership Projects Worksheet. The Worksheet attached to the application as Exhibit IV-A, must also be completed for all projects using funds to benefit owner -occupied units.

Describe the method, formula or process to be used to determine how much assistance will be made available to each household by income group to benefit from the program. Will the funding be provided according to the need of each household based upon the household's income and housing cost subject to the overall funding per unit commitment made in the HOME application? Will the funding be provided in a set amount for each household that qualifies for assistance? Use each column of the worksheet for each income group to be assisted.

The responses to this section of the application will be evaluated by the Consortium's staff, in combination with the Home-ownership Projects Worksheet to confirm that the assumptions made by the applicant and sponsor document a need for the funding being requested. The assumptions made by the applicant should agree with the information provided in the Needs Assessment and Market Study information provided in other parts of the application.

B. Needs Assessment (p. 23)

Briefly describe the housing situation in the community including those factors that demonstrate a need for the type of housing being proposed for assistance in this application? If appropriate, include references to any housing plans or studies that document the housing needs of the community in question. Summarize the relevant portions of the Needs Assessment that relate to the project being proposed. For example, for rental projects, cite the information in the needs assessment related to households occupying sub-standard units, low-income tenants paying in excess of 30% of income for housing and other similar measures of housing need.

Although it may seem obvious to individuals or groups involved in providing affordable housing that there is a significant housing need in their community, the response to this section provides the explanation of need required for City's review.

Applicants are encouraged to review the City of Pueblo approved Consolidated Plan. Exhibit IV-B Attach one copy of the Needs Assessment document referenced in this response.

C. Market Study (p. 23) -

A market study is different than a needs assessment. A needs assessment documents the state, condition, and availability of housing in a specific community and is used to identify greatest areas of housing need. A market study is designed to document the demand for a specific type of housing for a targeted group in a community.

Other funding providers, such as CHFA or private lenders, may require market studies as a requirement for funding. Summarize the results of any market study completed for this project and enclose a copy of the study with the application. The summary should reference the proposed rents or proposed mortgage payments for the project compared to the rents or mortgages for similar projects in the market, vacancy rates for similar units, typical operating costs compared to the proposed project and other characteristics of the project compared to the unique circumstances of the community. The response to this question should demonstrate that the applicant has studied the Market Study and is able to discuss the proposed project related to the data found in the study.

Exhibit IV-C Attach one copy of the Market Study referenced in response.

V. Affirmative Fair Housing Marketing (p. 23)

As indicated in the application, the response to these criteria should not be limited to statements of past or intended compliance with applicable fair housing laws and regulations. Applications including a limited response to this threshold criterion run the risk of being determined not to have met one of the required threshold criteria and not being considered for scoring in the round submitted. A specific and detailed response to these criteria is required. A completed HUD Affirmative Fair Housing Marketing Plan may be submitted and referenced in this section.

Describe the actions to be taken to affirmatively market the assisted project to all racial, income, ethnic and other groups in the community. Refer to specific media, such as radio, television or newspaper outlets to be used, and other groups that will be used to distribute information about the project. If local social service or housing agencies will be involved in making people aware of the project, please list and describe the nature of their involvement.

The purpose of this question is to ensure that applicants and sponsors have made plans to affirmatively market the assisted housing units to all segments of the community. Please note that this question is requesting more than a simple statement agreeing to comply with all Fair Housing and Equal Opportunity Act provisions. The response to this question should provide

detailed descriptions of how the project or program is going to be marketed to all segments of the community.

Exhibit V -- Affirmative Fair Housing Marketing Plan is required for all applications.

SCORING CRITERIA (p. 24)

HOME guidelines provide that all applications for HOME funds must meet ten eligibility requirements in order to be eligible to be scored in the RFP.

Please note that the information requested on the application correspond to the criteria used in the rating system established by the HOME guidelines, HOME regulations and the City of Pueblo Consolidated Plan. The responses included in these sections will be the primary source used to score and rank the applications. The score and rank determine which applications are considered for review. Failure to answer or adequately address any section of the scoring criteria could negatively impact the Committee's review and scoring of the application. The total points possible under the scoring system are 100. The maximum points allocated to each scoring factor are indicated on the application form and these instructions.

VI. Targeting (p. 24) (40 pts Maximum)

Provide the number and percentage of units that will be targeted to households with incomes in the specified ranges. Applications committing at least 60% of the units to very low-income households, 50% or less of area median income, will receive the maximum score for this criterion. Projects not meeting the 60% very low income standard will be scored based upon the weighted average targeted income specified in this portion of the application.

Important: These responses are interpreted as commitments on the part of the sponsor and owner rather than being considered goals that may or may not be achieved when the project is put in place. It is not acceptable to "market to" a targeted group for a period of time and then switch to a less restrictive group. The units must be rented to households within the levels specified in the application. For example, if 10 units are shown targeted to households at or below 50% of area median, the monitoring and reporting for the completed project must show that at least 10 of the project's units are occupied by households at or below 50% of the area median for the 20-year retention period after completion.

The targeting commitments made in the application are not subordinate to the targeting commitments associated with other sources of funding. The targeting commitments included in the application are made at the sole discretion of the entities submitting the request. The

targeting commitments should be carefully reconciled against those of other programs to be certain that the requirements of each can be met.

It is also important for the applicants to consider the appropriate market for the project to be sure that the targeting commitments described in the application as well as the rent levels and sales price included in the Home- Ownership / Rental Project Worksheet are consistent with the market in the neighborhood in which the project is to be located.

Approved projects that cannot meet the targeting commitments made in the request for HOME funds may be forced to relinquish the approved funding or if the HOME funds have been disbursed repay HOME funds back to the Consortium.

Specify whether there will be a unit occupied by an on-site manager or other on-site staff and whether that unit is included in the income-targeting breakdown provided for the project.

VII. Subsidy per Unit (p. 25) (10 pts maximum)

Provide the number of units to be built, units to be rehabilitated or to be assisted. A lower subsidy per unit relative to the other applications submitted in the round will result in a higher score under this criterion. Do not include units not intended to directly receive funds that may be undertaken as part of a related but separate project.

As with the Targeting criterion, the Subsidy per Unit responses in the application are commitments that must be met and are not considered flexible goals or estimates subject to modification at a later date. The subsidy per unit applies to the total amount of funds provided to each unit even though funds may be provided for different aspects of the project cost or financing. For example, \$1,500 provided for closing costs and \$4,000 for rehabilitation of the same unit constitutes \$5,500 of funding for one unit rather than an average of \$2,750 for two units.

VIII. Donated Property (p. 25) (10 points maximum)

Provide the requested information on the land or property to be donated to the project. Applications will be credited for the proportion of property or units donated compared to the total units to be assisted. The number of donated properties or units is considered a commitment that must be met. The completed project will have to demonstrate that the required number of properties or units has been donated or face recapture of funds provided to the project. Although the term "donated" is not defined by regulation, the Consortium has provided information that clearly indicates that "donated" implies little or no cost, such as \$1, but allows for administrative costs of the transfer to be paid.

IX. Nonprofit Sponsor (pp. 26) (10 points maximum)

The nonprofit sponsor scoring criterion consists of several components. Respond to all parts of the checklist and requested information for those projects proposing to be credited for nonprofit sponsorship.

For projects, there are two aspects to being credited as a nonprofit sponsor. First, the nonprofit must have an ownership interest in the project including any partnership interest. Second, the sponsor must either be a designated Community Housing Development Organization (CHDO) or meet the requirements for qualified nonprofits. For those projects not involving LIHTC funding, the City will determine whether the proposed sponsor meets the equivalent standard based upon the response provided in this portion of the application. The purpose of these requirements is to insure that the nonprofit sponsorship involvement is a meaningful one and not simply an attempt to gain additional credit for nonprofit involvement when, in fact, the nonprofit sponsor has no meaningful role in the development or operation of the project.

For owner projects there are also two aspects to being credited as a nonprofit sponsor. First, for owner projects, “Sponsor” means a non-profit or for-profit organization or public entity that is integrally involved in a project, such as exercising control over the planning, development and/or management of a project. An application will not be credited for addressing this priority if the “sponsor’s” only involvement is to submit a letter of support for the project. Second, nonprofit sponsors for owner projects must meet the same standards as a designated CHDO. Provide detailed explanations of the sponsor’s involvement in the various aspects of the project including: marketing/outreach, property acquisition, pre-development activities, construction/rehabilitation, project management, project ownership or other aspects of the project related to the sponsor’s role.

Exhibit IX -- Sponsor documentation is required for all applications involving nonprofit or public agency involvement.

Please feel free to attach any additional information (e.g., annual reports, brochures, etc.) describing the ongoing activities and experiences of the groups not already provided in Exhibit I -- Sponsor/Owner Qualifications.

X. Community Stability (p. 29) (10 points maximum)

Describe the extent to which the project preserves community stability and minimizes the displacement of low- and moderate-income residents of the community.

Explain whether the project will involve the displacement or relocation of existing residents.

If so, describe or attach a copy of any relocation plans. Projects involving relocation without adequate relocation plans will be rated lower relative to other applications received in the same round that do not involve displacement and/or relocation of existing residents.

Applications will also receive credit under these criteria for projects that benefit existing residents of the community. Examples of such activities include: construction of infill housing, rehabilitation/reuse of blighted structures, rehabilitation and resale of repossessed property, renovation of historic structures or buildings located in designated historic districts, projects that are an integral part of a neighborhood revitalization plan approved by our local unit of government.

XI. Priority 1 (p. 29) (20 points)

Note that you have previously received points for population targeting; however, these points are issued for priorities expressed in the Consolidated Plan.

A. Special Needs -- Describe the special needs population to be served by the project including the number of special needs units and percentage of units targeted to these households. (5 pts.)

B. Neighborhood -- Describe the location of the project if it is located in an older City of Pueblo Neighborhood. Describe how your design ensures that the new construction or rehabilitation is of a scale and character compatible with the surrounding area. Remember to include site plans, elevations and floor plans. (10 pts.)

C. First time homebuyers -- Describe the project's benefit to first time homebuyers. (5 pts)

XII. Low-Income Housing Tax Credit Application (if applicable)

Copies of application documents submitted to the State.

XIII. Developer's Financial Statements

Copies of financial statements.

XIV. Section 3 Plan

HUD-sourced funds from the City of Pueblo into a project at any point in the project and at any level in excess of the \$200,000 Section 3 program threshold triggers the full applicability of the City's Section 3 Policies on to the entire project.

Recipient Responsibilities: City Departments, Sub-Recipients, and Developer

Any Recipient receiving in excess of \$200,000 for a Section 3 covered project must comply with Section 3 requirements within its own operation, including the following:

- A. Prior to bidding a Section 3 covered project, submit the Section 3 Utilization Plan for review to the DHCS Section 3 Coordinator, two-weeks prior to the walk-thru date.
- B. Provide notification to Section 3 residents and business concerns about jobs and contracts generated by Section 3 covered projects.
- C. Notify potential contractors of Section 3 requirements.
- D. Provide timely reports, due on the 10th of each month to document actions taken to comply with the Section 3 program, the outcomes of those actions, and impediments encountered, including collecting applicable forms and reports from sub-recipients, contractors, and subcontractors.
- E. Provide DHCS with the firm's monthly employee roster and assist in the collection of rosters from your Section 3 covered contractors.
- F. Provide DHCS with copies of all bids received and contracts awarded with Federal funds utilized under this Plan that are in excess of \$100,000.

Section 3 Required Contractual Language

All contracts and subcontracts issued to the Developer, Contractor, Subcontractor, and/or Subrecipient on a Section 3 Covered Project must contain the Section 3 Clause.

- A. The Section 3 Clause (§135.38), as follows, will be included in all bid documents for contractors and subcontractors.

SECTION 3 CONTRACT CLAUSE

All Section 3 covered contracts shall include the following clause (referred to as the Section 3 clause):

A. The work to be performed under this contract is subject to the requirements of Section 3 of the

Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

B. The parties to this contract agree to comply with HUD's regulations in 24 CFR Part 135, which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the Part 135 regulations.

C. The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin. (Note: DHCS understands that posting on a job site may not always be practicable. The expectation for the City of Pueblo is that job site posting be done whenever feasible, and if not feasible, the posting shall be at the contractor's or subcontractor's local office.)

D. The contractor agrees to include this Section 3 clause in every sub-contract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontractor in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 135. The contractor will not sub-contract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 135.

E. The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 135.

F. Non-compliance with HUD's regulations in 24 CFR Part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

G. (This section pertains to work performed in connection with Section 3 covered Indian housing assistance, Section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C.450e) and is not applicable in the City of Pueblo.)

ELIGIBILITY REQUIREMENTS (p. 30)

No response is required to this section; however, applications will be subject to a limitation on a per project basis. This limit applies to projects that are essentially the same, or determined to be essentially the same by the City, but are submitted by different parties. There may be other reasons for the Consortium to limit these types of applications such as noncompliance with HOME regulations or City of Pueblo policies, misuse of funds, excessive amounts of unspent funds from the previous approval or other circumstances.

Funds are preferably used for the financing of housing development in the City of Pueblo's older neighborhoods, specifically Bessemer/Minnequa, Eastside, Eastwood Heights, Hyde Park, however, other areas are also considered. The location of the unit determines compliance for this restriction.

Funds may not be used to pay for the fees listed in this section of the application. Check each of the three types of fees listed to confirm that the funds for this project will not be used for any of these purposes. Please note the distinction referenced in the application that provides for the use of other sources of funds for payment of these fees.

Funds may only be used to pay for home-ownership counseling costs if the costs are incurred in conjunction with the purchase of an assisted unit and the costs have not already been covered or paid from another source. Check each of the fields to confirm that funds for homeownership counseling will meet these standards.

One effect of these restrictions is to prohibit use of the funds for projects that are exclusively for the counseling, training or education of prospective homeowners. The use of funds must

be part of the costs associated with the purchase of the unit to be financed. Funds may not be used to reimburse the homebuyer, financial institution, or agency for the costs of homeownership counseling or training completed by the household to receive assistance but already paid for.

CERTIFICATIONS (p. 31)

The applicant must certify that they have read these instructions and will comply with the commitments made in the application and the HOME regulations. Applicants may wish to contact the City of Pueblo Department of Housing and Citizen Services to obtain a sample of the Affordable Housing Development Agreement, which contains the certifications. This agreement will have to be executed should the application be approved for funding.

The Certification must also be signed by the owner or sponsor involved in the proposed project. This certification requires the owner or sponsor to acknowledge specific provisions governing the use of HOME funds.

Local housing sponsors should be made aware that the HOME regulations and requirements are not superseded by the requirements or regulations governing other sources of funds for the proposed project. Applicants and sponsors are responsible for ensuring that the HOME requirements are compatible with all other funding sources.

For further information concerning the application and these instructions, please contact:

City of Pueblo
Department Housing and Citizen Services
2631 E. 4 Street
Pueblo, CO 81001
Phone: 719-553-2850
Attn: Bryan Gallagher
bgallagher@pueblo.us

CITY OF PUEBLO

**HOME AFFORDABLE HOUSING PROGRAM
APPLICANT INFORMATION**

Applicant:		Applicant No.:	
Mailing Address:			
Project Address:		State:	Zip Code:
Contact Person:		Title:	
Telephone Number:	Fax:		
E-mail:	DUNS #		
Tax Identification No.			

OWNER/ SPONSOR INFORMATION

Owner/Sponsor:			
Mailing Address:			
Project Address:		State:	Zip Code:
Contact Person:		Title:	
Telephone Number:	Fax:		

PROJECT INFORMATION (please complete each item applicable)

Project Name:			
Address:			
City:		State:	Zip Code:
Project Characteristics (check all that apply)			
<input type="checkbox"/> Owner-occupied	<input type="checkbox"/> Single Family	<input type="checkbox"/> Purchase	<input type="checkbox"/> Major rehabilitation
<input type="checkbox"/> Renter-occupied	<input type="checkbox"/> Multi-Family	<input type="checkbox"/> New construction	<input type="checkbox"/> Minor rehabilitation

Census Tract (s)/Block Numbering Area (s):	Rehab/New Construction cost per unit: \$
HUD Median Income for the Pueblo County or MSA: \$55,300	Is Project in Pueblo Neighborhood Strategy Area (if applicable):

I. OWNER/SPONSOR INFORMATION - Exhibit I.

Attach, as Exhibit I, a written description of the lead sponsor’s record of performance, qualifications, and capacity to carry out its responsibilities for this development. List all other sponsor(s) and consultants.

Does the applicant have any past or present financial or ownership interest in the project including ownership interest in the property being utilized for the project?

Yes No If yes, also describe in Exhibit I.

II. PROJECT INFORMATION - Exhibit II.

Please provide a narrative description of the project. Attach as Exhibit II.

III. TYPE OF FUNDING REQUESTED - Exhibit III

Complete the information applicable to the type of HOME funding requested and attach as Exhibit III-A. This should be consistent with the terms and conditions reflected in the sources of funds provided in response to the feasibility component of the application. Please note that the City can at its discretion propose the provision of funding as some other funding mechanism than requested. Please be advised that funding is dependent on the Pueblo Consortium receiving funding from the U.S. Department of Housing and Urban Development and other funding.

A. TYPE OF FUNDING

- Interest Bearing Loans or Advances
- Deferred Loan
- Other: (Provide the details of the terms and conditions of the proposed use of HOME funds)

B. USE OF FUNDS (Exhibit III-B)

Specify how the HOME funds will be used and attach as Exhibit III-B.

- Acquisition / Pre-Development Rehabilitation Financing
- Construction Financing Infrastructure Improvements

1-Describe why HOME funds are needed for this project and when the HOME funds will be put into the project (at acquisition, during construction or rehabilitation, etc.)

2-Does the project include any commercial space in conjunction with the proposed housing? Yes No
 (If yes, provide a statement that HOME funds will not be used for any commercial portion of the project including on-site day care facilities, congregate meal facilities, office space, etc.)

C. ABILITY OF THE PROJECT TO BEGIN WITHIN TWELVE MONTHS (Exhibit III-C)

The HOME funding must be likely to be drawn down by the project or used by the project to procure other financing commitments within 12 months of the date of application approval. Funds for approved projects are subject to reallocation if not used within twelve months of application approval.

- Does the sponsor/developer have site control? Yes No
- Is the project ready to begin construction? Yes No
- Is allocation of LIHTC in hand (if applicable) Yes No
- Estimated project completion date: _____

First estimated date when HOME funds will be drawn: _____

Full Occupancy: _____

Final Draw: _____

IV. FEASIBILITY AND NEED FOR FUNDING - Exhibit IV

HOME regulations require that the City allocate to a project only the amount of funding that it determines necessary for the financial feasibility of the project. This determination is made solely at the Staff's discretion and is not representative of the actual feasibility of the project. Applications must include the following information in the format supplied by the City (or an approved format) for the type of project requested. These items are not optional. Failure to complete this information in the appropriate format will result in the application being eliminated from consideration in this round.

A. Eligible Projects - Attach as Exhibit IV-A

HOME eligible projects must meet one of the two broad purposes of the program. Indicate which category applies to this request.

Owner-occupied units for households at or below 80% of the area median income.

Rental housing, including transitional housing for homeless households and mutual housing, where at least 20% of the units are targeted to households at or below 50% of area median income.

Rental Projects

Rental projects must submit the following: Rental Project Worksheet, as Exhibit IV-A

1. Rental Project Worksheet
2. Pro Forma
3. Development Budget
4. Sources of Funds

All rental projects must complete and submit Rental Project Worksheet in the correct format.

If the project involves Low-Income Housing Tax Credits enclose one copy of the application as Exhibit XII.

OR

Home-Ownership Projects

All home-ownership projects must provide the Home-Ownership Project Worksheet. Attach as Exhibit IV-A

Development Costs with Sources and of Funds for homeownership project involving new construction or acquisition and rehabilitation.

All Projects -- Needs Assessment and Market Study

B. Needs Assessment

Describe the housing situation in the community/neighborhood including those factors that demonstrate a need for the type of housing proposed for assistance in this application. Include references to any housing plans or studies that document the housing needs of the community. Describe the project's relationship to the Consolidated Plan adopted for the community in which the project is located. Attach as Exhibit IV-B

C. Market Study

Describe the housing market in the community/neighborhood to document the demand (as opposed to need) for the affordable housing project proposed in the application. Attach as Exhibit IV-C

V. AFFIRMATIVE AND FAIR HOUSING MARKETING - Exhibit V

Applicant acknowledges that it, the project sponsor, owner and developer are aware of their obligations to comply with applicable fair housing and equal credit opportunity laws. State how the project affirmatively promotes fair housing. Enclose HUD Form 92243-PHA describing the efforts to be undertaken to advertise and market the HOME -assisted units to all segments of the community. Please note that this response should describe affirmative actions to promote fair housing, not simply compliance with the Fair Housing Act or pledges

of non-discrimination. List specific news media, housing agencies, social service agencies, church groups, community organizations or other groups expected to assist in affirmatively marketing the units. Attach as Exhibit V.

SCORING CRITERIA

The responses to the scoring criteria are considered commitments and will be included in the terms of HOME Agreements that will be required for all approved applications. HOME commitments are not subordinate to those of any other federal, state or local program.

VI. TARGETING - Exhibit VI

___Points (40 pts. Max)

Indicate the number of units committed to each level of median income shown below. Allocations of units are commitments not estimates and must be met upon completion of the project. Commitments not met result in recapture of funds provided to a project. These commitments should be consistent with targeting commitments made for other programs such as the Low-Income Housing Tax Credit program (LIHTC), however, the LIHTC or other program requirements do not take precedence over the HOME commitments made in this section. The targeting commitments made in this section of the application must agree with those shown in the Rental / Home-Ownership Project Worksheets prepared for the Feasibility portion of the application.

Does this project include any other targeting commitments to other funders or investors?

Yes No

If yes, Attach as Exhibit VI, a description of how the targeting commitments made in this application compare to the targeting commitments made in applications for other sources of funding for this project.

Total number of units:

Units above 80 % of AMI: ___ Percent: ___%

Units at or below 61-80 % of AMI: ___ Percent: ___%

Units at or below 51-60 % of AMI: ___ Percent: ___%

Units at or below 50 % of AMI: _____ Percent: ___%

Units at or below 30 % of AMI: _____ Percent: ___%

Number of units for on-site manager/staff, not income restricted:

Indicate the number of units targeted to each of the categories shown below:

Number of single-room occupancy units:

Number of units committed to households with special needs:

Number of elderly units:

Number of family units:

Indicate the number of units to be reserved for homeless households:

VII. SUBSIDY PER UNIT

____Points (10 pts. Max.)

Number of Units: _____ Total HOME Funding Requested: \$

HOME Funding Per Unit: \$

VIII. DONATED PROPERTY - Exhibit VIII

____Points (10 pts Max.)

Describe the proportion of units or land to be donated to the project by public or private entities. In order to be credited under this criterion property must be donated or transferred to the project for a nominal amount, (i.e. \$1; reasonable expenses related to conveyance of the property may be paid).

Land

Proportion of land to be donated: _____% Current

Owner:

Purchase price: \$

Property Address or Legal Description:

Units

Number of units to be donated: ____ Current
owner:

Purchase price: \$

Address or Legal Description:

Attach as Exhibit VIII a description of the terms, conditions and circumstances associated with the donation of land or units for the project.

IX. NONPROFIT SPONSOR - Exhibit IX

____ Points (10 pts. Max.)

Projects that finance the purchase, construction and/or rehabilitation of housing that are sponsored by any non-profit organization, local housing authority, state housing finance agency, or Community Housing Development Organization will be credited under this criterion. Indicate which criteria for nonprofit sponsorship this project meets:

No nonprofit sponsor.

Rental project -- Sponsor must have an ownership interest, including any partnership interest,

Owner project -- Sponsor must be integrally involved in the project, such as exercising control over the planning, development, or management of the project, or by qualifying borrowers and providing or arranging financing for the owners of assisted units.

Further, to be credited under this factor sponsors must meet one of the following requirements. Indicate which criteria this project sponsor qualifies for.

Sponsor meets the following standard. Is a tax-exempt organization having an express purpose of fostering low-income housing or is a public housing authority, is an owner of the project and will remain as a general partner (either itself or through a related subsidiary) through the retention period. The sponsor will from the time of application until the end of the retention period be involved in the operations of the which is regular, continuous and substantial, or

Sponsor is state or locally approved Community Housing Development Organization (CHDO)

A. General Information

Respond to questions A-J and attach as Exhibit IX-A, B... J.

1. Name of ownership entity:

2. Name of participating non-profit or Public Housing Authority:

3. Legal status:

<input type="checkbox"/> 501(c)(3)	Tax-	<input type="checkbox"/> exempt under 501 (a)
<input type="checkbox"/> 501(c)(4)	Public	<input type="checkbox"/> Housing Authority
<input type="checkbox"/> Other (specify):		

OR

2. If non-profit or PHA will participate through a related subsidiary entity, provide name of such entity:

3. Legal status:

<input type="checkbox"/> 501(c)(3)	Tax-	<input type="checkbox"/> exempt under 501 (a)	<input type="checkbox"/> 501(c)(4)
<input type="checkbox"/>	Public	<input type="checkbox"/> Housing Authority	
<input type="checkbox"/> Other (specify):			

B. Is the non-profit or PHA assured of owning an interest in the project throughout the compliance period?

Yes No

1. List all the general partners of the ownership entity and the percentages of their interest.

2. Describe in detail the non-profit or PHA ownership interest.

C. Describe the non-profit or PHA material participation in the development of the project.

D. Describe the non-profit or PHA material participation in the operation of the project throughout the retention period.

E. Will the non-profit or PHA be contributing funds to the project? Yes
No

(If yes, explain)

F. Will the non-profit or PHA receive any part of the development or management fees paid in connection with the project? Yes No

(If yes, how much? Explain.)

G. How many full-time staff members does the non-profit or PHA have? (Please specify) Describe the type and extent of their activities.

H. The non-profit may not be affiliated with or controlled by any for-profit organization.

1. Has any for-profit entity (including the owner of the project or any entity directly or indirectly related to such owner) appointed any directors to the governing board of the non-profit? Yes No

(If yes, explain)

2. Does the non-profit have any financial arrangements with any individual(s) or for-profit entity, including anyone or any entity related, directly or indirectly, to the owner of the project? Yes No

3. Disclose any business or personal (including family) relationships that any of the staff members, directors or other principals involved in the formation or operation of the nonprofit have, either directly or indirectly, with any persons or entities involved or to be involved in the project on a for-profit basis including, but not limited to, the owner of the project, any of its for-profit general partners, employees, limited partners or any other parties directly or indirectly related to such owner.

I. The non-profit or PHA may not have been formed by any individual(s) or for-profit entity for the principal purpose of being credited for the non-profit sponsor component or earning points under the HOME scoring criteria.

1. Date of legal formation of non-profit or PHA.

2. Purpose(s) of formation of non-profit.

J. Provide Sponsor Documentation, the following required materials for the non-profit or PHA (as applicable):

1. Articles of incorporation
2. By-laws
3. IRS determination letter, 501 (c) 3 or other tax exemption approval letter attached
4. Non-profit certificate of incorporation and certificate of good standing (state)
5. List of current Board of Directors or Commissioners (include dates of appointment and affiliation)
6. Most recent audited financials (include a list of major donors).
7. Provide or attach as separate exhibit any additional information which the Consortium may find useful for the purposes outlined at the beginning of this questionnaire (e.g. letter of intent, proposed documents, etc.).

X. COMMUNITY STABILITY - Exhibit X

___Points (10 pts. Max.)

Please describe the extent to which the project preserves the community stability by minimizing the displacement of low- and moderate-income households and by maximizing community stability. If the project involves any displacement, please provide a summary of the sponsor's plans, if any, to deal with the resettlement of displaced households. Attach responses as Exhibit X-A, B, C, D.

A. Will the project displace any existing residents? Yes No

If the project involves any displacement, please attach a copy of the sponsor's plans, if any, to deal with relocation of the displaced households.

B. Describe the extent to which the project will benefit existing low- and moderate-income residents of the community.

C. Describe how this project increases neighborhood/community stability.

XI. PRIORITY 1 -Exhibit XI

___Points (20 pts. Max.)

Attach responses to questions marked A-C, as Exhibit XI-A, B, and C.

A. Special Needs -- Applications will be credited according to the percentage of housing reserved for occupancy by households with special needs, such as large families, farm workers, the elderly, mentally or physically disabled persons. At least 20% of the project's units must be reserved for persons with special needs to receive credit under this criterion.

Number of special needs units: ___ Percentage of total units: ___%

Meet requirements	(2.5	<input type="checkbox"/>	pts)
Exceed requirements	(5	<input type="checkbox"/>	pts)
Does not meet requirement	(0	<input type="checkbox"/>	pts.)

Describe the special needs population to be served by this project:

B. Neighborhood Area

Describe the location of the project. Describe how your design ensures that the new construction or rehabilitation is of a scale and character compatible with the surrounding area. Remember to include site plans, elevations and floor plans. (10 pts)

C. First-time Homebuyer

Projects providing financing of housing for first-time homebuyers will be credited for this factor. Describe how the project addresses this factor. (5 pts.)

XII. Low-Income Housing Tax Credit Application-Exhibit XII

XIII. Developer's Financial Statements -Exhibit XIII

XIV. Section 3 Plan -Exhibit XIV

ELIGIBILITY REQUIREMENTS (No response is required.)

Requests for HOME funding are limited per project. This limit applies to the same or equivalent projects submitted by more than one member.

HOME financing is limited to housing within the City of Pueblo.

All applicants should review the responses to the ten eligibility requirements. These requirements must be satisfied before any request can be evaluated further under the scoring and ranking procedures. These requirements apply to all projects without exception.

1. FEES

HOME funds may not be used to fund certain types of fees. Check the following items to confirm that the applicant understands that HOME funds will not be used to pay the following fees.

- Prepayment fees for lender subsidized advances.
- Cancellation fees imposed by lenders for private loans commitments not taken.
- Processing fees charged by lenders for providing direct subsidies.

2. COUNSELING COSTS

HOME funds may be used to pay for the cost of homeownership counseling only under certain circumstances. Check the following items to confirm that the applicant understands that funds may be used to pay for counseling costs only when:

- The counseling costs incurred are associated with the buyer of an HOME assisted unit.
- The costs of the counseling have not been covered by another source including the member.

CERTIFICATIONS

The sponsor and owner each certifies that the information in the application is correct and that the funding received for this project will be utilized in compliance with 24 C.F.R 92 affordable housing regulations and the City policies. Applicant also agrees to submit reports and certifications as the City may require. Applicant, sponsor and owner certify that the requested funds will be used in accordance with the following specific provisions of HOME as well other requirements of the program.

Affordability: All rental units targeted to households at or below 80% of area median income as committed to in the approved application and reflected in the Targeting commitments cited above must have rents that do not exceed 30 percent of the income of a household of the maximum income and size expected to occupy the unit (assuming occupancy of 1.5 persons per bedroom or 1.0 persons per unit without a separate bedroom).

To ensure that the proposed level of HOME funding is still warranted at the actual funding date, particularly in the case of approved rental projects, the City will reevaluate the funding level using current proformas and sources of funds information at the time of disbursement and after project completion. The City may modify the amount of funding to be provided based upon this review. This process may result in the transfer of less HOME funding than the amount approved or the recapture of disbursed funding.

HOME funds may not be used for administrative or operating expenses associated with the applicant, sponsor, owner or the approved project/program.

Commitments described in the HOME application in excess of the HOME minimum requirement become the standard for determining compliance under the program.

The funding must be drawn down by the project or used to procure other financing commitments within a reasonable time from the date of approval of the Application. Therefore, all sources of funding must be committed within such reasonable time of the Application's approval. If the funding approved is not drawn down and used within the time specified by the City shall cancel its approval and any funded funding shall be returned to the City, which shall be made available for other eligible projects.

The member shall comply with the monitoring requirements of the applicable HOME regulations and the City's policies and procedures. Specifically, during the period of construction or rehabilitation, the sponsor, owner, developer must take the steps necessary to determine whether reasonable progress is being made towards completion of the project and must report to the City quarterly on the status of the project. Within the first year after project completion, the sponsor /owner must review the project documentation and certify to the City that the project is habitable, the project meets its income

targeting commitments and the rents charged (if a rental project) for income targeted units do not exceed the maximum levels committed to in the application. The project sponsor and owner agree to fully cooperate with the City in effectuating off-site and on-site reviews of the project and in providing to the City any project documentation periodically required under the applicable HOME regulations.

The owner shall comply with the monitoring requirements of the applicable HOME regulations and the Consortium's policies and procedures. Within the first year after project completion, the project owner must: (a) Certify to the City that the services and activities committed to in the Application have been provided in connection with the project; (b) Provide a list of actual tenant rents and certify that: (1) The tenant rents and incomes are accurate and in compliance with the rent and income targeting commitments made in the Application; and (2) The project is habitable; and (c) Maintain documentation regarding tenant rents and incomes and project habitability available for review by the City, to support such certifications; (d) Provide to the City a final accounting and documentation of project costs and sources of funds.

In the year after completion of a project and annually thereafter until the end of the project's retention period, the project owner must: (a) Certify to the City that: (1) The tenant rents and incomes are in compliance with the rent and income targeting commitments made in the Application; and (2) The project is habitable; and (b) Maintain documentation regarding tenant rents and incomes and project habitability available for review by the City, to support such certifications.

For purposes of determining compliance with the targeting requirements and HOME regulations, sponsors and owners must determine income limits adjusted for household size and such commitments must be adjusted annually according to the current applicable median income data.

The sponsor and owner shall repay the funding to the City, including interest, as may be determined at the its discretion, if appropriate, in accordance with the requirements of the applicable HOME regulations in any instance where, as a result of the sponsor's or owner's actions or omissions, the funding is not used in compliance with the terms of the Application and the HOME regulations, unless such non-compliance is cured within a reasonable period of time or the circumstances of such non-compliance are eliminated through a modification of the Application, pursuant to the applicable HOME regulations.

Modifications from the terms of the approved application must be approved in writing City.

Authorized representatives of the sponsor and owner must sign the application.

Agreed to and Accepted

By: _____

Date: _____

Typed Name and Title:

For: Bryan Gallagher, Director
Housing and Citizen Services
City of Pueblo

Agreed to and Accepted

By: _____

Date: _____

Typed Name and Title:

For: _____
Project Sponsor

Agreed to and Accepted

By: _____

Date: _____

Typed Name and Title:

For: _____
Project Owner

U.S. DEPARTMENT OF HUD
STATE: COLORADO

----- 2020 ADJUSTED HOME INCOME LIMITS -----

PROGRAM	1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON
Pueblo, CO MSA								
30% LIMITS	14950	17050	19200	21300	23050	24750	26450	28150
VERY LOW INCOME	24850	28400	31950	35500	38350	41200	44050	46900
60% LIMITS	29820	34080	38340	42600	46020	49440	52860	56280
LOW INCOME	39800	45450	51150	56800	61350	65900	70450	75000

U.S. DEPARTMENT OF HUD
STATE: COLORADO

----- 2018 HOME PROGRAM RENTS -----

PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Pueblo, CO MSA							
LOW HOME RENT LIMIT	621	636	798	923	1030	1136	1242
HIGH HOME RENT LIMIT	632	636	838	1140	1281	1396	1509
For Information Only:							
FAIR MARKET RENT	632	636	838	1140	1321	1519	1717
50% RENT LIMIT	621	665	798	923	1030	1136	1242
65% RENT LIMIT	789	846	1017	1166	1281	1396	1509

HOME Project Checklist

All projects/developments funded with HUD HOME funds require the following:

- Appraisal (applies to acquisition of raw land and existing structures).
- Environmental Assessment (All projects require an environmental unless determined exempt by HUD regulations. Check with our Office. Prior to release of any funds HUD must approve a release of funds).
- Davis-Bacon Wages (check with DHCS for applicability).
- As per HUD HOME regulations, all projects will have income restrictions, rent restrictions or sales price restrictions.
- All multi-family projects require at a minimum that 5% of the units are handicapped accessible, unless determined unfeasible through a cost basis analysis.