



2023-2024
HOME INVESTMENT
PARTNERSHIPS PROGRAM
(HOME)

APPLICATION PACKET

DEVELOPMENT

DUE ON FRIDAY, MARCH 10, 2023,
BY 4 P.M.

DEPARTMENT OF PLANNING AND REDEVELOPMENT
137 ROOSEVELT AVENUE, 1st FLOOR
PAWTUCKET, RI 02860

401-728-0500, Ext. 430

mgoudreau@pawtucketri.com

**APPLICATION FOR FEDERAL HOME INVESTMENT PARTNERSHIPS PROGRAM
FUNDS FOR DEVELOPMENT PROJECTS**

PROGRAM YEAR 2023 - (July 1, 2023 - June 30, 2024)

INSTRUCTIONS: This application contains the minimum amount of information necessary for proposal review. All applications must be legibly typed and neatly organized and presented. The Application must be returned to the City of Pawtucket Dept. of Planning and Redevelopment office no later than 12 P.M on FRIDAY, MARCH 10, 2023. Additional information should be included as necessary. Use extra sheets, if needed. The City of Pawtucket Dept. of Planning and Redevelopment may request more information from the applicant. If you have any questions or need assistance, please contact Mark E. Goudreau, CD Program Manager, City of Pawtucket Dept. of Planning and Redevelopment, 137 Roosevelt Avenue, 1nd Floor, Pawtucket, RI 02860, Phone (401) 728-0500, Ext. 430, mgoudreau@pawtucketri.com

In accordance with Department of Housing & Urban Development (HUD) Regulations and Amendments to 24 CFR, Part 92, all activities to be funded utilizing Home Investment Partnership Funds must serve 100% low and moderate income people. Applications that are accepted for funding will be approved subject to HUD funding, approval of PY 2023 Action Plan, HUD Environmental review process and submission of certified acceptable documentation relative to the HUD 100% Benefit Rule.

Note:

This Application Packet consists of Two Parts

Part I contains the Application forms and submission requirements

Part II contains information explaining some of the requirements

TABLE OF CONTENTS

PART I

Section 1. Program Overview

Section 2. Application Instructions

Section 3. Introduction and Guidelines

Section 4. Application Packet

Other Attachments

Homebuyer Model

PART II

Appendices for Information and Guidance

Appendix A Summary of Eligible and Ineligible Activities

Appendix B City of Pawtucket Five Year Plan Executive Summary

Appendix C HOME Income and Rent Limits

Appendix D Subsidy Layering Analysis

Appendix E City of Pawtucket HOME Program Site and Neighborhood Standards Policy and Procedures

Appendix F Energy Standards of the City of Pawtucket HOME Program

Appendix G Design Standards of the City of Pawtucket HOME Program

Appendix H City of Pawtucket HOME Program Rehab Standards

Appendix I Affirmative Fair Housing Marketing Plan

Appendix J Section 3 Guide

Appendix K Evaluation of Proposals

HOME MATCH REQUIREMENT

NOTE: The Consolidated and Further Continuing Appropriations Act of 2012 imposed new requirements on recipients of HOME funds. These were issued by HUD to the City of Pawtucket in the Notice CPD 12-007 **available for view in our office**. In summary, there are new requirements for the capacity of organizations receiving HOME funds, especially CHDOs; new requirements for market needs analysis, new requirements for underwriting and new requirements for homeownership projects including down payment assistance projects.

HOME Investment Partnership Program Overview

The HOME Program was created under Title II of the Cranston-Gonzalez National Affordable Housing Act (NAHA) of 1990. It provides the City of Pawtucket HOME Program with the flexibility to determine the kinds of housing assistance most appropriate to address its housing needs. Federal requirements mandate that 100% of the HOME funds to be used to assist low-income households.

The City of Pawtucket HOME Program, receives federal HOME Program funds on an annual basis from the U.S. Department of Housing and Urban Development (HUD) to support the development and preservation of affordable housing units for low- and moderate-income individuals, families, the elderly, and people with special needs.

In previous years, the City of Pawtucket has provided HOME funding to nonprofit and for-profit developers to preserve and increase the supply of affordable housing in the community. However, due to a significant reduction in funding for PY 2023, the City of Pawtucket currently will only fund development projects by or affiliated with a certified Community Housing Development Organization (CHDO). The amount of funding available will depend on the project itself, as well as the availability of funding, particularly the availability of CHDO set aside funds. This is important to remember because the City of Pawtucket only receives a limited amount of funds each year.

Program Goals

- Provide decent affordable housing
- Expand capacity of nonprofit housing providers
- Strengthen ability of state and local governments
- Leverage private sector participation

Availability of Funds

HOME funding awards may vary from year to year. HUD typically notifies the City of its anticipated allocation during the first quarter of any given calendar year. We have not received notification of our estimated PY 2023 HOME award. We estimate that the PY 2023 award will around \$500,000 with a CHDO set aside estimate of \$75,000.

Eligible Applicants

Nonprofit and for-profit affordable housing owners, sponsors, and developers are eligible to receive funding under the HOME Program. However, the City of Pawtucket will only be funding development projects in PY 2023 that are undertaken by or affiliated with a certified CHDO.

Loan Terms

Funds are available as a deferred payment loan to the applicant for a specified timeframe (affordability period).

Eligible Uses of Funds for this Application Process

Financial assistance is available for:

- Acquisition for development purposes
- Rehabilitation for development purposes
- Homeownership acquisition or development subsidy
- Funds are available to support the development of both homeownership and rental units

Compliance Requirements

The project and HOME assisted units must comply with HOME (and associated) regulations under 24 CFR Part 92.

Term of Affordability

Properties assisted with HOME funds are deed restricted to ensure affordability for a specified period depending on the amount and type of funding granted.

Income Eligibility and Rent Limits

The gross annual household income for homebuyers or occupants/tenants of HOME assisted units cannot exceed 80% of the area median income (AMI) for the local Metropolitan Statistical Area (MSA) and can be restricted to a lower amount either through regulations or local preference. Initial tenants of all HOME assisted **rental** units must be at or below 60% AMI. The U.S. Department of Housing and Urban Development determines and publishes the local MSA income and rent limits annually. The rent limits are usually published in October of the year prior to the new program year in which they will be in effect, and the income limits are usually published in April or May of the year prior to the new program year in which they will be in effect. As both income and rent limits vary by community and change on an annual basis, we have provided website information and instructions in **Part II** Attachment “**C**” that will enable applicants to access the most recent and available information.

Household income is categorized by local MSA information, adjusted for the number of persons in the household, and the total gross income of the occupants within the assisted household. Total household income must not exceed the maximum specified income limits for the area as outlined in **Part II** Attachment “**C**” of the application packet. Ownership units will be subject to income limits and sales price, while rental units will be subject to income and rent limits.

Total household income is calculated using the Part 5 method outlined and contained in the Technical Guide for Determining Income and Allowances for the HOME Program (HUD publication - 1780-CPD) **or using the income calculator at onecpd.info/incomecalculator.**

Application Process

Please note that this Application is for CHDO ONLY affiliated development projects and agencies conducting eligible HOME activities.

1. Eligible applicants are required to complete a HOME application (attached hereto) and provide the necessary supporting documentation e.g. financial proforma, operating budget, etc. Applications for funding are reviewed by the City of Pawtucket.
2. For the upcoming year, PY 2023, only development applications that are submitted by or affiliated with a CHDO, and have a designated CHDO as an owner, sponsor, or developer will be accepted.

Evaluation Criteria for (CHDO) Development Projects

This application will be used for CHDO development projects. In evaluating projects, the highest priority will be given to projects that meet the following standards:

- Application is complete and all required information is provided.
- Demonstrated experience with affordable housing projects using public funds.
- Zoning approvals are secured and project is ready to move forward.
- Funding is in place and a gap can be demonstrated for the use of HOME funds.
- Funds can be spent during the PY 2023 Program Year and projects can be substantially completed.
- The number of affordable units that will be created in relationship to the HOME funds requested (the greatest cost/benefit ratio).
- Property management and program/project capacity, if applicable, can be clearly demonstrated.
- Consistency with the City of Pawtucket's Five-Year Consolidated Plan
- In the case of a CHDO project, that all HUD required CHDO documentation be provided prior to the time of final funding approval.

The City of Pawtucket reserves the right to reject any and all applications if it is deemed by the City to be in the best interest to do so.

Contact

For further information concerning the application and guidelines to apply for HOME funding, contact Mark E. Goudreau, Community Development Program Manager, City of Pawtucket, Department of Planning and Redevelopment, 137 Roosevelt Avenue, 1st Floor, at (401) 728-0500, Ext. 430, or email at mgoudreau@pawtucketri.com

Application Instructions

City of Pawtucket HOME Program **HOME Investment Partnership Program** Program Year PY 2023 (July 1, 2023 – June 30, 2024)

The City of Pawtucket’s Department of Planning and Redevelopment, is seeking proposals for eligible activities during Program Year 2023 (July 1, 2023 – June 30, 2024). HOME funding varies annually. HUD usually notifies recipients of their anticipated allocation in April/May of each year. The City is estimated to receive \$500,000 in HOME funds.

In order for the City of Pawtucket to consider applications for funding, applicants should be advised of the following:

1. The HOME program is a federal program dedicated to the to the creation of affordable housing through acquisition, rehabilitation, construction and/or development of affordable housing for low to moderate income individuals, families, the elderly, and people with special needs (see **Part II** Attachment “**C**” for income limits). Therefore, applicants should detail, to the greatest extent possible, how their project will benefit low /moderate income families and how many affordable units will be produced. These and other factors outlined in this application will be factors considered in the application review process.
2. Applicants will be evaluated based the evaluation criteria referenced previously, and on how well they address the housing needs identified in the City of Pawtucket’s PY 2020-2024 5 Year Consolidated Plan, and to the extent that they leverage other funding sources or collaborate with other agencies in the production of affordable housing.
3. Only those applications submitted for eligible activities in accordance with the governing regulations of the Code of Federal Regulations, Title 24, Part 92, Sections 92.205 – 92.209 (See **Part II** Attachment “**A**”) will be considered for funding.
4. All applicants must complete the standard HOME application for funding consideration. Applicants should submit three (2) printed copies of the application along with one (1) printed original signed by the applicant. All five (3) submittals should be three-hole punched. In addition, one electronic version (CD, DVD or Jump Drive) shall be included. Applicants may respond in the space provided, or submit a separate narrative that is requested and not to be more than five (5) pages in length.
5. The deadline for all applications will be: **Friday, March 10, 2023, at 12 p.m.**

6. Applications must be hand delivered or mailed to: City of Pawtucket, Department of Planning and Redevelopment, 137 Roosevelt Avenue, 1st Floor, Pawtucket, RI 02860.

If you are considering submitting an application for funding but are not sure if the project is eligible or meets regulatory requirements, you may contact Mark E. Goudreau, Community Development Program Manager, City of Pawtucket, Department of Planning and Redevelopment (401) 728-0500, Ext. 430, or by email at mgoudreau@pawtucketri.com for assistance.

PART I

APPLICATION PACKET

CITY OF PAWTUCKET
PY 2023 HOME FUNDING APPLICATION PACKET

Executive Summary

Please insert an Executive Summary of the Proposed Project no longer than one page. It should provide the City, with the ability to understand

- who is proposing to develop the project?
- the location of the project
- a description of the project
- the funding of the project including the amount of HOME funds being requested

SECTION A: Developer and Project Information

Part 1: Applicant Information

Table 1: Applicant Information

Project Title	
Name of Organization or Development Entity	
Street Address	
City, State, Zip	
Telephone Number	
Fax Number	
EMPLOYER Number (EIN)	
DUNS Number (REQUIRED)	
CCR Cage Number (if available)	
Executive Director	
Project Contact Person	
Telephone Number	
Email Address	
Type of Applicant (Check one)	
Non-Profit Developer	
For-Profit Developer	
CHDO	

Please provide, in the Attachments indicated, the following basic information about the Applicant. The Applicant for this purpose shall include the lead organization any other partners such as non-profit and/or for profit developers. This information does not need to be in an original form; copies of relevant sections from sources such as an organization's basic funding proposals are adequate as long as the needed information is conveyed.

Organizational Information [See Attachment 1]

Please provide the following information:

1. Developer Name for a CHDO:

Address 1 _____

Address 2 _____

City _____ State _____ ZIP _____

Contact Person First _____ Last _____

Telephone: (____)-(_____) Extension ____

Email: _____

Minority Business Enterprise (MBE) _____

Women Business Enterprise (WBE) _____

2. Other Development Partners (If private, for profit, see section below on joint ventures)

Partner #1 Name:

Address 1

Address 2

City _____ State _____ ZIP _____

Contact Person First _____ Last _____

Telephone: (____)-(_____) Extension ____

Email: _____

Minority Business Enterprise (MBE) _____

Women Business Enterprise (WBE) _____

LLC or LLP? _____

Partner #2 Name:

Address 1

Address 2

City _____ State _____ ZIP _____

Contact Person First _____ Last _____

Telephone: (____)-(____) Extension ____

Email: _____

Minority Business Enterprise (MBE) _____

Women Business Enterprise (WBE) _____

LLC or LLP? _____

Partner #3 Name:

Address 1

Address 2

City _____ State _____ ZIP _____

Contact Person First _____ Last _____

Telephone: (____)-(____) Extension ____

Email: _____

Minority Business Enterprise (MBE) _____

Women Business Enterprise (WBE) _____

LLC or LLP? _____

3. Development Consultant [if any]

Consultant Name:

Address 1

Address 2

City _____ State _____ ZIP _____

Contact Person First _____ Last _____

Telephone: (____)-(____) Extension _____

Email: _____

Minority Business Enterprise (MBE) _____

Women Business Enterprise (WBE) _____

4. Architect

Design Team (Architect/Engineer) Name:

Address 1

Address 2

City _____ State _____ ZIP _____

Contact Person First _____ Last _____

Telephone: (____)-(____) Extension _____

Email: _____

Minority Business Enterprise (MBE) _____

Women Business Enterprise (WBE) _____

5. Attorney

Attorney Name:

Address 1

Address 2

City _____ State _____ ZIP _____

Contact Person First _____ Last _____

Telephone: (____)-(____) Extension _____

Email: _____

Minority Business Enterprise (MBE) _____
Women Business Enterprise (WBE) _____

6. Management Agent (or plan & schedule for selection)

Property Management Name:

Address 1

Address 2

City _____ State _____ ZIP _____

Contact Person First _____ Last _____

Telephone: (____)-(____) Extension _____

Email: _____

Minority Business Enterprise (MBE) _____
Women Business Enterprise (WBE) _____

7. Marketing Organization

Marketing Organization Name:

Address 1

Address 2

City _____ State _____ ZIP _____

Contact Person First _____ Last _____

Telephone: (____)-(____) Extension _____

Email: _____

Minority Business Enterprise (MBE) _____
Women Business Enterprise (WBE) _____

Please attach Affirmative Fair Marketing Plan if the project will contain 5 or more HOME assisted units. (For information see Application Packet Part II Appendix F)

8. Joint Ventures: If the CHDO applicant is involved in a joint venture provide evidence that the CHDO (partner) controls and will maintain the majority interest in the joint venture. Please attach partnership agreement.

9. Also please provide, in Attachments 1, 2 and 3 the following basic information about any Partner/s. This information does not need to be in an original form; copies of relevant sections from sources such as an organization's basic funding proposals are adequate as long as the needed information is conveyed.

1. Organizational Information: Attachment 1
2. Financial Information – Attachment 2
3. Capacity Analysis – Attachment 3

Part 2. Project Information¹

Project Title	
---------------	--

Project Location

Address 1 _____

Address 2 _____

City _____ State _____ ZIP _____

Census Tract #: _____

Table 2: Project Type

Type of Project (Check one)	
Rental Housing New Construction	
Rental Housing Substantial Rehab	
Rental Housing Moderate Rehab	
Homeownership New Construction	
Homeownership Substantial Rehab	
Homeownership Moderate Rehab	
Homeownership Acquisition only	
Other	

¹ **If the project is located on more than one site, the following information is needed for each site.**

Type of Project (Check one)	
HOME Funds Requested	\$

Table 3: Project Schedule of Units

Unit Distribution	Total	1BR	2BR	3BR	4+BR
# of Project Units					
# of Project Square Feet					
# of HOME Units in Project					
Market Rate Unit Rents	\$	\$	\$	\$	\$
Below Market Unit Rents (excluding HOME units)	\$	\$	\$	\$	\$
HOME Unit Rents - High	\$	\$	\$	\$	\$
HOME Unit Rents - Low					

Table 4: Intended Occupants

Who are the intended occupants of the project? Insert number for each income category ²	ELI	VLI	LI	Market
Families				
Disabled				
Special Needs (other than disabled) Specify				
Elderly				
Other				

Table 5: Other Project Information

Other Project Information	
Site area in square feet	
Hard Cost per square foot	

² Market Above 80% of Median
 LI Low Income (50-80%) Occupancy
 VLI Very Low Income (30-50%) Occupancy
 ELI Extremely Low Income (30% or below) Occupancy

Other Project Information	
Soft Cost per square foot	

Please provide a summary of the financial information below and in Attachment 2A provide details of the sources listed

Table 6: Sources of Financing

Major Sources of Funding, Amount and Status	Committed	Applied For	Proposed
CHDO Equity	\$	\$	\$
Partner Equity	\$	\$	\$
Tax Credit Investor/s	\$	\$	\$
Private Loans	\$	\$	\$
Other Funds [list separately below	\$	\$	\$
Match	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$
	\$	\$	\$

Will the project require HOME funds prior to construction? Y __ N __

Will the project require relocation of existing tenants or businesses? Y __ N __

Please indicate which of the needs and/or strategies identified in the City of Pawtucket HOME Five-Year Consolidated Plan (Application Packet Part II Appendix B) does this project address. Please explain how the proposed activity/project will address the need and/or strategy identified above. Applicants may respond in the space provided.

Please answer, in typed form, the questions listed below. When responding, have the relevant question appear above the response.

Site/Zoning: Describe the site (size, topography, current use, etc.) in narrative. Describe what factors went into selecting this location. Indicate current zoning, and describe any zoning changes, environmental approvals, or other regulatory approval required to implement the proposed development project. *Please provide a brief summary sheet of what submittals/permits will be required for this project, which have been submitted, and the status of those submitted e.g. (not submitted as yet, under review, approved).* Document evidence of local municipal regulatory approvals granted and describe support or resistance from neighborhood organizations, abutters or municipal regulatory/permitting authorities. Please provide evidence of comprehensive permit or ZBA restrictions/decisions regarding project as an attachment. Will the activity disturb land previously not disturbed? To the best of your knowledge, is there anything of historical or archaeological significance at the project site or in general the area? *Please note: An environmental review including historic clearance of the project site must be completed prior to project commitment.*

Is the project subject to the Comprehensive Permitting process? Y ____ N _____

2. Site and Unit Plans, Maps: Provide one set of site plan, locus map, floor plans and elevations. Include on the plans the square footage of the various unit types.

3. Site Control: Provide status of ownership, and describe plans to acquire site control. If site control has been established, provide evidence of option, purchase and sale or title.³

4. Purpose of Assistance Requested: Describe the need for the proposed housing, type and amount of funding requested from HOME and how funds will further the progress of the proposed project.

5. What is the proposed schedule for the development?

Table 7 – Pre-Construction Period Schedule

Proposed Item	Submitted	Approved
Planning and Zoning Approvals		
Construction/Development Loan		
Other Pre-construction approvals(Specify)		

³ In the case of a purchase and sale agreement or option or other contingent purchase plan, note that there must be access to the site for environmental and other reviews and the term of the agreement including renewals must match the projected period for selection by the City through issuance of a building permit.

1.		
2.		
3.		

Table 8 – Development Schedule

Construction Start Date	
Certificate of Occupancy Date	
Marketing Commences	
Sale of All Units (Homeownership Projects) is Completed	
Rent-Up or Sustaining Occupancy Reached	
Rental Property Management Commences	
Other (Specify)	

6. Has the project been assessed for lead-based paint? Yes No

If yes, does the project contain lead-based paint? Yes No

If the project contains lead-based paint, attach an explanation detailing how it will be addressed, and who will be responsible for such. *Please note: you will be required to provide documentation of proper inspections and certification for any Lead Based Paint work prior to project commencement and a letter of full de-leading compliance or dust wipe clearance will be required prior to occupancy.*

If no, is a lead-based assessment planned? Yes No

If a lead-based assessment is not planned, why not? _____

7. Has the project been assessed for asbestos content? Yes No

If yes, does the project contain asbestos? Yes No

If the project contains asbestos, attach an explanation detailing how it will be removed or addressed, and who will be responsible for such. *Please note: you will be required to provide documentation of proper inspections and certification for any asbestos work prior to project commencement and air quality and disposal certification/documentation required before occupancy.*

If no, is an asbestos assessment planned? Yes No

If an asbestos assessment is not planned, why not? _____

8. Has the project been assessed for other hazardous materials?⁴ _____ Yes _____ No

If yes, what other hazards exist?

If the project contains other hazards, attach an explanation detailing how the hazards will be removed or addressed, and who will be responsible for such.
Please note: you will be required to provide documentation of any fore-mentioned hazards and how they were remediated and/or disposed of prior to occupancy of building.

If no, are any other assessments planned? _____ Yes _____ No

If other assessments are not planned why not? _____

9. Market Analysis: Provide data and information in Attachment 4

10. Accessibility/Adaptability: Describe plans for handicapped accessibility and/or adaptability if appropriate for population to be served and how project will comply with 504 regulations.

11. Special Needs: If in Table 4 you indicated that you will serving a special needs population indicate why this group was chosen what supportive services will be provided and who will be providing them?

12. Design Standards: There are design standards which are required or recommended by HUD and the State. The design consultant should review these.

13. Affirmative Contracting Action: Describe and document what steps will be taken to affirmatively solicit the selection of contractors for this project. Include experience and record of affirmative action on prior projects.⁵

14. Affirmative Fair Marketing Plan: Describe and document what steps will be taken to affirmatively solicit and market to buyers/renters for HOME assisted units in this project (if applicable). Attach any approved plan. Include experience and record of affirmative marketing on prior projects.⁶

⁴ Please note that the City will conduct an Environmental Assessment of the project before the execution of the HOME Investment contract.

⁵ Please note that a Section 3 Compliance Plan may be required. See Application Packet Part II Appendix D

⁶ As noted above, if the number of units in the project exceed 5, an Affirmative Fair Housing Marketing Plan and other provisions will be required. For all projects a tenant or homebuyer selection plan will be required.

D. APPLICANT CERTIFICATION AND COMMITMENT OF RESPONSIBILITY

As the official designated by the Applicant, I hereby certify that if approved by the City of Pawtucket HOME Program for a HOME funding allocation, that _____
_____ (applicant name) assumes the responsibilities specified in the HOME regulations and certifies that:

- A. It possesses the legal authority to apply for the allocation and to execute the proposed activity;
- B. It has resolved any A133 or other audit findings for the prior fiscal year to the satisfaction of the City of Pawtucket or any other federal agency by which a finding was made;
- C. It is not currently suspended or debarred from receiving federal funds;
- D. If a CHDO, its board composition complies with and will continue to comply with the requirements for CHDOs in the definition contained in 24 CFR Section 92.2;
- E. It will comply with all statutes and regulations governing or applicable to the HOME program;
- F. The information, statements and attachments contained in support of this application is given for the purpose of obtaining financial assistance from the City of Pawtucket is true and correct to the best of my knowledge and belief. Representations made in the application will be the basis of the written HOME agreement if funding is awarded. All information contained in this application is acknowledged to be public information;
- G. The applicant understands and agrees that if false information provided in this application has the effect of increasing the applicant's competitive advantage, the City of Pawtucket will disqualify the applicant and may hold the applicant ineligible to apply for HOME funds until any issue of restitution is resolved;
- H. If false information is discovered after the award of HOME funds, the City of Pawtucket may terminate the applicant's written agreement and recapture all HOME funds expended;

- I. The applicant shall not, in the provision of services, or in any other manner discriminate against any person on the basis of race, religion, sex, national origin, familial status, or handicap.
- J. The applicant agrees that verification of any of the information contained in this application may be obtained from any source named herein.
- K. The applicant will at all times indemnify and hold the City of Pawtucket harmless against all losses, costs, damages, expenses, and liabilities of any nature directly or indirectly resulting from, arising out of or relating to the City of Pawtucket's acceptance, consideration, approval, or disapproval of this request and the issuance or non-issuance of HOME funds herewith.

This certification must be signed by the individual authorized to submit the application as determined by applicant's governing board of directors and who will be authorized to execute HOME Program agreements. Please attach authorization certification.

Authorized Signature

Title

Print Name

Date

ATTACHMENT 1: ORGANIZATIONAL INFORMATION

Attachment 1A: CHDO Organizational Information

1. Description of current membership.
2. Evidence of CHDO status.
3. List of paid staff.
4. List of current directors and officers.
5. Process for selecting board.
6. Organizational history, especially in housing and community development.
7. Organization's development strategy - goals and objectives.
8. Describe any proposed or existing Partnership structure with the CHDO - identifying owner and/or general partners as registered with the Secretary of State or proposed to be registered.⁷

CHDO History of Performance

Please list all projects the applicant has participated in or administered (regardless of whether they were funded with HOME funds) in the last three (3) years, indicating which projects are completed and which projects are underway.

Table 9: CHDO History of Performance

Project Name	Funding Source/s	Status Code: Abandoned [A], Underway [U] Completed [C]

2. Does the organization currently own, operate, or manage any other development projects other than the proposed HOME activity? Yes No

⁷ Please be advised the CHDO must maintain controlling interest in any Partnership, (see HOME regulations for CHDO role as owner, sponsor, or developer).

Table 10: Other Development Projects Owned and/or Managed by the CHDO

Project	Project Type (Ownership or Rental)	Insert code Own & Manage [OM], Own only [O] Manage Only [M]	Funding Source/s	Year Completed

Attachment 1B: CHDO Partner Information

1. Corporation Papers of any CHDO Partner/s or **Non-CHDO** Developer
2. Resumes of the Partner/s or Non-CHDO Developer including that of any new organization created for the purposes of this HOME project.

Development Entities’ History of Performance [Insert separate charts for each Partner if more than one]

1. Please list all projects the applicant has participated in or administered (regardless of whether they were funded with HOME funds) in the last three (3) years, indicating which projects are completed and which projects are underway.

Table 11: Partner History of Performance

Project Name	Project Type (Ownership or Rental)	Funding Source/s	Status Code: Abandoned [A], Underway [U] Completed [C]

2. Does the organization currently own, operate, or manage any other development projects other than the proposed HOME activity? Yes No

Table 12: Other Development Projects Owned and/or Managed by the Partner/s

Project	Project Type (Ownership or Rental)	Insert code Own & Manage [OM], Own only [O] Manage Only [M]	Funding Source/s	Year Completed

Attachment 2: Financial Information
Attachment 2A: CHDO Financial Information

1. Financial profile - provide documents as requested in the Application Packet.
2. Evidence of 501(c)(3) or other tax status.
3. Most recent A 133 audit (if applicable)
4. List below the entities that are financially involved in this project

Name of Entity	Address	Contact Information	Documents verifying involvement attached Y/N⁸

⁸ Attach additional documentation, such as Memoranda of Understanding, award letters, agreements, etc.

Attachment 2B: CHDO Partner or Non-CHDO Developer Financial Information

1. Evidence of Chapter 180, 501(c) (3) or other tax status.
2. Most recent A 133 audit (if applicable)
3. Provide three lender references. Lenders should be familiar with Partner/s professional development experience, and not just the Partner/s' credit worthiness.

ATTACHMENT 3: CAPACITY ANALYSIS

DEVELOPMENT CAPACITY ANALYSIS FOR HOME PROJECTS

The following information is required for applicants to CITY OF PAWTUCKET for HOME funds. This information is required as a result of regulations issued by HUD in CPD Notice 12-007 ([available from the City](#)). The key provisions of this Notice are as follows:

- 1) *PJs must repay any HOME funds invested in projects that are not completed within four years of the commitment date, as determined by a signature of each party to the written agreement. HUD may grant a one year extension upon determination that the failure to complete the project is beyond the control of the PJ.*
- 2) *PJs may only commit FY 2012 **or later** HOME funds to a project after it has underwritten the project, assessed the developer capacity and fiscal soundness of the developer being funded, and examined the neighborhood market conditions to ensure that there is an adequate need for the HOME project. The PJ must certify, at the time HOME funds are committed, that these actions have been taken for each project.*
- 3) *PJs must convert any FY 2012 **or later** HOME homeownership unit that has not been sold to an eligible homebuyer within six months of construction completion to a HOME-assisted rental unit.*
- 4) *PJs may only provide FY 2012 **or later** HOME funds for development activities to Community Housing Development Organizations (CHDOs) that have demonstrated that they have staff with demonstrated development experience.*

HUD has delineated in more detail what it considers to be the appropriate components for assessing capacity, conducting underwriting and analyzing the market. The information required below is the City of Pawtucket's assessment of what is needed in order to determine that the proposed project for HOME investment is proposed by a team which has the capacity to make the proposed project successful.

The City of Pawtucket needs information from you which will enable it to assess the experience of the team and ensure that all the critical components for developing and managing a HOME assisted project have corresponding team and staff members able to manage them successfully at least through the affordability period which the HOME investment will require.

In the Marketing Matrix Template table 1 which is also set out below, you will have identified the Classification for your proposed project. In this and the following tables, most of the instructions are in footnotes. If at any point you are unsure of what is needed, contact the City.

Table 1 below is where you select your project classification. Thereafter, you use the appropriate key. For example, if the project proposed is located in a City with a population in the 2010 census of 7,560 persons then you choose Location Code 2. If the project consists of 24 total units of which 6 are to be HOME assisted, you choose Project Size Code C.

Table 1: Market Study Analysis Classification Matrix⁹

Proposed Development		Size 1-4 units	Size 5-11 units	Size 12+ units
		Project Size (all units) Code		
Location Code		A	B	C
1	Urban Location with Population over 15,000	Use Matrix Column A3	Use Matrix Column B3	Use Matrix Column C3

⁹ This Table 1 should be the same as the one in the Market Study Analysis Classification Matrix.

In the following Table 2 you will also be also classifying the project in terms of type of construction, financing etc.

Table 2: Project Type Matrix

Proposed Development	Type of Development (Circle applicable code below or insert a check mark √)					
Classification Code from Table 1 (e.g., B2)	Scattered Site	Town House	Apartment Building	Mixed Use (residential and commercial)	Mixed Income (market and subsidized)	Mixed Subsidy (HOME plus other - specify other in cell below -e.g., Tax Credits, PBV etc.)
Code	SS	TH	AB	MU	MI	MS Specify: TC PBV HIF HSF Other (Insert)

NOTE: In Table 3 below it is important that you understand the policy of the City of Pawtucket.

For all developers, the City of Pawtucket expects that there will be team members with experience in all the components of the project, including permitting, construction, financing, sales and property management as well as regulatory compliance. The City of Pawtucket also needs to know whether the team members are staff or third part contractors. In both cases, it also needs to know what the expected percentage of work time is (based on 40 hour week) that will be committed on average to this project from the persons identified.

For a CHDO, there is an additional requirement that there be staff of the CHDO which have the required development experience. The City of Pawtucket requires that the identified CHDO staff be paid. While it will accept that all developers, including CHDOs,

may assemble a team which includes third parties, it needs to know that the CHDO staff person (s) have experience in managing such third parties in a development project. If for example, the CHDO staff person identified has never managed a development project similar to the one classified in Tables 1 and 2 above, (either directly or as a manager of a development team) that will result in the City of Pawtucket classifying the Applicant as unacceptable.

Table 3: Staffing Experience Matrix for the Expected Development Period and Assigned to the Team Assembled for this Project (Application through Affordability Period)¹⁰

¹⁰ The default “affordability” period will be 30 years. The affordability period may be longer than the HOME affordability regulatory restriction depending upon the term of the mortgage securing the HOME loan.

Category of Experience	Staff with Experience ¹¹	% of Time to this Project	Contract Employees with experience ¹²	% of Time to this Project	Partners with Experience (Specify) ¹³	% of Time to this Project	Others with Experience (Specify) ¹⁴	% of Time to this Project
	Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached	
A. Contract Management Experience ¹⁵								
<i>1. Insert Person's Name and check relevant box to the right and insert resume or job description page reference</i>								
1.								
2.								
3.								

¹¹ Staff means paid employees as defined by the IRS. This does not include Board members, volunteers and consultants who do not have responsibility for day to day operations

¹² Contract Employees means those individuals who are paid but not entitled to receive benefits

¹³ Partners mean those with a legally or contractually defined role in the control of the project decision making (e.g., tax credit investors, joint ventures etc.).

¹⁴ Others might include third parties such as architects, marketing firms etc.

¹⁵ Experience managing organizations and people in a contractual relationship with the development

Category of Experience	Staff with Experience <small>11</small>	% of Time to this Project	Contract Employees with experience ¹²	% of Time to this Project	Partners with Experience (Specify) ¹³	% of Time to this Project	Others with Experience (Specify) ¹⁴	% of Time to this Project
	Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached	
4.								
<i>Add more rows as needed</i>								
B. Design - A&E Planning Experience								
<i>1. Insert Person's Name and check relevant box to the right and insert resume or job description page reference</i>								
1.								
2.								
3.								
<i>Add more rows as needed</i>								

Category of Experience	Staff with Experience <small>11</small>	% of Time to this Project	Contract Employees with experience ¹²	% of Time to this Project	Partners with Experience (Specify) ¹³	% of Time to this Project	Others with Experience (Specify) ¹⁴	% of Time to this Project
	Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached	
C. Planning & Zoning Permitting Experience								
<i>1. Insert Person's Name and check relevant box to the right and insert resume or job description page reference</i>								
1.								
2.								
3.								
4.								
<i>Add more rows as needed</i>								

Category of Experience	Staff with Experience <small>11</small>	% of Time to this Project	Contract Employees with experience ¹²	% of Time to this Project	Partners with Experience (Specify) ¹³	% of Time to this Project	Others with Experience (Specify) ¹⁴	% of Time to this Project
	Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached	
<i>D1. Financing - HOME</i>								
<i>1. Insert Person's Name and check relevant box to the right and insert resume or job description page reference</i>								
1.								
2.								
3.								
4.								
<i>Add more rows as needed</i>								

Category of Experience	Staff with Experience <small>11</small>	% of Time to this Project	Contract Employees with experience ¹²	% of Time to this Project	Partners with Experience (Specify) ¹³	% of Time to this Project	Others with Experience (Specify) ¹⁴	% of Time to this Project
	Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached	
D2. Financing – Other Affordable from Table 2 above. Specify code from Mixed Subsidy column								
<i>Type of Financing insert code</i>								
<i>1. Insert Person's Name and check relevant box to the right and insert resume or job description page reference</i>								
1.								
2.								
3.								
<i>Add more rows as needed</i>								

Category of Experience	Staff with Experience ¹¹	% of Time to this Project	Contract Employees with experience ¹²	% of Time to this Project	Partners with Experience (Specify) ¹³	% of Time to this Project	Others with Experience (Specify) ¹⁴	% of Time to this Project
	Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached	
D3. Financing – Bonds								
<i>1. Insert Person's Name and check relevant box to the right and insert resume or job description page reference</i>								
1.								
2.								
<i>Add more rows as needed</i>								
D4. Financing – Other Private								
<i>1. Insert Person's Name and check relevant box to the right and insert resume or job description page reference</i>								
1.								

Category of Experience	Staff with Experience ¹¹	% of Time to this Project	Contract Employees with experience ¹²	% of Time to this Project	Partners with Experience (Specify) ¹³	% of Time to this Project	Others with Experience (Specify) ¹⁴	% of Time to this Project
	Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached	
2.								
3.								
<i>Add more rows as needed</i>								
E. Construction								
<i>1. Insert Person's Name and check relevant box to the right and insert resume or job description page reference</i>								
1.								
2.								
3.								
4.								

Category of Experience	Staff with Experience <small>11</small>	% of Time to this Project	Contract Employees with experience ¹²	% of Time to this Project	Partners with Experience (Specify) ¹³	% of Time to this Project	Others with Experience (Specify) ¹⁴	% of Time to this Project
	Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached	
<i>Add more rows as needed</i>								
F1. Marketing - Advertising								
<i>1. Insert Person's Name and check relevant box to the right and insert resume or job description page reference</i>								
1.								
2.								
3.								
4.								
<i>Add more rows as needed</i>								

Category of Experience	Staff with Experience <small>11</small>	% of Time to this Project	Contract Employees with experience ¹²	% of Time to this Project	Partners with Experience (Specify) ¹³	% of Time to this Project	Others with Experience (Specify) ¹⁴	% of Time to this Project
	Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached	
F2. Marketing – Sales/Leasing ¹⁶								
<i>1. Insert Person’s Name and check relevant box to the right and insert resume or job description page reference</i>								
1.								
2.								
3.								
<i>Add more rows as needed</i>								

¹⁶ This would be initial leasing experience

Category of Experience	Staff with Experience ¹¹	% of Time to this Project	Contract Employees with experience ¹²	% of Time to this Project	Partners with Experience (Specify) ¹³	% of Time to this Project	Others with Experience (Specify) ¹⁴	% of Time to this Project
	Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached	
G1. Property Management - Regulatory Compliance especially HOME¹⁷								
<i>1. Insert Person's Name and check relevant box to the right and insert resume or job description page reference</i>								
1.								
2.								
3.								
4.								
<i>Add more rows as needed</i>								

¹⁷ Program regulations, building codes and City contractual responsibilities

Category of Experience	Staff with Experience 11	% of Time to this Project	Contract Employees with experience ¹²	% of Time to this Project	Partners with Experience (Specify) ¹³	% of Time to this Project	Others with Experience (Specify) ¹⁴	% of Time to this Project
	Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached	
G2. Property Management - Property Maintenance								
<i>1. Insert Person's Name and check relevant box to the right and insert resume or job description page reference</i>								
1.								
2.								
3.								
4.								
<i>Add more rows as needed</i>								

Category of Experience	Staff with Experience <small>11</small>	% of Time to this Project	Contract Employees with experience ¹²	% of Time to this Project	Partners with Experience (Specify) ¹³	% of Time to this Project	Others with Experience (Specify) ¹⁴	% of Time to this Project
	Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached	
G3. Property Management - Lease/Tenant Relations ¹⁸								
<i>1. Insert Person's Name and check relevant box to the right and insert resume or job description page reference</i>								
1.								
2.								
3.								
4.								
5.								
<i>Add more rows as needed</i>								

¹⁸ This includes rent collection, re-leasing, termination, other tenant related issues.

Category of Experience	Staff with Experience ¹¹	% of Time to this Project	Contract Employees with experience ¹²	% of Time to this Project	Partners with Experience (Specify) ¹³	% of Time to this Project	Others with Experience (Specify) ¹⁴	% of Time to this Project
	Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached	
G4. Property Management - Financial Management ¹⁹								
<i>1. Insert Person's Name and check relevant box to the right and insert resume or job description page reference</i>								
1.								
2.								
3.								
4.								
<i>Add more rows as needed</i>								

¹⁹ This is more focused on bookkeeping, P&Ls and Balance Sheets

Category of Experience	Staff with Experience ¹¹	% of Time to this Project	Contract Employees with experience ¹²	% of Time to this Project	Partners with Experience (Specify) ¹³	% of Time to this Project	Others with Experience (Specify) ¹⁴	% of Time to this Project
	Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached		Please insert the page number in the required resume or job description attached	
G5. Property Management – Capital Planning²⁰								
<i>1. Insert Person’s Name and check relevant box to the right and insert resume or job description page reference</i>								
1.								
2.								
3.								
4.								
<i>Add more rows as needed</i>								

For each person identified in Table 3 above, please supply that person’s resume or job description if more appropriate, with the relevant experience underlined for verification of the person’s experience in the chart above.

²⁰ This focuses on long term (20 year) capital replacement planning, annual updates and management of replacement reserve

City of Pawtucket's Evaluation Criteria

Part 1.

The staff persons of the development team identified in Table 3 above must have experience which covers all areas A through G.

In Section A, no experience in any category will be scored as unacceptable; any experience in all categories will be scored as acceptable; any staff with experience as a developer will be scored as superior.

In Sections B through E, no experience will be scored as unacceptable; any experience will be scored as acceptable; specific experience in a similar type project will be scored as superior.

In Section F, no experience in either category will be scored as unacceptable; any experience in both categories will be scored as acceptable.

In Section G, no experience in any category will be scored as unacceptable; any experience in all categories will be scored as acceptable.

For a CHDO, there must be at least one paid staff person with experience in categories A, C, D, F and G and assigned to the project at least 25% of their time.

Part 2.

In addition to this matrix of experience, the capacity of the developer will include the financial strength of the developer. For this purpose, the Balance Sheet and Profit and Loss statements submitted by the developer for the last three years should show an ability to fund the development costs prior to the construction loan closing and the operational start-up costs not covered by the construction and permanent loans.

Additional information needed:

Table 4: Financial Information

Documents Required	List Documents Submitted by Name
Certified Balance Sheet (3 years) ²¹	
Profit and Loss (3 years) through end of month prior to the due date for application to the City of Pawtucket	
Current Annual Budget and the proposed budgets for the period of development through sustaining occupancy or rent-up for the Applicant. ²²	
List of all real estate assets owned in part or in whole by Applicant including current P&L and current reserves	
Other (Specify)	

City of Pawtucket Evaluation Criteria

All required documents must be submitted to be acceptable.

Resources available for expenditure on pre-development and development costs must match the cash flow budgets submitted and the timing of the availability of development and permanent loan proceeds. Failure to match will be unacceptable. The purpose of this is that the City of Pawtucket will be examining the financial capacity of the developer to cover cash flow gaps not covered by loans and grants.

Resources available for expenditure on post-development or operational costs must match the cash flow budgets submitted and the timing of the availability of development and permanent loan proceeds. Failure to match will be unacceptable.

²¹ If audited statements are available, please submit them. If an applicant received over \$500,000 in federal funds during the prior year, an A133 audit must be submitted with application. If neither audited or certified statements are available, please indicate who prepared the Balance Sheet and their relationship to the Applicant.

²² This is a threshold item for CHDOs.

Table 5: Prior Experience with HOME and the City of Pawtucket

Item	Information to be Provided	CITY OF PAWTUCKET
Previous HOME Experience	Provide a list of any and all team projects using HOME in the past 10 years	Identify those developed with City of Pawtucket's HOME funds.
Previous Low Income Housing Experience	Provide a list of any and all team projects providing Low Income housing in the past 10 years	Identify those developed with City of Pawtucket's funds of any kind other than HOME.
Performance	Provide a list of any and all team projects which have been foreclosed or restructured in the past 10 years	Identify any such projects and whether they were developed in the City of Pawtucket area.

ATTACHMENT 4: MARKETING ANALYSIS

MARKET/NEEDS ANALYSIS FOR HOME PROJECTS

The following information is required for applicants to CITY OF PAWTUCKET for HOME funds. This information is required as a result of regulations issued by HUD in CPD Notice 12-007. The key provisions of this Notice are as follows:

- 1) PJs must repay any HOME funds invested in projects that are not completed within four years of the commitment date, as determined by a signature of each party to the written agreement. HUD may grant a one year extension upon determination that the failure to complete the project is beyond the control of the PJ.*
- 2) PJs may only commit FY 2012 **or later** HOME funds to a project after it has underwritten the project, assessed the developer capacity and fiscal soundness of the developer being funded, and examined the neighborhood market conditions to ensure that there is an adequate need for the HOME project. The PJ must certify, at the time HOME funds are committed, that these actions have been taken for each project.*
- 3) PJs must convert any FY 2012 **or later** HOME homeownership unit that has not been sold to an eligible homebuyer within six months of construction completion to a HOME-assisted rental unit.*
- 4) PJs may only provide FY 2012 **or later** HOME funds for development activities to Community Housing Development Organizations (CHDOs) that have demonstrated that they have staff with demonstrated development experience.*

HUD has delineated in more detail what it considers to be the appropriate components for assessing capacity, conducting underwriting and analyzing the market. The information required below is the City of Pawtucket's assessment of what is needed in order to determine that the proposed project for HOME investment is needed and that it will likely be successful.

The City of Pawtucket understands that there are significant differences between proposed developments which are small and those which are larger and between those located in rural, suburban and urban areas. The template matrix below lowers the burden on smaller projects in less urban areas.

It should be noted that if the Applicant intends to use professional third parties for its market study, it should provide that organization with this template so that the study meets City of Pawtucket requirements.

The market study should look at all the units proposed whether assisted by HOME or not, as the viability of the HOME investment can be affected by a failure to have sufficient market need as well as insufficient below market need.

In the Matrix Template Tables below, most of the instructions are in footnotes to the item. If at any point you are unsure of what is needed, contact the Dept. of Planning and Redevelopment.

Table 1 below, is where you select your project classification. Thereafter you use the appropriate key. For example, if the project proposed is located in a Town with a population in the 2010 census of 7,560 persons then you choose Location Code 2. If the project consists of 24 total units of which 6 are to be HOME assisted, you choose Project Size Code C.

Table 1: Market Study Analysis Classification Matrix²³

Proposed Development		Size 1-4 units	Size 5-11 units	Size 12+ units
		Project Size (all units) Code		
Location Code		A	B	C
1	Rural Location with Population less than 5,000	Use Matrix Column A1	Use Matrix Column B1	Use Matrix Column C1
2	Suburban Location with Population between 5,000 and 15,000	Use Matrix Column A2	Use Matrix Column B2	Use Matrix Column C2
3	Urban Location with Population over 15,000	Use Matrix Column A3	Use Matrix Column B3	Use Matrix Column C3

²³ Due to the cost of professional marketing studies and based on what is appropriate for different types of projects in terms of risk, the City’s Market Study requirements will differ for projects based on the size and location of the proposed development. Select the box the development size and location matches.

In the following Table 2, you will be also classifying the project in terms of type of construction, financing etc.

Table 2: Project Type Matrix

Proposed Development	Type of Development (Circle applicable Classification Code from Table 1 (e.g., B2)code below or insert a check mark √)					
	Scattered Site	Town House	Apartment Building	Mixed Use (residential and commercial)	Mixed Income (market and subsidized)	Mixed Subsidy (HOME plus other – specify other in cell below –e.g., Tax Credits, PBV etc.)
Code	SS	TH	AB	MU	MI	MS (Specify): TC PBV HIF HSF Other (Insert)

In the following Table 3, you will be checking on what is required for your project’s marketing study. Some items are optional. It is recommended that you consider them and if feasible do them. If you do these optional items, you should include them in your submission. Please note that if items which are required are missing, the City of Pawtucket will consider the application for HOME to be deficient and may not proceed to consider it for funding.

Most of the data is related to the market area definition, especially the primary market area. So, it is important that you choose the area boundaries carefully. In addition, much of the data can be found in the locality’s government offices and especially in web sites. For example, there is a lot of information on sites such as www.city-data.com/ , www.realtytrac.com , www.hud.gov and <http://egis.hud.gov/cpdmaps/> .

Table 3: Market Analysis Data Template

Market Study Item	A1	A2	A3	B1	B2	B3	C1	C2	C3
Description of Market Area²⁴									
Size (total 2010 population)	Required	Required	Required	Required	Required	Required	Required	Required	Required
Map of Market Area showing									
Primary, Secondary and Tertiary market areas	Required	Required	Required	Required	Required	Required	Required	Required	Required
Topographical features	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	Required	Required	Required
Transportation arteries and travel (street) connections to site	Required	Required	Required	Required	Required	Required	Required	Required	Required
School locations by type and performance	Required	Required	Required	Required	Required	Required	Required	Required	Required
Primary ‘necessity’ shopping (larger grocery, pharmacy etc.)	Required	Required	Required	Required	Required	Required	Required	Required	Required
Major shopping centers	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	Required	Required	Required	Required	Required	Required
Major employers	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	Required	Required	Required	Required	Required	Required
Social and medical Service centers	Required	Required	Required	Required	Required	Required	Required	Required	Required
Parks and recreation facilities	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	Required	Required	Required	Required	Required	Required
Rental projects in <u>defined primary market area</u> with tab showing total units and unit distribution	Required	<i>Optional</i>	<i>Optional</i>	Required	Required	Required	Required	Required	Required

²⁴ Market Area definition for housing

Primary (more than 50% of buyers/renters expected)

Secondary (90% of all buyers/renters expected)

Tertiary (regional and no more than 10% of buyers/renters outside of primary and secondary)

The market area will be used for analysis of supply and demand. Any application which proposes a primary market area to which it will focus most of its marketing and from which it will draw less than 50% of its renters, will be required to justify that decision with additional market data and supply that justification in a cover letter.

Market Study Item	A1	A2	A3	B1	B2	B3	C1	C2	C3
Subsidized rental projects in <u>defined primary market area</u> with tab showing total units, unit distribution (by bedroom size) and type of subsidy ²⁵	Required	Required	Required	Required	Required	Required	Required	Required	Required
Economics of Market Area									
Brief history of growth and development	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	Required	Required	Required
Analysis of office and retail markets, strength and weakness	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	Required	Required	Required
Employment types and trends	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	Required	Required	Required
Unemployment current levels and 3 year trends	Optional	Optional	Optional	Optional	Optional	Required	Required	Required	Required
Median household income both current levels and 3 year trends	Required	Required	Required	Required	Required	Required	Required	Required	Required
Median housing prices both current levels and previous 3 year trends. <i>(Only for Homeownership projects)</i>	Required	Required	Required	Required	Required	Required	Required	Required	Required
Housing Price/Income ratio <i>(Only for Homeownership projects)</i>	Required	Required	Required	Required	Required	Required	Required	Required	Required
Median rental prices both current levels and 3 year trends	Required	Required	Required	Required	Required	Required	Required	Required	Required
Rental Price/Income ratio	Required	Required	Required	Required	Required	Required	Required	Required	Required

²⁵ Note that this focuses on other providers of affordable housing which have the potential to or actually do compete for similar households.

Market Study Item	A1	A2	A3	B1	B2	B3	C1	C2	C3
Demographics of <u>Primary</u> Market Area									
Distribution by age	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	Required	Required	Required
Distribution by education	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	Required	Required	Required
Distribution by household size	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	Required	Required	Required
Special features, for example, military-connected, developmentally disabled etc., households	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	Required	Required	Required
Conditions of Market in General									
Housing supply: characteristics by type (rental/ownership), size of building, unit distribution (bedroom size) and structural condition (if known)	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	Required	Required	Required
List of private and public housing projects in the primary market area similar to the proposed project in terms of age of development, development size, building profile, project amenities, type of units, area of units, rental rates, other included/excluded costs, location (in terms of proximity to transportation nodes and corridors, proximity to stores, schools, commute time to work)	Required	Required	Required	Required	Required	Required	Required	Required	Required

Market Study Item	A1	A2	A3	B1	B2	B3	C1	C2	C3
Extracted or sub-list of projects which compete for the same renters subsidized or unsubsidized	Required	Required	Required	Required	Required	Required	Required	Required	Required
Primary market area current and planned by type (rental/ownership), size of building, unit distribution	Required	Required	Required	Required	Required	Required	Required	Required	Required
Extracted list of these planned projects which compete for the same renters subsidized or unsubsidized	Required	Required	Required	Required	Required	Required	Required	Required	Required
List of private and public housing projects in the secondary market area similar to the proposed project in terms of age of development, development size, building profile, project amenities, type of units, area of units, rental rates, other included/excluded costs, location (in terms of proximity to transportation nodes and corridors, proximity to stores, schools, commute time to work)	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	Required	Required	Required
Extracted list of projects which compete for the same renters subsidized or unsubsidized	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	Required	Required	Required
Secondary market area current and planned by type (rental/ownership), size of building, unit distribution	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	Required	Required	Required

Market Study Item	A1	A2	A3	B1	B2	B3	C1	C2	C3
Specific Conditions of Market Competition for all <u>primary</u> market area projects									
Annual turnover rate for all rental projects in primary area listed above	Required	Required	Required	Required	Required	Required	Required	Required	Required
Annual vacancy rate for all rental projects in primary area listed above	Required	Required	Required	Required	Required	Required	Required	Required	Required
Absorption rate (rent up rate for new rental projects in previous 3 years or average duration of vacancies in previous 3 years) for all projects in primary area listed above	Required	Required	Required	Required	Required	Required	Required	Required	Required
Absorption rate (sale rate for new homeownership projects in previous 3 years) for all projects in primary area listed above	Required	Required	Required	Required	Required	Required	Required	Required	Required
Specific Conditions of Market Competition for all <u>secondary</u> market area projects									
Annual turnover rate for all projects in secondary market lists above	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	Required	Required	Required
Annual vacancy rate for all projects in lists above	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	Required	Required	Required

Market Study Item	A1	A2	A3	B1	B2	B3	C1	C2	C3
Absorption rate (rent up rate for new rental projects in last 3 years or average duration of vacancies in last 3 years) for all projects in secondary area lists above	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	<i>Optional</i>	Required	Required	Required
Absorption rate (sale rate for new homeownership projects in previous 3 years) for all projects in secondary area listed above	Required	Required	Required	Required	Required	Required	Required	Required	Required
Special characteristics of subsidized projects in extracted primary market area list									
Size of Waiting list and type of project (e.g., elderly, family, disabled, other) and type of subsidy (e.g., HCV (Section 8), Public Housing, Tax Credit, HOME and Other subsidized (specify))	Required	Required	Required	Required	Required	Required	Required	Required	Required
Special amenities such as services in these projects	Required	Required	Required	Required	Required	Required	Required	Required	Required

Market Study Item	A1	A2	A3	B1	B2	B3	C1	C2	C3
Special characteristics of subsidized projects in extracted secondary market area list									
Size of Waiting list and type of project (e.g., elderly, family, disabled, other) and type of subsidy (e.g., HCV (Section 8), Public Housing, Tax Credit, HOME and Other subsidized (specify))	Required	Required	Required	Required	Required	Required	Required	Required	Required
Special amenities such as services in these projects	Required	Required	Required	Required	Required	Required	Required	Required	Required

In Table 4 below and in a narrative summary, the Applicants needs to draw conclusions from the market study which are then used in the design of the project and its amenities, in the financial assumptions such as rental rates, vacancy rates, market absorption rates (time to rent the units after a Certificate of Occupancy is issued). **NOTE: The City of Pawtucket will review the market study data and confirm that the conclusions are valid and most importantly, that these conclusions are used in the design of the project and in the proformas.**

The Applicant shall provide a checklist of the items in Table 3 referencing where the information can be found in the market study by page number.

Table 4: Market Study Conclusions Applicable to the Proposed Project

Conclusions	A1	A2	A3	B1	B2	B3	C1	C2	C3
Competitive features for market absorption									
<i>Projects currently competitive for the same target population²⁶</i>	Required	Required	Required	Required	Required	Required	Required	Required	Required
<i>Competitive features (location²⁷, rental rates, amenities etc.)</i>	Required	Required	Required	Required	Required	Required	Required	Required	Required
<i>Size of competition²⁸</i>	Required	Required	Required	Required	Required	Required	Required	Required	Required
<i>Alternative options which will be competitive²⁹</i>	Required	Required	Required	Required	Required	Required	Required	Required	Required

²⁶ From market conditions lists above

²⁷ This factor should evaluate proximity to relevant amenities and opportunities. For elderly it would be transportation, basic retail stores, social services, medical facilities etc. For Families it would be schools (and the performance ranking), basic retail stores, employment etc.

²⁸ Number of available units from turnover in existing projects, expected from projects in construction and from projects in planning approval, during the expected marketing period

²⁹ E.g., home ownership for rental project expected households and vice versa, negatives of HOME project regulations etc.

Conclusions	A1	A2	A3	B1	B2	B3	C1	C2	C3
Competitive features for market absorption									
Market potential for subsidized /non-subsidized units³⁰	A1	A2	A3	B1	B2	B3	C1	C2	C3
<i>Estimated total affordable housing demand</i>	Required	Required	Required	Required	Required	Required	Required	Required	Required
<i>Estimated demand from project defined households (Household characteristics)</i>	Required	Required	Required	Required	Required	Required	Required	Required	Required
<i>Current residential locations for expected households</i>	Required	Required	Required	Required	Required	Required	Required	Required	Required
<i>Expected means of advertising and marketing to reach expected households</i>	Required	Required	Required	Required	Required	Required	Required	Required	Required

³⁰ For mixed use projects this must assess vacancy rates, turnover-rates, absorption rates, rent levels, other costs, amenities etc., for both market and affordable units

Conclusions	A1	A2	A3	B1	B2	B3	C1	C2	C3
Competitive features for market absorption									
Recommended bedroom mix, amenities, rents, etc. ³¹	Required	Required	Required	Required	Required	Required	Required	Required	Required
Projected vacancy loss ³²	Required	Required	Required	Required	Required	Required	Required	Required	Required
Projected absorption rates ³³	Required	Required	Required	Required	Required	Required	Required	Required	Required
Other Requirements									
<i>Building Design</i> ³⁴	Required	Required	Required	Required	Required	Required	Required	Required	Required
<i>Community Support</i> ³⁵	Required	Required	Required	Required	Required	Required	Required	Required	Required

³¹ The recommended configuration of the project must be supported by the market study and need. Projects planned must either match the characteristics of the strongest demand or must show that there planned features and other amenities which will compensate and attract occupants. All assisted units shall rent at the lesser of the fair market rents or a rent that does not exceed 30% of 65% of the area median family income and, for projects with 5 or more units, 20% of the assisted units shall rent at the lesser of the fair market rent or a rent that does not exceed 30% of 50% of the area median family income. Exceptions for certain types of projects using Tax Credits or Project Based Vouchers may be noted and granted.

All assisted units shall be rented to low-income households; at initial occupancy tenants shall be at or below 60% AMI but not necessarily throughout the HOME compliance period.

³² The vacancy loss must be carried within a range of 8%-15% for projects in categories A1, A2, A3, B1, B2, B3 and within a range of 8%-10% for projects in categories C1, C2, C3.

³³ The absorption rate must match the market experience documented in the study and must match the cash flow budget. The rate is expected to be no more than 60 days for projects in categories A1, A2, A3, B1, B2, B3 and no more than 90 days for projects in categories C1, C2, C3.

³⁴ All newly constructed housing shall be constructed in accordance with any locally adopted and enforced building codes, standards and ordinances as well as any HUD or HOME Program requirements. In the absence of locally adopted and enforced building codes, the requirements of the state building code shall apply.

All rental housing involving rehabilitation shall be rehabilitated in accordance with any locally adopted and enforced building or housing codes, standards and ordinances as well as any HUD or HOME Program requirements. In the absence of locally adopted and enforced building or housing codes, the requirements of the state building code shall apply.

All new construction must incorporate Energy Star Rating with a certified Rater as a team member (e.g., architect).

³⁵ The project must evidence community support with approved zoning and with other local support documentation.

ATTACHMENT 5: UNDERWRITING ANALYSIS

PROJECT UNDERWRITING ANALYSIS MATRIX FOR HOME PROJECTS

The following information is required for applicants to City of Pawtucket for HOME funds. This information is required as a result of regulations issued by HUD in CPD Notice 12-007. The key provisions of this Notice are as follows:

- 1) PJs must repay any HOME funds invested in projects that are not completed within four years of the commitment date, as determined by a signature of each party to the written agreement. HUD may grant a one year extension upon determination that the failure to complete the project is beyond the control of the PJ.*
- 2) PJs may only commit FY 2012 **or later** HOME funds to a project after it has underwritten the project, assessed the developer capacity and fiscal soundness of the developer being funded, and examined the neighborhood market conditions to ensure that there is an adequate need for the HOME project. The PJ must certify, at the time HOME funds are committed, that these actions have been taken for each project.*
- 3) PJs must convert any FY 2012 **or later** HOME homeownership unit that has not been sold to an eligible homebuyer within six months of construction completion to a HOME-assisted rental unit.*
- 4) PJs may only provide FY 2012 **or later** HOME funds for development activities to Community Housing Development Organizations (CHDOs) that have demonstrated that they have staff with demonstrated development experience.*

HUD has delineated in more detail what it considers to be the appropriate components for assessing capacity, conducting underwriting and analyzing the market. The information required below is the CITY OF PAWTUCKET's assessment of the information needed in order to determine that the proposed project for HOME investment is feasible and likely to be successful.

The CITY OF PAWTUCKET needs information from you which will enable it to conduct an underwriting analysis of the proposed project. It will use information supplied by you in the Application for HOME Investment Funds as well as the information in the tables below.

In the Market Needs Analysis Tables 1 and 2 are also set out below, you will have identified the Classification for your proposed project. In this and the following tables, most of the instructions are in footnotes. If at any point you are unsure of what is needed, contact the City.

Table 1: Market Study Analysis Classification Matrix³⁶

Proposed Development		Size 1-4 units	Size 5-11 units	Size 12+ units
Location Code		Project Size (all units) Code		
		A	B	C
1	Rural Location with Population less than 5,000	Use Matrix Column A1	Use Matrix Column B1	Use Matrix Column C1
2	Suburban Location with Population between 5,000 and 15,000	Use Matrix Column A2	Use Matrix Column B2	Use Matrix Column C2
3	Urban Location with Population over 15,000	Use Matrix Column A3	Use Matrix Column B3	Use Matrix Column C3

In the following Table 2, you will be also classifying the project in terms of type of construction, financing etc.

Table 2: Project Type Matrix³⁷

Proposed Development	Type of Development (Circle applicable Classification Code from Table 1 (e.g., B2)code below or insert a check mark ✓)					
Rental or Homeownership	Scattered Site	Town House	Apartment Building	Mixed Use (residential and commercial)	Mixed Income (market and subsidized)	Mixed Subsidy (HOME plus other – specify other in cell below –e.g., Tax Credits, PBV etc.)
Code	SS	TH	AB	MU	MI	MS (Specify): TC PBV HIF HSF Other (Insert)

³⁶ This Table 1 should be the same as the one in the Market Needs Analysis Classification Matrix.

³⁷ This Table 2 should be the same as the one in the Market Needs Analysis Classification Matrix

In the following Table 3, you will provide the CITY OF PAWTUCKET with a checklist of what you have attached in the Application.

Table 3: Items Supplied in the Application

Item	Information Attached [√]	Specify Type as per footnote instructions if applicable to this item
<u>Site</u>		
<ul style="list-style-type: none"> Street address/s and census tract number/s of the project site/s 		
<ul style="list-style-type: none"> Site Control (own, under P&S, Other (Specify))³⁸ 		
<ul style="list-style-type: none"> Zoning (by right, approved, pending)³⁹ 		
<ul style="list-style-type: none"> Permits and Local Approvals⁴⁰ 		
<ul style="list-style-type: none"> Adequate Infrastructure (utilities, roads) for the project⁴¹ 		
<ul style="list-style-type: none"> Site and Neighborhood Standards (if new construction or new use)⁴² 		
<u>Design</u>		
<ul style="list-style-type: none"> Is design compliant with Energy Ratings? If so, specify or attach additional description.⁴³ 		

³⁸ If the property is not owned by the Applicant at the time of application submission, the Purchase & Sale Agreement or Option or other legal instrument must provide a right of entry to the property for environmental assessment and other examinations. It must also have a minimum right to purchase of one year with an option to extend up to another 2 years.

³⁹ If the zoning approval is pending it must be under review at the time of Application submission before the local or State Board of Zoning Appeals.

⁴⁰ If the Applicant has secured other approvals needed for the project to proceed, such as Historic Commission Approval for projects which need such approval, the application’s approvals and/or permits must be submitted. At this time there is no need to submit a Building Permit.

⁴¹ If the proposed project does not have adequate infrastructure but has approvals or commitments to provide such, please submit documentation delineating such approvals and/or commitments.

⁴² See in Part II Appendix A at the end of this Underwriting Analysis. Insert whether the project is new construction.

⁴³ City’s standards are attached in Part II Appendix B.

Item	Information Attached [√]	Specify Type as per footnote instructions if applicable to this item
<ul style="list-style-type: none"> Is design compliant with Section 504 and other provisions of the ADA? If so specify or attach additional description. 		
<ul style="list-style-type: none"> Meets City of Pawtucket Rehab Standard (if applicable)⁴⁴ 		
<ul style="list-style-type: none"> Long term sustainability description.⁴⁵ 		
<ul style="list-style-type: none"> Market Compatibility based on Market Analysis. Attach description.⁴⁶ 		
<u>Construction</u>		
<ul style="list-style-type: none"> Attach a Detailed Uses and Sources Excel Spread Sheet⁴⁷ 		
<ul style="list-style-type: none"> Cost Estimates Source⁴⁸ 		
<ul style="list-style-type: none"> Schedule for development⁴⁹ 		
<ul style="list-style-type: none"> What Labor Rates are being used?⁵⁰ 		
<ul style="list-style-type: none"> Is there a Section 3 Plan?⁵¹ 		
<u>Financing</u>		
<ul style="list-style-type: none"> Construction (commitments and terms)⁵² 		

⁴⁴ City's standards are attached in Part II Appendix C.

⁴⁵ Please attach a statement describing how the equipment and building materials proposed and the design of the project will provide lower cost utility costs (water, energy etc.) and low cost maintenance of the property.

⁴⁶ Please attach a description of comparable project(s) unit types, sizes, availability, vacancy rates, and project amenities. Please provide references for each back to the Market Needs Analysis conclusions by page number.

⁴⁷ The Uses and Sources attachment will cover all soft and hard costs and all sources of construction financing for the period from Application Submission through Rent-Up or Sustaining Occupancy. Costs will be displayed as totals, per unit and per square foot.

⁴⁸ Provide a column keyed to the source of the estimate (e.g., Bids, A&E team, Swift, RS Means etc.).

⁴⁹ The schedule can be built into the Excel Spreadsheet "Uses and Sources" or can be a separate document. In any case it shall cover the period from Application Submission through Rent-Up or Sustaining Occupancy.

⁵⁰ For projects of 12 or more units Davis Bacon rates are required.

⁵¹ See Part II Appendix D for a Summary Guide.

⁵² The Construction or Development Financing sources submitted in the Uses and Sources attachment, must be further documented in terms of their status. I.e., are the loans and/or grants approved and committed? If so include copies of the commitments. If they

Item	Information Attached [√]	Specify Type as per footnote instructions if applicable to this item
• Subsidy layering analysis ⁵³		
• Monthly Revenue and Expenses Proforma ⁵⁴		
• Revenue analysis and proof of assumptions for rental income [market analysis] and other income (e.g., laundry) ⁵⁵		
• Proof of assumptions for major operating expense line items ⁵⁶		
• Adequacy of reserves for long term operating feasibility ⁵⁷		
• Permanent (commitments and terms) ⁵⁸		
• Developer Financial Capacity ⁵⁹		
• Regulatory Compliance/Requirements ⁶⁰		
<u>Marketing</u>		
• Market analysis target population ⁶¹		

are pending approval, provide evidence of submission for funding and expected date of the lender/grantor decision. If they have not been applied for, provide a schedule for submission of an application and expected date of approval.

⁵³ There will be a Subsidy Layering Analysis conducted on the project. See Appendix E for more information. Your Uses and Sources and Revenue and Expenses Proforma should include information on the ratios as set forth in Part II Appendix E.

⁵⁴ The Revenue and Expenses Proforma should continue from the issuance of Certificate of Occupancy through the 360th month.

⁵⁵ The rents will need to be keyed to the Market Needs Analysis by page reference, taking into account HOME regulations, income and rent limits, and area AMI percentage for HOME assisted units.

⁵⁶ For example, the electricity costs should be keyed to the source of the estimate (such as the utility company, the A&E team, and experience with a similar project).

⁵⁷ The Applicant should identify the likely capital items which will need major repair or replacement over the 30 years and show that the Capital Reserves will be sufficient at that time to meet the estimated cost.

⁵⁸ The Permanent Financing sources must be identified in the Revenue and Expenses Pro-forma.

⁵⁹ This will have been supplied in the Capacity Analysis submitted with the Application.

⁶⁰ If other sources of financing are used (such as Tax Credits, or FHLB, HIF, HSF etc.) provide a statement indicating how the regulatory requirements of these sources might conflict with the HOME requirements and how those conflicts will be addressed.

⁶¹ Identify the specific populations being targeted by your marketing program and link these to the Market Analysis by page reference.

Item	Information Attached [√]	Specify Type as per footnote instructions if applicable to this item
<ul style="list-style-type: none"> • Marketing methods⁶² 		
<ul style="list-style-type: none"> • Marketing schedule⁶³ 		
<u>Facility Management</u>		
<ul style="list-style-type: none"> • Interim management plan⁶⁴ 		
<ul style="list-style-type: none"> • Permanent management plan⁶⁵ 		

⁶² If the project has five or more units assisted by HOME funds, it triggers other stipulations and an Affirmative Fair Housing Marketing Plan is required. See Part II Appendix F. Otherwise provide a description of how you will reach prospective renters/buyers.

⁶³ Provide a schedule for the marketing of the project.

⁶⁴ Interim management is the period during development when units become occupied and when the contractor has finished the construction and CofOs have been issued for all the property.

⁶⁵ Permanent management is the period from CofO through the affordable housing restriction period end. Attach a description of who will be managing the development and how they will handle the maintenance, the finances, any capital replacement, tenant relations (including leasing, evictions, issues etc.) and other property management functions.

The following table indicates some of the evaluation benchmarks which the City of Pawtucket will use in evaluating the project submitted for HOME investment.

The **threshold items** are those listed in the Capacity Analysis Matrix, the Market Needs Analysis Matrix and in this Project Underwriting Analysis Matrix.

In addition, the City of Pawtucket will assess the documents submitted in the Application to determine if its risk is high, moderate or low if it approves the HOME investment. There may be additional considerations in the evaluation, but these will be these items will be the primary focus for this round of HOME financing.

Table 4: Evaluation Guide – [for CITY OF PAWTUCKET internal use]

Item	High Risk	Moderate Risk	Low Risk	Comments/Conclusion
Capacity Matrix:				
• Staffing availability				
• Project development management				
• Design				
• Construction				
• Financing				
• Marketing				
• Property management				
Marketing Matrix				
• Marketability of the Units				
• Marketing Plan				
Underwriting Matrix				
• Site Appropriateness				
• Construction				

Item	High Risk	Moderate Risk	Low Risk	Comments/Conclusion
Feasibility				
<ul style="list-style-type: none"> • Adequate Development Financing 				
<ul style="list-style-type: none"> • Adequate Permanent Financing 				
<ul style="list-style-type: none"> • Long term Operating Sustainability 				
<ul style="list-style-type: none"> • Property Management 				
<ul style="list-style-type: none"> • Regulatory Compliance 				

Additional Notes

PROFORMAS

For Development Projects, please complete the following:

1. *Submitted budgets must include information indicating whether additional funds are secured or requested/pending.*

NOTE: This submission must be in the Excel format.

2. The Homebuyer Model proforma available from the **City of Pawtucket**.⁶⁶ The proforma should be developed for a typical or average buyer in each of the proposed target populations, such as an ELI or a VLI or a LI or a market rate homebuyer.

NOTE: This submission may be in print format but it is best if it is in the Excel format that the Homebuyer Model uses.

⁶⁶ Permission granted by OKM Associates, Inc.

ATTACHMENT 6: HOME OWNERSHIP DEVELOPMENT REQUIREMENTS

ATTACHMENT 6: HOMEOWNERSHIP DEVELOPMENT REQUIREMENTS

Supplemental Policy and Procedures for Homebuyer Projects

The policy and procedures referenced in CPD 12-007 not only include rental projects but also homebuyer projects whether new, acquired or rehabbed. In the case of homebuyer projects there is an additional requirement that homebuyer projects be under “contract for sale” within six months of completing construction (this date being evidenced with the issuance of a Certificate of Occupancy). If not, then the project must be converted to rental or the funds repaid to the City of Pawtucket.

The proposed capacity analysis, market based analysis and underwriting analysis will still be appropriate for homebuyer projects. What will be needed as a supplement or modification would be as follows:

1. The Underwriting Analysis references to rental projects, rental proformas, rental experience are appropriate as they would apply in the case where sales have not occurred within the 6 month period and conversion to rental is required. For Homebuyer projects there must be a homebuyer proforma as well as a rental conversion proforma.
2. The Capacity Analysis needs to have not only homebuyer development and marketing experience but also rental experience in case of a required conversion to rental. Hence the Capacity Analysis in Attachment 3 is also required for homebuyer projects.
3. The Market Needs Analysis in Attachment 4 needs to look at homebuyer data as well as rental data.
4. It might be appropriate for a homebuyer project to have a percentage of units “pre-sold” prior to drawdown of HOME investment funds (entry into IDIS triggers the drawdown of HOME funds). In the private homebuyer development world there have been periods in which the lenders have required as much as 75% of the units to be presold prior to the release of funds for the first sold unit. Such a requirement is used by the lender as a confirmation of the market analysis which would have made the case for sufficient demand. The City of Pawtucket is not requiring this pre-sold component, but it recommends that the developer consider it as a prudent step.

HOME PROGRAM MATCH REQUIREMENTS .25 for each dollar request.

1. Project No. or Other ID	2. Date of Contribution (mm/dd/yyyy)	3. Cash (non-Federal sources)	4. Foregone Taxes, Fees, Charges	5. Appraised Land / Real Property	6. Required Infrastructure	Construction Materials, Donated labor	8. Bond Financing	9. Total Match

Instructions for Part III:

1. **Project No. or Other ID:** “Project number” is assigned by the C/MI System when the PJ makes a project setup call. These projects involve at least some Treasury funds. If the HOME project does not involve Treasury funds, it must be identified with “other ID” as follows: the fiscal year (last two digits only), followed by a number (starting from “01” for the first non-Treasury-funded project of the fiscal year), and then at least one of the following abbreviations: “SF” for project using shortfall funds, “PI” for projects using program income, and “NON” for non-HOME-assisted affordable housing. Example: 93.01.SF, 93.02.PI, 93.03.NON, etc.

Shortfall funds are non-HOME funds used to make up the difference between the participation threshold and the amount of HOME funds allocated to the PJ; the participation threshold requirement applies only in the PJ’s first year of eligibility. [§92.102]

Program income (also called “repayment income”) is any return on the investment of HOME funds. This income must be deposited in the jurisdiction’s HOME account to be used for HOME projects.

2. **Date of Contribution:** Enter the date of contribution.
Multiple entries may be made on a single line as long as the contributions were made during the current fiscal year. In such cases, if the contributions were made at different dates during the year, enter the date of the last contribution.
3. **Cash:** Cash contributions from non-Federal resources.
This means the funds are contributed permanently to the HOME Program regardless of the form of investment the jurisdiction provides to a project. Therefore, all repayment, interest, or other return on investment of the contribution must be deposited in the PJ’s HOME account to be used for HOME projects. The PJ, non-Federal public entities (State/local governments), private entities, and individuals can make contributions. The grant equivalent of a below-market interest rate loan to the project is eligible when the loan is not repayable to the PJ’s HOME account. [§92.220(a)(1)] In addition, a cash contribution can count as match if it is used for eligible costs defined under §92.206 (except administrative costs and CHDO operating expenses) or under §92.209, or for the following non-eligible costs: the value of non-Federal funds used to remove and relocate ECHO units to accommodate eligible tenants, a project reserve account for re-placements, a project reserve account for unanticipated increases in operating costs, operating subsidies, or costs relating to the portion of a mixed-income or mixed-use project not related to the affordable housing units. [§92.219(c)]
4. **Foregone Taxes, Fees, Charges:** Taxes, fees, and charges that are normally and customarily charged but have been waived, foregone, or deferred in a manner that achieves affordability of the HOME-assisted housing. This includes State tax credits for low-income housing development. The amount of real estate taxes may be based on the post-improvement property value. For those taxes, fees, or charges given for future years, the value is the present discounted cash value. [§92.220(a)(2)]
5. **Appraised Land/Real Property:** The appraised value, before the HOME assistance is provided and minus any debt burden, lien, or other encumbrance, of land or other real property, not acquired with Federal resources. The appraisal must be made by an independent, certified appraiser. [§92.220(a)(3)]
6. **Required Infrastructure:** The cost of investment, not made with Federal resources, in on-site and off-site infrastructure directly required for HOME-assisted affordable housing. The infrastructure must have been completed no earlier than 12 months before HOME funds were committed. [§92.220(a)(4)]

7. **Site preparation, Construction materials, Donated labor:** The reasonable value of any site-preparation and construction materials, not acquired with Federal resources, and any donated or voluntary labor (see §92.354(b)) in connection with the site-preparation for, or construction or rehabilitation of, affordable housing. The value of site-preparation and construction materials is determined in accordance with the PJ's cost estimate procedures. The value of donated or voluntary labor is determined by a single rate ("labor rate") to be published annually in the Notice of Funding Availability (NOFA) for the HOME Program. [§92.220(6)]
8. **Bond Financing:** Multifamily and single-family project bond financing must be validly issued by a State or local government (or an agency, instrumentality, or political subdivision thereof). 50% of a loan from bond proceeds made to a multifamily affordable housing project owner can count as match. 25% of a loan from bond proceeds made to a single-family affordable housing project owner can count as match. Loans from all bond proceeds, including excess bond match from prior years, may not exceed 25% of a PJ's total annual match contribution. [§92.220(a)(5)] The amount in excess of the 25% cap for bonds may carry over, and the excess will count as part of the statutory limit of up to 25% per year. Requirements regarding bond financing as an eligible source of match will be available upon publication of the implementing regulation early in FY 1994.
9. **Total Match:** Total of items 3 through 8. This is the total match contribution for each project identified in item 1.

Ineligible forms of match include:

1. Contributions made with or derived from Federal re- sources e.g. CDBG funds [§92.220(b)(1)]
2. Interest rate subsidy attributable to the Federal tax-exemption on financing or the value attributable to Federal tax credits [§92.220(b)(2)]
3. Contributions from builders, contractors or investors, including owner equity, involved with HOME-assisted projects. [§92.220(b)(3)]
4. Sweat equity [§92.220(b)(4)]
5. Contributions from applicants/recipients of HOME assistance [§92.220(b)(5)]
6. Fees/charges that are associated with the HOME Program only, rather than normally and customarily charged on all transactions or projects [§92.220(a)(2)]
7. Administrative costs