Funding sources

**HOME**

- Formula allocation FY 2012
  - MD County $3.5 m
  - Broward County $2.5 m
  - City of Miami $2.9 m
  - Hollywood $397K
  - Hialeah $1m
  - Ft. Laud $540k
  - State of FL $13.7 m
  - Jax $2.2 m
- Goal – unit of housing is produced and occupied by eligible household
- Consortia
- Advocacy- local outreach and thru FNHAN
- Application process /timeline
- 24 CFR Part 92 + cross cutting federal regulations
- Timing - 24 months to commit, 5 yrs to spend (kind of)

**HOME Rental activities**

- 65% of AMI or below for rental
- Rental – acquisition/rehab/new construction
- Site improvements as part of HOME project
  - On site only
  - Sidewalks, utility connections, water/sewer lines
- Acquisition of vacant land
- Demolition
- Relocation
- Refinancing- only if necessary
More HOME rental
• Capitalize initial operating deficit reserve
• Project related soft costs (finance, A& E, project audit, affirmative marketing)
• Subsidy layering review
• HOME project definition
  – Common ownership, management and financing
  – Assisted w/ HOME in one undertaking
• 221d per unit subsidy limits

HOME Cannot be used for:
• Ongoing operating subsidies or project reserves
• Previously assisted HOME projects
• Project based rental assistance
• Paying delinquent taxes or fees

Affordability Periods

<table>
<thead>
<tr>
<th>HOME $ per assisted unit</th>
<th>Length of compliance</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt; $15k per unit</td>
<td>5 years</td>
</tr>
<tr>
<td>$15k to $40k</td>
<td>10 years</td>
</tr>
<tr>
<td>$&gt;40k</td>
<td>15 yrs</td>
</tr>
<tr>
<td>Refi rental</td>
<td>15 yrs</td>
</tr>
<tr>
<td>New Construction rental</td>
<td>20 yrs</td>
</tr>
</tbody>
</table>
Affordability

• Rent and Occupancy requirements
  – HOME rents
• Begins on completion = close out data entered into IDIS
• Documenting affordability for rental
  – Review of rent rolls
  – Recertification of Income

Rents

HOME rents are published annually.
Utility allowance deduction
Project rent levels are not required to decrease below the levels in effect at time of project commitment, market may dictate otherwise.
HUD may permit changes to rent structure if financial feasibility is threatened.

More on rents

• Project rule: 20% of HOME units in each rental housing project w/ 5 or more HOME units must be occupied by households earning ≤50% AMI
• High Home Rent = Max that can be charged for HOME assisted unit (60% rents)
• Low HOME Rent = max rent for the 20% @ 50% AMI units
• Rent increases – 30 day notice, upon lease expiration
• Other Lease provisions
Fixed and Floating Units
- Designate when development has both HOME and non HOME units
- Fixed= unit 3A is always a HOME unit
- Floating= unit numbers change, but % is maintained
- Units must be comparable (size, # bedrooms, amenities)

Income Certification
- On initial occupancy
- Annual recertification
  - Annual schedule or on lease renewal

Income Increases
- Project must maintain correct # of Hi/Lo HOME units
- Low HOME tenant income increases above 50% AMI, but below 80%, that unit is now High HOME unit. Next available unit must be rented to VLI client at Low HOME rent.
- If increase above 80% AMI, rent adjusted to 30% of income, next avail unit must be rented to HOME eligible tenant
  - Fixed- no rent cap
  - Floating -not to exceed market rents
Cross cutting regs
- Equal Employment Opportunity (EO 11246)
  - No discrimination against employee or applicant for race, color, religion, sex, national origin
  - Clause must be in all contracts over $10k
- Section 3
  - Training and employment opportunities on HOME projects will be provided to LI persons in program service area
  - Contracts for work in connection w/HOME, awarded to Sec 3 business concerns
  - Include clause in contractor bids, preference

Cross Cutting Federal Regs
- Fair Housing & Equal Opportunity
  - Title VI of Civil Rights Act 1964
- Equal Opportunity in Housing (Exec Order 11063, amended by EO 12259)
  - Prohibits discrimination on basis of race, color, religion, sex, national origin in sale or rental of federally assisted housing

Handicapped Accessibility
- Americans w/ Disabilities Act
  - Constructed after 1/93 must be accessible
  - Architectural & communication barriers must be removed if readily achievable
- Section 504
  - New construction MF- 5% of units or at least 1 must be accessible to mobility impaired individuals and additional 2% of units (1 min) accessible to sensory impaired people
  - Substantial rehab MF- > 15 units w/ rehab costs >75% of replacement costs – same as new const.
Environmental Review, Lead Based Paint & URA, Historic Preservation

- Environmental Clearance
  - PJ is Responsible Entity (RE)
  - Begin as soon as proposed activities identified
  - Do not fund w/out clearance!
- Lead Based paint – pre 1978
  - 24 CFR Part 35
  - Eff April 2010 renovators must be trained & certified
- Uniform Relocation Act
- Historic Preservation
  - State Historic Preservation Office

Davis Bacon

- Section 286 of National Affordable Housing Act
- Contract w/ more than 11 HOME assisted units
- DB triggered when HOME is in deal even for soft costs

Contracting and Conflicts of Interest

- Debarred contractor prohibition
  - No HOME funds to contractor, subcontractor or sub recipient during period of debarment
  - www.epis.gov
- 24 CFR 85.36 & 24 CFR 84.42 – PJ & SR
- 24 CFR 84 - non profits (except CHDOs which are 24 CFR 84.21)
• Non Profit/for profit owners, developers and sponsors cannot
  – Occupy a HOME assisted unit
  • Applies to officers, employees, agents, consultants, elected officials
  • Exception for owner occupied rehab and project manager/maintenance worker
  • Case by case exception
    – members of group or class of LI persons intended to be beneficiaries of assisted housing,
    – Person has withdrawn from responsibility and decision making process on project

CDBG
  – MD County $10.6 m - Broward County $2.2 m
  – City of Miami $4.9 m - Hollywood $1 m
  – Hialeah $2m - Ft. Laud $1.5m
  – State of FL $22.8 m - Jax $5.3 m
  - Public services, housing acq, acq/rehab, refi/w/rehab, limited new construction, public facilities, emergency assistance, relocation, removal of architectural barriers, homeownership assistance, water/sewer connections, reconstruction, conversion
  - National objectives
    ▪ Benefit low/mod families
    ▪ Prevent slum and blight
    ▪ Meet urgent needs posing threat to health and welfare
  - Advocacy

More CDBG
  • Same cross cutting regulations as HOME
    – Except Davis Bacon triggered at $2k of construction work. Does not apply to residential rehab containing less than 8 units
  • Rents
    – General rule: 51% of units in each assisted structure are occupied by LMI households
    – Grantees must adopt “affordable rents”
      • Example – households pay no more than 30% of income for rent
    – For slum and blight national objective (location meets definition under state/local law)
    ▪ 70% of funds benefit LMI households
NSP
NSP 1- Obligated by 9/10, expended by 3/13
NSP 2- 50% expended by 2/12, 100% by 2/13
NSP 3- 50% expended by 6/13, 100% by 6/14
To date over 65% of all NSP funds have been expended. Nationwide $4.4 billion
Now what? Program income – CDBG
National Housing Trust Fund?

NSP rental
• Rents- stated in Grantee’s action plan
  – HOME safe harbor
  – Fair Market
  – 30% of gross income
• 25% Low Income Set aside (50% AMI or below)
• 75% up to 120% AMI
• Certify at occupancy
  – Annually at grantee/developer option

RURAL DEVELOPMENT
• USDA.gov (561) 792-2727- South Fl Office
• Direct competitive loans -515 program
• Limited profit allowed (8%)
• Very low (50%), low (80%), moderate ($5500 above low limit), elderly or disabled
• Points for green, leveraging
• Acq/rehab and new construction
• Rental assistance – 5 yr, renewed if funds available
Some SHIP rules for rental

- 25% of allocation (min $350k/county) for rental
- Acquisition/rehabilitation/soft costs
- Rents posted by FHFC
  – No utility allowance adjustment
- 15 year affordability
- No cross cutting regs, but must have relo plan
- 2 years to encumber, 3 years to expend (built and occupied)
Low Income Housing Tax Credits

Foundations/ Corp funders
- PRI (Project Related Investment)
- United Way
- Wasie Foundation
- Met Life
- Jim Moran
- Knight Foundation
- Publix
- Community Foundation
- LISC
- Bank of America- Neighborhood Builders
- TD Bank
- Ackerman Senterfit
- Sun-Sentinel/ Miami Herald Charities Wishbook
- Lowes/Home Depot /HH Gregg

More places to get money
- Foundation Center – www.fdncenter.org
- www.mamidade.gov/commiss/grants.asp
- www.broward.org PDRED/Human Services
- grants@miamidade.gov
- Sports teams and players
- Local business, large and small (cash and inkind)
- Individuals – friends & people you do business with
- Social clubs (Kiwanis, Rotary)
- Fundraising events/capital needs campaign
- Your Board
Local funding and neighborhood resources

- Broward County AHP
- MD County Surtax
- Miami Dade Mom and Pop
- MD Commissioners discretionary funds
- Rebuilding Together
- Neighbors for Neighbors

Banks

- Federal Home Loan Banks
- Florida Community Loan Fund
- Neighborhood Lending Partners
- Community and National Banks
- Credit Unions
- Federal Home Loan Banks

PR

- Make a splash!
- Press releases, ground breakings, grand openings. Invite partners and legislators.
- Photos
- Follow up via newsletters/updates
- Website- donation link
- Twitter/Facebook
Administration and Agreements

- Restricted/unrestricted funds
- Tracking and reporting
  - Keep your funders in the loop!
- Read and understand all agreements

Project Management

- Lead Staff
- Project task list- from predevelopment to CO
  - Scope of work (level of rehab, phasing)
  - Project timeline
- MS Project – free trial, $60 @ Tech Soup
- Base Camp (basecamphq.com) $49-$149/mo
- Construction management
- Tracking of expenses
- Keeping funders in the loop

Green Resources

- Enterprise Green Communities
  www.greencommunitiesonline.org
- LEED www.usgbc.org
- NAHB National Green Building Standard
  www.nahbgreen.org
- Florida Green Building
- EnergyStar.gov
Property Management

- Property Book
- Monthly analysis of performance per property
  - Vacancy rates and turnover time
  - Budget variances
  - Future capital needs
  - Accounts receivable
- Marketing
  - Affirmative marketing (Federal)
  - Website, newspaper ads, realtors, apartment guides
- Tenant selection policies
  - Credit/criminal background, Reference check, Ability to pay
  - Waiting list, lottery, first come first served
  - Preference for special population

Policies and Procedures

- Fees
- Grace period
- Notices
  - 3 day (business days), 7 day (calendar days)
  - Non-emergency entry
- Partial rent/security deposit payments
- Inspection check list
- Maintenance
  - After hours
  - Home Depot accounts/financial management & tracking
  - Vendors
  - Priorities
  - Trucks/tools/storage

Policies and procedures cont.

- Application
- Tenant orientation & Move in/Move out
- Income Certification /recertification
- Exterior aesthetic
- Extended visitors
- Key control
- Lease review
- Disaster procedures
- Risk management
Policies and procedures cont.

• Occupancy limits
• Grievance procedures/ press protocol
• Security
• Pets
• Tenant Services
  – Rental/utility payment help
  – Supportive & social services
• Smoking policy
• Certifications- CAM, Occupancy Specialist

Fair Housing

• Fair Housing Act, Title VI of Civil Rights Act, FL Statute 760
• Protected classes- race, color, religion, national origin, familial status, sex, disability
• New HUD reg – HUD assisted entities must make housing available w/out regard to actual or perceived sexual orientation, gender identity or marital status
• Disparate impact, intentional or otherwise
• Reasonable accommodation & modification
• www.hopefhc.com

Property Management Software

• Yardi
• Housing Pro
• I cam
• AMSI
• Rentroll
Prop Management Company or DIY?

- Property Management is a profession
- Should be experienced w/ Federal regs
- Should fit with your mission/clientele
- Systems are already in place
- They handle marketing, lease up, move out, rent collection, enforce lease provisions, handle evictions, maintenance…
- They provide financial reports, prepare budgets, accounts payable, account for reserves, maintain licenses, handle insurance
- You don’t have to deal with resident issues directly
- 24/7
- They know compliance issues (OSHA, EPA, DOL, Fair Housing, landlord tenant law)

Management Fees

- Range 4-12% of collected rents. Scattered site, more work, higher end. Varies with amount of properties in portfolio
- Vacancy fee- $50/m prorated when unit filled
- Set up fee- 0-$300 (per unit or per property?)
- Leasing fee- Av 50% of first months rent or flat fee. May be charged every time unit is rented or once/year. If you find tenant, fee may be waived

More fees & questions to ask

- Advertising Fee- $100-$200
- Lease Renewal fee- up to $200
- Eviction fee $30-$50/hour or $600 flat + court costs
- Bill payment fee (mort, insurance, utilities…)
- Do they have their own maintenance crew? Or do they charge per job? If so, what’s the rate, trip charge, minimum, extra for nights/weekends?
- What about other income (laundry, late fees…)?
Oversight

- Monitoring
  - Files
  - Property condition
- HQS/ property standards