

Can you further define commitment of funds?

Due to the 2013 HOME Final Rule, participating jurisdictions are no longer permitted to issue final letters of commitment until milestones have been met. These conditions include: letters of commitment for all funding required in the project, completion of all NEPA documents, development budget and timeline, and a market study. The City and developer must complete and sign HOME documents by June 30, 2015.

Can you further define standard housing versus an acquisition-rehab project?

HOME funds can be used to purchase standard housing which will receive affordability covenants. Units must meet code requirements and be immediately livable in safe and sanitary conditions. An inspection conducted no earlier than 90 days before the date of commitment of HOME assistance will be required. HOME funds will have to be applied to the purchase of the property. It will take at least a month to complete the NEPA reviews after the receipt of necessary documentation as there are 2 HUD required 15-day reviews.

HOME funds can also be used for an acquisition-rehab. Properties will have to meet property standards at the end of the rehabilitation period. In order for the City to fully commit funds, the City must receive letters of commitments for all other necessary funding of the project. For example, a developer would have had to get a commitment of 4% tax credits/bank loans in time for the City and developer to finalize and sign HOME contracts by June 30, 2015, but the developer does not need to complete loan documents for leveraged funds by the end of the fiscal year. Environmental review of the project must be complete before documents may be signed; timeline for completion of the review may be affected by the estimated scope and cost of rehab.

How will the City consider a project where the property is not yet under contract?

The applicant's proposed timeline for acquiring sites and beginning construction or rehabilitation is one of the evaluation criteria for projects (see page 22 of the RFP). If a property is not yet under contract, the developer must show how they will get the property under contract in a timely manner in order to complete the commitment of the HOME funds.

Is there a match requirement?

The City does not have a specific match requirement. The leverage of funds on a per unit and per bedroom basis will be considered when evaluating the number of units to be acquired, rehabilitated, or constructed (see page 22 of the RFP).