

COUNTY OF MORRIS



HOME INVESTMENT PARTNERSHIPS PROGRAM

2017 APPLICATION PACKAGE

For further information contact:

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DEADLINE DATE: DECEMBER 16, 2016

PROGRAM DESCRIPTION

The HOME Investment Partnership Program (HOME) is designed to assist communities use-often in partnership with local, not-for-profit, individual, corporation and publicly owned entities to fund a wide range of HOME projects, including building, acquiring and/or rehabilitating affordable housing units for rental or homeownership. The affordable housing units created with serve very low, low and moderate income persons at or below 80% of the Newark, NJ HUD Metro Area Median Income (AMI) Limits.

PROGRAM GUIDELINES

The HOME Investment Partnership Program (HOME) is a Gap Funding Program. When applying for HOME funds, the applicant should have secured other sources of funding before applying to the Morris County HOME Program.

CONSOLIDATED PLAN

Although many types of activities are eligible under the federal HOME Investment Partnership Program (HOME) regulations, applications for funds must be in conformance with the housing priorities in the County's approved 2015 – 2019 Consolidated Plan, which support the creation of new rental units through new construction or rehabilitation.

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AN APPLICANT MAY SUBMIT A TOTAL OF ONE APPLICATION.

PLEASE READ ALL OF PART I (INCLUDING HOME APPLICATION CHECKLIST) AND THE APPLICATION INSTRUCTIONS PORTION OF PART II BEFORE COMPLETING THIS APPLICATION.

PLEASE DO NOT STAPLE ORIGINAL.

PLEASE SUBMIT ONLY ONE ORIGINAL APPLICATION.

HOME APPLICATION CHECKLIST

This checklist is provided as a guide for the most vital documentation and information needed for a complete HOME application. This does not relieve any applicants from reading the entire application or submitting all information required within the application or requested from the Office of Community Development or Community Development Revenue Committee (CDRS).

- Program/Project Eligibility as defined in 24 CFR Part 570.201
- Meet a national objective as defined in 24 CFR Part 570.208
- DUNS number
- SAMS/CAGE number
- Federal ID number
- Budget (total project or in construction proposed budget) with breakdown of Sources and Uses and how funds needed are to be used
- Matching or leveraged funds and/or in-kind services documented as committed to project and available
- Funds available to implement project with reimbursement process
- Letters of commitment for other funds or matching funds
- Acknowledge definition of Low- and Moderate-income levels
- Acknowledge that funds provided under this agreement may not be utilized for inherently religious activities
- Acknowledge how your program meets a public service with narrative
- Provide Affirmative Action Plan in place
- Code of Standards or Conduct/Conflict of Interest in place for all officers, employees, agents-please provide a copy
- Acknowledge reporting requirements will be met
- Acknowledge procurement (Davis-Bacon of more than 11 units and insurance requirements will be met)
- Acknowledge Affirmative Fair Housing Marketing Plan (see attached) for 5 or more Housing units (Please refer to definition of Housing Unit)
- Acknowledge that if project is for \$100,000 or more, that Section 3 applies-24 CFR Part 135.
- Acknowledge will provide all necessary information for completion of Environmental Review requirements prior to allocation – NEPA checklist included in application (not applicable to public service projects)
- Mayor's Signature
- Public Hearing at the municipal level (For all Applications)
- HUD maps detailing area where project will be taken place with detailed narrative as to how very low, low and moderate income people will be serviced with percentages and numbers of those who will be serviced
- Confidentiality Policy provided

- Assure to acknowledge that you will be providing monthly progress reports if and when grant is approved (Construction).
- *Provide Audit for calendar year in which funds were expended per executed Grant Agreement.
- For HOME projects provide all information as requested for review and approval (**use list-attached**)
- Mandatory Pre-Application orientation will occur separately for CDBG, ESG, and HOME applicants.
- No Work can commence prior to the issuance of a fully executed grant agreement or you may jeopardize your grant (construction).
- We must be notified of pre-construction conferences in order to provide the pertinent regulations before an award can be provided to the contractor.
- Presentations occur in early March on scheduled dates, please call the office to schedule an appointment as soon as possible. If assistance is needed to determine pre-eligibility call office.
- Once awarded with a grant agreement (**NO DOUBLE SIDED COPIES PLEASE**), it must be returned expeditiously and in completed form for us to process it and get it approved
- Application is complete – accurate cover sheet and all exhibits provided. Please sign and date. **All copies should be single sided-NO DOUBLE SIDED COPIES-PLEASE-DO NOT STAPLE.**

NOTE: Any missing or requested items from this office must be submitted by December 30, 2017. This includes certification from the Municipality See Page 11.

CRITERIA FOR ELIGIBILITY and ELIGIBLE ACTIVITIES

Funds are available through the HOME Program to develop affordable housing for both rental and homeownership opportunities through the following activities:

A. ELIGIBLE ACTIVITIES

—Acquisition:

- For Development
- For First-time homebuyers
- For Rehabilitation

—Construction

—Rehabilitation

Allowable expenses under these activities include:

—Acquisition costs

—Property site improvements

—Conversion costs (*e.g., from business to residential*)

—Demolition

—Financing costs

—Development related soft costs:

- Legal fees
- Architectural
- Engineering

—Construction/rehabilitation hard costs (*e.g., painting, window replacement, building*)

B. INCOME TARGETING:

1. Rental: 90% of households must have incomes less than 60% of median income and 10% of households may have incomes up to 80% of median income.
2. Owner: Households must have incomes less than 80% of median income. In addition, the maximum mortgage value of a single family home cannot exceed \$362,790
3. The table below shows the current HOME program income guidelines for Morris County.

Household Size	30%	50%	60%	80%
One Person	\$18,850	\$31,400	\$37,680	\$46,000
Two Persons	\$21,550	\$35,900	\$43,080	\$52,600
Three Persons	\$24,250	\$40,400	\$48,480	\$59,150
Four Persons	\$26,900	\$44,850	\$53,820	\$63,700
Five Persons	\$29,100	\$48,450	\$58,140	\$71,000
Six Persons	\$31,250	\$52,050	\$62,460	\$76,250

Effective Date: June 6, 2016

C. MAXIMUM INVESTMENT AND INITIAL RENTS PER UNIT SIZE:

1. HOME Program guidelines establish a maximum subsidy of HOME funds based on number of bedrooms.
2. Rental properties must follow the HOME Program Rent guidelines established by HUD which are also based on number of bedrooms.
3. The table below shows the current maximum subsidy levels as well as the Low/High rents amounts. Low HOME rents apply to 20% + units in a project with 5 or more HOME assisted units.

# BEDROOMS/UNIT	MAXIMUM SUBSIDY ALLOWED	LOW HOME RENT	HIGH HOME RENT
0 Bedroom	\$137,361	\$801	\$1,044
1 Bedrooms	\$157,466	\$858	\$1,099
2 Bedrooms	\$191,476	\$1,030	\$1,324
3 Bedrooms	\$247,708	\$1,190	\$1,614
4 Bedrooms	\$271,908	\$1,327	\$1,780

Effective Date: March 17, 2015

Effective Date: June 6, 2016

4. The minimum grant request from HOME funds is \$1000.

D. PERIOD OF AFFORDABILITY:

Completed projects must meet affordability requirements for a number of years based on the total amount of HOME funding invested. The length of affordability is enforced by mortgage, note and/or deed restrictions.

HOME Investment per Project	Length of Affordability Period
Less than \$15,000	5 years
\$15,000 - \$40,000	10 years
More than \$40,000	15 years
Development of <i>rental</i> housing	20 years

E. EXPENDITURE & COMMITMENT GUIDELINES:

- HOME projects have a total of four years from date of award to expend all HOME funds.
- HOME funds must be committed to the project within TWO years from award date. **However**, if construction is a part of the project, the actual construction must begin within 12 months of commitment.
- A Community Housing Development Organization (CHDO) whose project is recommended may receive up to 15% of the CHDO allocation for pre-development costs.
- All funding sources listed in the application must be accompanied by letter of commitment.
- **All applicants must have site control established at the time of application.**

APPLICATION PROCESS

- 1. Applications must be completed and submitted to the Office of Community Development by 5:00 P.M. Friday, December 16, 2016. The office address is 30 Schuyler Place, 3rd Floor, Morristown. The mailing address is County of Morris, Office of Community Development, P.O. Box 900, Morristown, NJ 07963-0900.**
2. All applications will be reviewed by the Office of Community Development for completeness and eligibility. All eligible applications will be assigned to the appropriate subcommittee of the Community Development Revenue Sharing Advisory Committee (CDRS). The subcommittees are **Public Facilities, Public Housing, Public Services, Public Improvements,** and **Human Services Advisory Committee (HSAC)**, for ESG applications only.
3. Applicants of eligible activities will have the opportunity to present their application to the appropriate subcommittee in the month of **February, 2017.**
4. Each subcommittee will prioritize activities and determine funding levels.
5. The Regional Coordinators of the CDRS Committee will meet in **March, 2017** and recommend funding allocations for each subcommittee category and identify activities for 2016 funding.
6. The list of proposed activities will be reviewed at a Public Hearing, presented to the Board of Chosen Freeholders and the full CDRS Committee membership for their approval during the month of **May, 2017.**
7. The Annual Action Plan will be submitted to HUD in mid-**May, 2017.**
8. HUD is expected to approve the Annual Action Plan in **September, 2017.** Funding for each approved activity will be available upon completion of an Environmental Assessment and a fully executed Grant Agreement.
- 9. You cannot obligate, commit, or disburse these *anticipated* funds until there is an executed Grant Agreement with the County of Morris. Costs incurred prior to this will not be eligible for program reimbursement.**

2017 APPLICATION INSTRUCTIONS HOME INVESTMENT PARTNERSHIPS PROGRAM

SECTION I - GENERAL

- A. Insert grant request to the nearest \$100.
- B. The applicant is the agency proposing the activity.
- C. Applicant's address.
- D. Person to contact for questions.
- E. DUNS and SAMS Cage Code is **required**.

SECTION II - ACTIVITY

- A. Use a title such as "Construction of Family Rental Housing" or "Group Home Acquisition."
- B. Specific location by street or geographic area, e.g. "Smith Street between First and Third Avenue" (*indicate street address if appropriate*).
- C. Use Census Maps or call the Office of Community Development for assistance.

SECTION III - IMPLEMENTATION SCHEDULE

Please read Section E in Part I, page 4 carefully regarding Expenditure & Commitment Guidelines.

- A. Activities for acquisition only
- B. Activities involving new construction
- C. Activities for rehabilitation of existing housing

SECTION IV – APPLICATION INFORMATION

- A. Check only one category.
- B. Note type of project and complete appropriate page.

SECTION V - OTHER INFORMATION

Self-explanatory, call the Office of Community Development if there are any questions.

- C. If permits or approvals are required, applicant must document contact with NJ Department of Environmental Protection or other government agencies, prior to submission of application.

SECTION VI - APPLICANT SIGNATURE

Authorized signature of person preparing the application.

SECTION VII - CERTIFICATION

Mayor certifies that non-profit housing applications have been discussed at a public meeting.

SECTION VIII- BUDGET INFORMATION

It is **mandatory** that specific budget information, as outlined on page 12, be attached.

SECTION IX – MATCH

Please select the type of match you intend to use to satisfy the match requirement.

2017 HOME APPLICATION

I. GENERAL

A. Grant Request

(Round to nearest \$100)

B. Applicant

C. Address

(Street Address)

(Municipality)

(Zip Code)

D. Contact Person

(Phone Number)

(Ext)

(Fax Number)

(Email)

E. DUNS Number

SAMS CAGE CODE

II. ACTIVITY

A. Title

B. Location

III. IMPLEMENTATION SCHEDULE

In the space below, outline an anticipated implementation schedule for the proposed activity. **If this activity cannot commence between 7/1/17- 6/30/18 the applicant should not consider submitting the activity at this time.** For your information, funds should be released by September 2017.

- If the proposed activity is for acquisition alone, please provide a detailed schedule indicating when you expect to expend all the funds.
- If the proposed activity involves new construction, please provide a detailed schedule of anticipated stages for development including pre-construction work, actual hard construction and occupancy date.
- Proposed rehabilitation activities require the same type of detailed schedule as new construction above.

IV. APPLICATION INFORMATION

A. Type of Activity

- Acquisition (*Complete Page 10*)
Standard units or assistance to homebuyers
- New Construction (*Complete Page 10*)
Hard or soft costs (may include acquisition costs for a specific construction project).
- Rehabilitation (*Complete Page 11*)
Substantial (Over \$25,000 per dwelling unit)
Other Rehabilitation

B. Category

- Renter
- Owner

V. OTHER INFORMATION

A. MAP - attach the census map showing the location and service area of the activity.

B. ENVIRONMENTAL FACTORS:

- | | YES | NO |
|--|--------------------------|--------------------------|
| 1. Is activity located in floodplain or area of special flood hazard? | <input type="checkbox"/> | <input type="checkbox"/> |
| 2. Is activity located in the NJ Highlands Preservation or Planning Area? | <input type="checkbox"/> | <input type="checkbox"/> |
| 3. Will activity have an impact on a sole source aquifer? | <input type="checkbox"/> | <input type="checkbox"/> |
| 4. Is activity located in a Category 1 watershed? | <input type="checkbox"/> | <input type="checkbox"/> |
| 5. Is activity located in or near a wetland or transition area? | <input type="checkbox"/> | <input type="checkbox"/> |
| 6. Is activity located within a one-mile radius of a hazardous waste site? | <input type="checkbox"/> | <input type="checkbox"/> |
| 7. Will activity impact a historical or archeological structure, district or site? | <input type="checkbox"/> | <input type="checkbox"/> |
| 8. Are there any known impediments to the prompt implementation of the activity?
(Including but not limited to requirements for State permits or any local action)? | <input type="checkbox"/> | <input type="checkbox"/> |

If yes, please indicate:

VI. APPLICANT SIGNATURE

I certify that the information in this application is correct to the best of my knowledge.

(Signature)	(Name)
	(Title)

VII. CERTIFICATION

NON-PROFIT HOUSING APPLICATIONS - Municipal Certification – You will need to address this as soon as possible, to allow municipalities lead time to place your item on their agenda.

This application has been discussed at a local public meeting held on _____

(Mayor's Signature)	(Date)

VIII. BUDGET INFORMATION

Please provide the following information for the proposed activity:

- A. Sources and Uses of Funds, including Grant request
- B. Letters of Commitment for Sources of Funds
- C. Certification of Government Assistance
- D. Development Budget. An updated Development Budget will be requested upon Commitment of Funds.
- E. Pro Forma, as stipulated below.*
- F. **ANY MISSING OR REQUESTED ITEMS FROM THIS OFFICE MUST BE SUBMITTED BY DECEMBER 30, 2016. This includes certification from the Municipality (if applicable). See Page 11.**

* Rental Projects must provide annual operating budget.

* For Sale Projects must provide proposed sale price

Please contact the Office of Community Development for technical assistance.

IX. MATCH REQUIREMENTS:

The Home Program requires that HOME funds be matched with non-federal forms of subsidy. The matching requirement is .25 cent for every \$1 in HOME funds. The premise of the “match” is that the provision of affordable housing is a community responsibility and, as a result, the local community should make a financial contribution to “match” the federal HOME funds. It is important to note that an owner, an investor or anyone who the County may determine has an interest in the activity may not provide the match.

This is a “program rule” rather than an “activity rule” meaning HUD reviews the County’s program and not each activity for compliance. However, the County must impose a matching requirement on activities to meet the program rule. As such, HOME activities should make an effort to provide as many matching dollars as possible. Activities providing matching funds will receive a higher priority.

Eligible matches are described below. It is important to note that the match can be a direct contribution which lowers an activity development cost (e.g., NJHMFA housing grant or a bank waiving closing costs) or a contribution which lowers the operating cost of the activity in the future (e.g. a low-interest loan from a local utility company or a partial tax waiver from the municipality). Direct contributions should be noted on the HOME Application.

Match obligations can be met with:

- Permanent cash contributions from non-federal funding programs such as NJHMFA Housing programs and Federal Home Loan Bank Affordable Housing programs.
- Grant equivalent of below-market interest rate loans.
- Non profit equity
- The value of waived taxes, fees, or other charges normally imposed by local jurisdictions.
- The value of land or real property donated or provided at less than appraised value.
- Cost of infrastructure improvements not made with federal resources.
- Reasonable value of donated site-preparation, construction materials and voluntary labor.
- Homeowner sweat equity (not investor sweat equity).

Ineligible forms of match include:

- Contributions made with or derived from federal funds.
- Interest rate subsidy attributable to federal tax-exempt financing or the value of federal tax credits.
- Owner equity or investment in an activity. Investor sweat equity.
- Cash or other forms of contributions from applicants or recipients of HOME funds, or investors who own, are working on, or are proposing to apply for, assistance for a HOME-assisted activity. This includes private bank mortgages.

HOME has a dollar MATCH requirement of 25% from a non-federal source. Please select your anticipated form of eligible match listed below:

- Cash contributions from nonfederal sources
- Waiver of feeds, e.g., state and local taxes, charges or fees
- Donated real property
- The reasonable value of donated site-preparation and construction materials, not acquired with Federal resources.
- The value of donated or voluntary labor or professional services in connection with the provision of affordable housing.
- The value of sweat equity.
- The direct cost of supportive services provided to families residing in HOME-assisted units during the period of affordability or receiving HOME tenant-based rental assistance. The supportive services must be necessary to facilitate independent living or be required as part of a self-sufficiency program.
- The direct cost of homebuyer counseling services provided to families that acquire properties with HOME funds, including ongoing counseling services provided during the period of affordability.

Please call our office for validation of eligibility of match and additional explanation on satisfying any of these forms of match.

HOUSING - ACQUISITION / NEW CONSTRUCTION

1. (a) Total number of Households (H)/Units (U) in project:
(b) Number to be assisted with requested funds:

2. Specifically describe the building(s) to be acquired or constructed and the population to be served.
(e.g., 25 1-bdrm units for senior citizens in a 3-story building on municipally-owned land).

3. Describe how the requested funds will be used.

4. What is the documented need for this project (e.g., COAH obligation, waiting lists, surveys)?

5. Describe the site (e.g., vacant, wooded, wetlands, structures, etc.) and neighborhood (e.g., rural, residential).

6. Site Information: Address:

- a) Block & Lot #:

- b) Site Control: Owned

Option to Buy

Lease

Other

- c) Availability of Utilities:

Yes

No

Water - at the site

Sewer - capacity reserved

- d) Are Municipal Approvals Required?

Planning Board

Zoning Board

- e) Is site fully accessible for activity? (i.e., not landlocked?)

- f) What is the age of the existing building?

- g) Are other approvals necessary (e.g., state and county)? If so, what is the status?

7. What is the status of architectural and engineering plans?

8. Have you applied to other funding sources and been denied? Note sources and reason for denial:

HOUSING - REHABILITATION

1. (a) Total number of Households (H)/Units (U) in project:

(b) Number to be assisted with requested funds:

2. Specifically describe the building(s) to be rehabilitated, the type of repair(s) and the population to be served e.g., *bringing a single family home up to code for resale to low to moderate income families*

3. What is the documented need for this project (e.g., *COAH obligation, waiting lists, surveys*)?

4. What is the status of site control?

Site Control: Owned Option to Buy Lease to Purchase Other

5. Other than building permits, are any other approvals necessary (e.g., *local or State historic preservation reviews, Board of Adjustment, N.J. DCA*)?

6. Have you applied to other funding sources and been denied? Note sources and reason for denial: