

# HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)



**2024 – 2025**

## **PROGRAM GUIDELINES AND APPLICATION**

23 Russell Blvd.  
Davis, CA 95616



March 28, 2024

Dear Prospective Applicant(s):

The City of Davis is requesting proposals for services and projects qualifying under the following program(s):

### **2024-2025 HOME INVESTMENT PARTNERSHPS PROGRAM**

#### **Introduction and Background**

The City of Davis is an entitlement city in the U.S. Department of Housing and Urban Development (HUD) Home Investment Partnerships Program (HOME). Since its initial participation in HOME, over \$11 million has been awarded to the City. The grant funds have assisted very-low income persons/households in Davis by providing much needed affordable housing. The City Council, Social Services Commission, and staff review all requests for funding of HOME projects during the city's annual "Proposal Review" cycle.

#### **Available funding**

The 2024-2025 HOME program year runs from July 1, 2023 through June 30, 2024. The City of Davis is anticipating an allocation of approximately \$462,655 in HOME funds for the program year.

#### **Schedule**

**Request for Proposals (RFP) Release Date:** March 28, 2024

RFP is available in the City Offices 23 Russell Blvd. Davis, CA 95616. RFP available on City of Davis website on or about March 28, 2024 ([cityofdavis.org](http://cityofdavis.org)).

#### **Proposal Due:**

- **On or before 4:00 p.m. (Pacific Standard Time), Friday, April 26, 2024.**

### **NO APPLICATIONS WILL BE ACCEPTED AFTER THE FILING DEADLINE.**

**Submit All documents should be submitted electronically in PDF format. No paper copies will be accepted, except for those applicants that have been directed to submit paper applications. Submit your application via e-mail to Dana Bailey at [dbailey@cityofdavis.org](mailto:dbailey@cityofdavis.org)**

**Incomplete applications or applications that fail to meet Eligibility Requirements outlined in Section V of this RFP will be disqualified without further review.**

#### **The Application**

The Application can be found in **Section 7**. Instructions for completing the application can be found in **Section 6**, and **Section 10**. For applicants requesting additional funding allocations for existing projects, the City limits the body of the grant proposal to four pages (exclusion performance schedule and budget). Applicants may adjust the spacing as necessary to adequately describe their project. Attachments may be included with the proposal; however, they should not be a continuation of the proposal narrative. Instead, they should be illustrative of a point made in the proposal, clearly marked as an attachment and should not be cumbersome.

For new projects, applicants are not expected to limit their application to 4 pages. Applicants should contact City staff to determine whether or not paper applications will be required, in addition to electronic submittal.

### **Funding Limitations**

The federally-funded HOME Program limits the amount of funds that can be spent in two categories: 1) At least fifteen percent (15%) of HOME funds must be awarded to a Community Housing Development Organization (CHDO); and 2) Administration (and other related activities) cannot exceed then (10%) of the total grant. The federal government also limits the activities that can receive HOME funding. Organizations with questions about the eligibility of a project are strongly encouraged to contact staff for technical assistance and guidance.

### **Evaluation Criteria**

Prior to developing your proposal, staff urges each potential applicant to carefully consider whether or not their program meets a critical need (**See Section 8**).

The evaluation criteria used by staff and commissions is included in Section 3. Please note the “absolute thresholds” within the evaluation criteria for the HOME program. **All proposals must benefit Davis residents and at least 90% of those beneficiaries must be low-income persons/households (60% of medial income).** Projects that do not meet the funding requirements must be disqualified from HOME funding consideration. City staff will assist organizations in evaluating project eligibility and can be contacted for technical assistance at any time before the application deadline.

### **Application Process**

An "Applicant Workshop" webinar will be held on Tuesday, April 9, 2024, at 11:00 am via Zoom to provide details about the overall HOME program, evaluation criteria, proposal process, etc. The webinar link will be provided on the City’s website at [www.cityofdavis.org](http://www.cityofdavis.org). Find the CDBG and HOME Grants Application information link, under the City Manager’s Office/Grants Management page. **It is strongly recommended that all applicants attend this workshop.**

**An electronic version of the proposal must be received by the City of Davis via-email no later than 5:00 pm on Friday, April 26, 2024.**

Late proposals will not be accepted. No exceptions will be granted. All documents should be submitted electronically in PDF format. No paper copies will be accepted, except for those applicants that have been directed to submit paper applications.

**NOTE: All documents should be submitted in PDF Format**

Final funding levels, project categories, and recipients will be determined by the City Council on June 18, 2024. (See Section 2 for all pertinent dates). Decisions by the City Council are conditional upon the successful completion by the city of the project’s environmental review and final approval from HUD.

### **Letters of Support**

The City Council decided that “Letters of Support” would not be accepted in support of grant proposals. No letters should be sent with the proposal, or to individual Council members. Applicants should address community support, the need for the project and the effectiveness of the organization in the proposal narrative.

## **Program Guidelines**

The Program Guidelines are divided into the following sections:

- Section 1: Introduction and Fact Sheet
- Section 2: 2024-2025 Grant Program Schedule
- Section 3: Evaluation Criteria to be used by Commissioners and Staff
- Section 4: Income Limits (Guidelines)
- Section 5: Insurance and Bonding Requirements
- Section 6: HOME Program Grant Application Worksheets and Instructions
- Section 7: HOME Program Application Form
- Section 8: City of Davis Critical Needs

Once again, if you have any questions or if City staff can be of any assistance, please feel free to contact Dana Bailey at [dana.bailey@cityofdavis.org](mailto:dana.bailey@cityofdavis.org).

We wish you the best of luck with the application process.

Sincerely,

**Dana Bailey**

Director

Social Services and Housing

**SECTION 1**

**INTRODUCTION**

**FACT SHEET**

## 2024-2025 HOME PROGRAM FACT SHEET

### **INTRODUCTION**

The “Program Guidelines” packet is designed to aid your organization in applying for HOME Investment Partnerships Program (HOME) grant funds. All organizations must qualify under the HOME guidelines (services to low-income persons/households). Some organizations meeting a critical need may not qualify for HOME funding under the guidelines.

### **HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME) FACT SHEET**

**Summary:** The HOME Investment Partnerships Program (HOME) grants federal funds through the Department of Housing and Urban Development (HUD) to cities to implement several housing projects. The City of Davis has been granted over \$11 million since 1995 and has awarded grants to both nonprofit and governmental agencies.

**Who is eligible for HOME funds?** The City has many options for implementing the HOME grant program. In Davis, housing and other community development activities are primarily administered through “non-profit” community groups. At least fifteen percent (15%) of the funds must be granted to a Community Housing Development Organization (CHDO). The CHDO must demonstrate capacity for each role (Owner, Developer, Sponsor) it intends to undertake. The Federal 2013 HOME final Rule emphasizes that the CHDO must have paid key staff members who have housing experience appropriate to the role the CHDO undertakes. Thus, a CHDO in the role of developer must demonstrate development experience and a CHDO in the role of owner/manager must demonstrate ownership and management experience. If the CHDO lacks development experience or capacity it may be certified only as an Owner/Operator. Capacity is evaluated during the certification process as well as each time the CHDO applies for funding. The capacity requirement cannot be met through the use of volunteers or staff that is donated by the organization, including the parent organization, if applicable. CHDOs have specific board and by-law requirements. For more information, see HOME Final Rule section on CHDOs.

Information on the complete Federal 2013 HOME Rule changes can be found at:  
<https://www.onecpd.info/home/home-final-rule/>

**What types of activities are HOME funded?** There are many options for spending HOME funds, including homebuyer programs, development of new rental units, rehabilitation of current rental properties, tenant-based rental assistance and owner-occupied property rehabilitation.

**Who benefits from HOME Projects?** The primary beneficiaries of HOME-funded projects are low-income person(s) and household(s) at 60% of the median income. At least 90% of the activities of a project must serve this population. HOME grantees in Davis have reported that they also benefit from the grant funds and from some of the technical assistance they receive from City Staff.

**Who decides how HOME funds are distributed?** In Davis, the Social Services Commission reviews the proposals and makes funding recommendations to the City Council. The City Council reviews the request, reviews the commission funding recommendations, and makes the funding decisions for use of the City for Davis HOME allocation. HUD reviews the council's funding decisions and must approve the projects and funding levels made by the council. During the review process, there are multiple opportunities for public comments either in writing to the City and/or during the public comment periods at the publicly advertised open meetings of the Commission and City Council.

**How can I find out more about the HOME Program?** See the HUD program guidance documents, which can be found on the City of Davis website.

**SECTION 2**

2024-2025

GRANT PROGRAM SCHEDULE

**2024-2025 HOME REQUEST FOR PROPOSALS AND AWARD SCHEDULE**

*(Dates Subject to Change)*

|                     |   |
|---------------------|---|
| November 27, 2023   | <b>Social Services Commission:</b> Recommendation of Critical Needs List and Draft Schedule                                   |
| December 5, 2023    | <b>City Council (Public Hearing):</b> Approval of Critical Needs List and Request for Proposals (RFP) Schedule                |
| March 28, 2024      | <b>RFP released</b>   |
| April 9, 2024       | Applicant Workshop (Applicant participation is <b>strongly</b> encouraged)  |
| April 26, 2024      | Proposals Due to City of Davis staff no later than <b>4:00 p.m.</b><br>(Postmark will <i>not</i> be accepted)                 |
| April 29, 2024      | Proposals are posted online and distributed to Commission and City Council  |
| May 3, 2024         | Staff, Commission, and City Council questions/requests for information are submitted to staff                                 |
| May 6, 2024         | Questions are distributed to applicants   |
| May 10, 2024        | Applicant responses to questions due no later than <b>4:00 p.m.</b><br><br>One-Year Action Plan Submitted to HUD              |
| May 17, 2024        | Funding recommendations sent to Social Services Commission  |
| May 20, 2024        | <b>Social Services Commission (Public Hearing):</b><br>Funding Deliberations/Recommendations, One-Year Action Plan to Council |
| May - June 30, 2024 | HUD review and approval of One-Year Action Plan   |
| June 10, 2023       | Funding recommendations sent to City Council  |
| June 18, 2024       | <b>City Council (Public Hearing):</b> CDBG/HOME Funding Decisions and One-Year Action Plan                                    |
| July 1, 2024        | <b>2024-2025 CDBG/HOME Program Year begins</b>  |

## **SECTION 3**

### **EVALUATION CRITERIA**

**2024-2025 HOME EVALUATION CRITERIA**

**ABSOLUTE THRESHOLD** (If the answer is no to any of these six criteria after staff follow-up, then the proposal will **not** be recommended for CDBG funding.)

|   | <u>YES</u> | <u>NO</u> |
|---|------------|-----------|
| 1. Is the proposal complete?  | _____      | _____     |
| 2. Is the proposal an eligible activity according to HOME regulations? <i>24 CFR PARTS 91 and 92</i>  | _____      | _____     |
| 3. Does the proposal comply with the Home requirement that 90% of residents will have incomes less than 60% of the Median and remaining residents will have incomes less than 80% (for rental housing)? | _____      | _____     |
| 4. Is the organization an eligible sub-recipient/ Sub-grantee according to the HOME regulations?  | _____      | _____     |
| 5. Do Davis residents benefit in (at least) the same percentage of HOME contribution to the overall project?  | _____      | _____     |
| 6. Are at least 70 percent of those benefiting low/moderate-income persons/households?  | _____      | _____     |

**BENEFIT**

- 6. How many **Davis** persons/households will benefit?
- 7. What percentage of the beneficiaries are extremely low, very-low, lower/moderate-income **Davis** persons/households?
- 8. What is the cost per beneficiary?
- 9. Are the beneficiaries already served by another program/funding source?

**NEED**

- 10. Is the need documented?
- 11. Does the proposal respond to critical needs as identified on the Critical Needs List?
- 12. Does the proposal respond to one or more of the additional indicators as identified on the Critical Needs List?
- 13. Does the project represent an innovative approach to affordable housing?

**PROGRAM DESIGN**

- 14. Is the proposed program adequately described?
- 15. Are the services/activities/projects described in quantifiable terms?
- 16. Is the Performance Schedule consistent with the Scope of Service?

**BUDGET/FUND LEVERAGING**

- 17. Does the budget appear cost-effective and provide sufficient information?
- 18. Have funds from other sources been leveraged?
- 19. Does it appear that the program is depending upon CDBG funds for continuation?

**ORGANIZATIONAL CAPACITY**

- 20. Does it appear that the organization is capable of implementing the program?
- 21. Are the organization's accounting/administrative systems adequate to meet CDBG requirements?
- 22. Has the organization cleared any compliance issues from previously funded years (findings, concerns, reporting, etc.).

**SECTION 4**  
INCOME LIMITS

## 2024-2025 HUD INCOME LIMITS

In order for individuals and households to qualify for service as a “low to moderate” income recipient of services, they must meet the federal income limits. The current limits are listed in the table below. (Income limits change annually.)

The **2023 Median Family Income** for Yolo County is **\$114,000**. (Effective 6/15/2023)

| <b>Maximum Yearly Income</b> |                                     |  |  |
|------------------------------|-------------------------------------|--|--|
| <b># in Household</b>        | <b>80% of Median<br/>Low Income</b> | <b>50% of Median<br/>Very Low-Income</b> | <b>30% of Median*<br/>Extremely Low-Income</b> |
| 1                            | \$58,750                            | \$36,750                                 | \$22,050                                       |
| 2                            | \$67,150                            | \$42,000                                 | \$25,200                                       |
| 3                            | \$75,550                            | \$47,250                                 | \$28,350                                       |
| <b>4</b>                     | <b>\$83,900</b>                     | <b>\$52,450</b>                          | <b>\$31,450</b>                                |
| 5                            | \$90,650                            | \$56,650                                 | \$34,000                                       |
| 6                            | \$97,350                            | \$60,850                                 | \$36,500                                       |
| 7                            | \$104,050                           | \$65,050                                 | \$39,000                                       |
| 8                            | \$110,750                           | \$69,250                                 | \$41,550                                       |

These limits are provided by HUD for use in the CDBG/HOME programs. These limits determine income eligibility and program benefits to 30% of median yearly income, 50% of median yearly income, and 80% of median yearly income. These figures are based on the Yolo County, Ca HUD Metro FMR Area median yearly income.

\*The Office of Affordable Housing Programs has already advised that the 30%-of-area-median should be used as the definition of extremely low-income persons/families. After consultation among all four formula programs, CPD has confirmed that ALL CPD programs included in the Consolidated Plan should be using the HOME income limits under which extremely low-income families are identified by the 30 percent income limits.

The HOME Income Limits are calculated using the same methodology that HUD uses for calculating the income limits for the Section 8 program, in accordance with Section 3(b)(2) of the U.S. Housing Act of 1937, as amended. These limits are based on HUD estimates of median family income, with adjustments based on family size. Please note that the 30 percent income limits for the HOME program have been calculated based on the definition of Extremely Low–Income Family (ELI) as described in Consolidated Submission for CPD Programs section of 24 CFR part 91.5. Therefore, the ELI Limit is calculated as 30 percent of median family income for the area and may not be the same as the Section 8 ELI Limit for your jurisdiction. The Section 8 Limit is calculated based on the definition of ELI as described in The 2014 Consolidated Appropriations Act, (Section 238 on page 128 Stat 635) which defines ELI as very low–income families whose incomes do not exceed the higher of the Federal poverty level or 30% of area median income.

The effective date of these HOME income guidelines is effective June 1, 2023. These guidelines may change within the first quarter of each year.

## **SECTION 5**

### **INSURANCE AND BONDING REQUIREMENTS**

## 2024-2025 HOME INSURANCE AND BONDING REQUIREMENTS

(After Approval and Award)

As part of the City of Davis' self-insurance system, City sub-recipients/grantees need to comply with all insurance and bonding requirements. Prior to acceptance of the first invoice and processing of reimbursement, each sub-recipient/grantee must provide the city with copies of the following for approval:

### Worker's Compensation Insurance

- Policy shall provide that no cancellation, major change or expiration shall become effective or occur until at least **ten (10) days after receipt of such notice by the City.**

### General Liability and Property Damage

- For the period covered by the contract in the amount of \$2,000,000 per occurrence/\$4,000,000 aggregate for bodily injury, and property damage combined single limit coverage.
- To include (and not be limited to) protection against claims arising from bodily and personal injury, including death resulting there from, and damage to property resulting from activities contemplated under the contract, and use of owned and non-owned automobiles.
- To provide notice be given the City at least 30 days prior to cancellation or material change. Cancellation clause on Certificate of Insurance to read as follows: "**Should any of the above described policies be cancelled before the expiration date thereof, the issuing company will mail 30 days written notice to the certificate holder named to the left.**"
- Required endorsements: policy must cover personal injuries as well as bodily injuries (exclusion of contractual liability must be eliminated from the personal injury endorsement); policy must cover contractual liability by amending the definition of incidental contract to include any written contract, and the **City (including its agents, officers, employees and volunteers) shall be named as additional insured.**

### Required Construction and Project Bonds

- To cover any officers, employees or agents of sub-recipient/grantee handling, or having access to funds, or authorization to sign or countersign checks.
- To cover full amount of CDBG/HOME award.
- Bond shall not be canceled or modified except upon **30 days written notice to the City.**

The City staff will review each document and may return the certificate requiring specific changes before approval is given.

**SECTION 6**  
**HOME APPLICATION WORKSHEETS**  
**AND**  
**INSTRUCTIONS**

## 2024-2025 HOME APPLICATION WORKSHEETS AND INSTRUCTIONS

**Part One:** Most are self-explanatory. When listing a contact person, please list the best contact to get information to and from the organization as quickly as possible.

**Organization Name:** Please list the name of your organization and specify if your organization operates under a DBA.

**Name:** Include the name of the applicant who is the point of contact for the application, as well as their title and phone number.

**Mailing address/Email Address:** Include the mailing address for your organization - where you want documents and correspondence related to the grant application mailed.

**Proposed Project Location:** Indicate the location where the project activities will take place.

*NOTE: if the location needs to remain confidential for the safety of program participants, please notify City staff of project location separately.*

**Part Two:** This next section will be the specific request for the grant funds and the eligible activity category for the project.

**Total Proposal Request:**     \$ \_\_\_\_\_     **Minimum Request:** \$ \_\_\_\_\_

List the total amount of grant funds being requested for the project. In addition, list the minimum amount of funds the organization could receive for the project to be viable.

Is the applicant claiming status as a Nonprofit Community Housing Development Organization (CHDO)?  
***(Applicants will be required to provide qualifying documentation)***

**HOME Eligible Activities Category:** From the following list, please choose the “**HOME Eligible Activity Category**” for proposed project and enter on Page 1 of Application. See Section 9 – Eligible Activities for more detailed description.

**HOME Eligible Activities Categories: (List A)**

Homebuyer Program

Owner Occupied Property Rehabilitation

Rental Housing Development

Tenant-Based Rental Housing

Acquisition of Real Property

Other, specify \_\_\_\_\_

**National Objective Compliance/Low and Mod Benefit:** Choose the “**Low-Income Benefit**” description for the proposed project. Since some of the projects have more than one income level, all categories as applicable, and enter on Page 1 of Application. See Section9-for more detailed description.

**“Low Income Benefit”**

|                   |       |
|-------------------|-------|
| 35% Median Income | _____ |
| 50% Median Income | _____ |
| 60% Median Income | _____ |
| 80% Median Income | _____ |

**City Council Identified Critical Needs:** Enter the applicable critical needs your project/program is designed to meet from the Critical Needs List, included in Section 8 of packet.

**Beneficiary Information**

\_\_\_\_\_ Total number of unduplicated beneficiaries in proposed project  
\_\_\_\_\_ Number of unduplicated beneficiaries in proposed project to be served with HOME funds  
\_\_\_\_\_ Percentage of the HOME beneficiaries with very-low, low/moderate income  
\_\_\_\_\_ Cost (\$) per HOME beneficiary (HOME Request/Home Beneficiaries)

Mod Benefit” for the proposed project and enter on Page 1 of the Application. See HUD guidance documents on the City of Davis website for a more detailed description. If you have questions about eligible populations, please contact staff.

**Part Three:** This section includes specific descriptions of the project, project location, target groups, outreach, coordination with other agencies and the timeline.

**Scope of Proposal: (You may adjust the spacing as necessary, however the body of the application may not exceed five (4) pages, including the performance schedule and budget.)**

- a. **Need/Target Group** Document need for project/program. If the project has been funded before what were the primary accomplishments? Please note the amount and date of any prior HOME Funds received. In addition, quantify the number of low-and moderate-income person(s)/household(s) to be assisted per service/activity/project.
- b. **Project Description/Benefit** Describe the proposed activity/project to be carried out with the funds requested. If the proposed project is ongoing, specify why the funds are needed to serve low and moderate-income persons and how the proposed HOME funding would create or expand services. **Discuss the cost-per- beneficiary in relation to private entities and other organizations delivering similar services.** How does the proposed project respond to the critical needs listed in Section 8?
- c. **Outreach** Discuss outreach efforts for the proposed activity/project; provide a list of the languages your current advertising is in, as well as the capacity of your organization to provide services to individuals who do not speak English. How do you partner with other organizations to meet the needs of your clients?
- d. **Organizational Capacity** Summarize the organization's background/programmatic capacity, including major grant awards and organizational structure. Does your organization or proposed service fill a unique niche among clients who are not currently served, or are under-served?

Attach a list of the Board of Directors and Agency officers. Include a copy of your **non-profit or organizational incorporation**. If a non-profit, include a **copy of your most recent 990**. If a for profit, include a copy of most recent audit. **If subject to the federal Single Audit, please include your most recent Single Audit.**

- e. **Partnerships and Other Resources** Has your organization developed this project in collaboration with other groups offering services? What services offered by other community groups complement the proposed project?

**Are the proposed activities duplicative of projects operated by other local public or non-profit organizations?**

Identify other potential or actual sources of funds. What fundraising has the organization done to support the proposed project? What role do volunteers play in this project?

**PERFORMANCE MEASUREMENTS AND SCHEDULE**

Prepare a Performance Measurements and Schedule table listing the major activities, the direct product/service numbers for each activity, the outcome description and the date the activity is projected to be completed using the template provided.

| <b>QUANTITATIVE GOALS, UNITS AND DESCRIPTIONS</b><br>(What the program does to fulfill its mission. Include direct products of the program activity and service numbers. Include a line for each activity. | <b>OUTCOME</b><br>(Benefits that result from the program)  | <b>COMPLETION DATE</b><br>(Grant Quarter/Date when the specific task is completed) |
|--|--|--|
| <b>Example:</b><br><i>Provide Pediatric health care for at least 97 "sick," low/moderate income children in Davis without any form of health coverage.</i>   | <b>Example:</b><br><i>Improved access to healthcare for program participants, improved quality of life for program participants. 102 low/moderate income children were served.</i> | <b>Example:</b><br><i>Quarter 4 - June 30, 2024</i>                                |

**PROJECT BUDGET**

Using the Excel budget templates available on the City of Davis website, prepare a budget summarizing the use of proposed CDBG funding **and** all other resources available for the project budget. For Public Services projects without a construction or rehabilitation component, refer to the **Budget Summary for Proposed Project** template. For Public Facilities projects with a construction or rehabilitation component, refer to the **Capital Project Budget Summary** template. Revise the budget items as they relate to your project.

**Part Four:** This section contains a description of the documents required for the city to undertake an underwriting and subsidy layering review of the proposed HOME-funded activity.

#### **HOME APPLICATION SUBMISSION REQUIREMENTS FOR UNDERWRITING AND SUBSIDY LAYERING REVIEW**

Per 24 CFR 92.250, the City of Davis is required to establish guidelines for subsidy layering review and underwriting reviews on all HOME-funded housing projects. The City reserves the right to be more stringent than the underwriting guidelines, dependent upon project type, construction type, and other varying factors. The application contains a checklist of all information required for submittal.

To apply for HOME funding, all applicants must submit all materials required by the HOME Request for Proposals checklist. Applicants will need to submit all items prior to receiving a formal commitment of funds from the City. All items should be available with the initial application.

The City reserves the right to require additional due diligence items as needed, to evaluate the project according to federal HOME guidelines, and to document compliance with HOME and other applicable federal regulations. The City further reserves the right to request additional documentation in circumstances where a project is requesting other types of City affordable housing funds, a land dedication site, or other local resources or subsidies.

**SECTION 7**

2024 - 2025

HOME INVESTMENT PARTNERSHIPS PROGRAM

APPLICATION FORM

CITY OF DAVIS

2024-2025 HOME INVESTMENT PARTNERSHIPS PROGRAM APPLICATION:

PART ONE:

Organization Name: \_\_\_\_\_

Name: \_\_\_\_\_ Title: \_\_\_\_\_ Phone: \_\_\_\_\_

Mailing Address: \_\_\_\_\_

Email Address: \_\_\_\_\_

PART TWO:

Proposed Project Location: \_\_\_\_\_

Total Proposal Request: \$ \_\_\_\_\_ Minimum Request: \$ \_\_\_\_\_

CDBG Eligible Category: \_\_\_\_\_  
(See List A in Application Packet)

National Objective Compliance/Low and Mod Benefit: \_\_\_\_\_  
(See List B in Application Packet)

Is the applicant is claiming stats as a Non-Profit Community Development Organization (CHDO)?  
(Applicants will be required to provide qualifying documentation)

\_\_\_\_\_ Yes \_\_\_\_\_ No

HOME Eligible Activities Category: \_\_\_\_\_  
(See List A)

\_\_\_\_\_  
(See List B)

City Council Identified Critical Needs: (See List C in Application Packet)

- 1) \_\_\_\_\_
- 2) \_\_\_\_\_
- 3) \_\_\_\_\_

Beneficiary Information:

- \_\_\_\_\_ Total number of **unduplicated** beneficiaries in proposed project
- \_\_\_\_\_ Number of **unduplicated** beneficiaries in program to be served with **HOME** funds
- \_\_\_\_\_ Percentage of the **HOME** beneficiaries with low/moderate income
- \_\_\_\_\_ Cost (\$) per **HOME** beneficiary (HOME Request/Home Beneficiaries)

**2024-2025 HOME INVESTMENT PARTNERSHIPS PROGRAM APPLICATION**

**PART THREE: Scope of Proposal**

**a. Need/Target Group** (Describe the need for the activity and the group being served)

**b. Project Description/Benefit** (Activity Summary: Describe the activities of the proposed budget and benefit)

**c. Outreach** (Describe the outreach your organization will provide for the HOME-funded project, as well as provide a list of the languages currently included in your organizational outreach)

**d. Organizational Capacity** (Summarize your organizational capacity for the proposed project)

**2024-2025 HOME INVESTMENT PARTNERSHIPS PROGRAM APPLICATION**

**e. Partnerships and Other Resources** (List other agencies you collaborate with and indicate whether or not your proposed project is duplicative of other projects operated by local public or non-profit organizations)

**PERFORMANCE MEASUREMENTS AND SCHEDULE**

| <b>QUANTITATIVE GOALS, UNITS AND DESCRIPTIONS</b><br>(What the program does to fulfill its mission. Include direct products of the program activity and service numbers. Include a line for each activity.) | <b>OUTCOME</b><br>(Benefits that result from the program) | <b>COMPLETION DATE</b><br>(Grant Quarter/Date when the specific task is completed) |
|---|---|--|
|   |   |  |

**CAPITAL PROJECT BUDGET SUMMARY**

Please use a Capital Budget Summary prepared from an Excel spreadsheet. All applicants are requested to submit a copy of Their organization's operating budget and documents requested by the city to complete the required HOME Underwriting and Subsidy Layering review (**Section 10**).

**HOME APPLICATION SUBMISSION REQUIREMENTS FOR UNDERWRITING AND SUBSIDY LAYERING REVIEW**

IF APPLICABLE

Per 24 CFR 92.250, the City of Davis is required to establish guidelines for subsidy layering review and underwriting reviews on all HOME-funded housing projects. The City reserves the right to be more stringent than the underwriting guidelines, dependent upon project type, construction type, and other varying factors.

To apply for HOME funding, all applicants must submit all materials required by the HOME Request for Proposals checklist. Applicants will need to submit all items before receiving a formal commitment of funds from the City. All items should be available with the initial application.

The City reserves the right to require additional due diligence items as needed, to evaluate the project according to federal HOME guidelines, and to document compliance with HOME and other applicable federal regulations. The City further reserves the right to request additional documentation in circumstances where a project is requesting other types of City affordable housing funds, a land dedication site, or other local resources or subsidies. Below please find a list of the items required to be submitted for this review.

#### **APPLICATION**

- Complete response to the City's HOME Request for Proposals, including all required certifications and attachments.
- Executive summary containing a brief synopsis of the proposed development and number of units, location, project cost, and proposed financing. This should include a brief description of the proposed complex (frontal elevation and floor plan only), proposed site plan, amenities, and accessibility/adaptability provisions.

**MARKET DATA:** Developers must, as part of their application, provide evidence of sufficient demand for the proposed units (all unit types, including HOME and non-HOME units and special needs units).

- Recent sale/vacancy data for the neighborhood - assess sales and rentals for planned units, pricing, demand for similar units, time on the market, vacancy rates, etc.
- Evidence of demand - applications/waitlists, analysis of the pool of potential buyers/renters in eligible income range, vacancy rates, and market context (project area and citywide). Using this data, the application is required to:
  - A. Evaluate general demographic, economic, and housing conditions in the community.
  - B. Delineate the market area by identifying the geographic area from which the majority of tenants or buyers are likely to come. (Census tracts, neighborhoods, etc.)
  - C. Quantify the pool of eligible tenants or buyers in terms of household size, age, income, tenure, and other relevant factors.
  - D. Analyze the competition by evaluating other housing opportunities with an emphasis on other affordable rental developments or sales opportunities in the market area.
  - E. Assess the market for the planned units and determine if there is sufficient demand to sell the HOME-assisted housing within nine months of construction completion or to rent the HOME-assisted housing within 18 months of project completion.
  - F. Evaluate the effective demand and the capture rate, usually expressed as a percentage (the project's units divided by the applicant pool). The capture rate is the percentage of likely eligible and interested households living nearby who will need to rent units in the proposed project to fully occupy it. The lower this rate, the more likely a project will succeed.
  - G. Estimate the absorption period. Plan how many units can be successfully leased or sold each month and how long it will take to achieve initial occupancy/sale of the HOME units and stabilize occupancy for the project as a whole.

**DEVELOPER CAPACITY AND FISCAL SOUNDNESS:** All HOME applications must include financial statements from all underlying owners and guarantors. Developers must have a net worth equal to 10% of the total development cost with net liquid assets equal to 3% of the total development cost. At its discretion, the City will consider lower net worth and net liquid assets, if adequate information is provided to the developer's capacity and fiscal soundness. Applicant must provide the amounts and terms for any other financing being provided to the project.

- **Developer Statement of Qualifications that identifies:**
  - a. Recently completed comparable projects
  - b. All projects underway and/or pending
  - c. Staff assigned to this project and their role and experience
  - d. Disclosure of any identity of interest purchases/contracting relationships
  - e. Current balance sheet
  - f. Current year budget with comparison of actual performance YTD vs. projections

- g. Most recent corporate audit or reviewed financial statements
- h. Most recent tax returns (990s for nonprofit developers)
- i. Completed CHDO Staff Experience & Organizational Capacity Checklist (as applicable)

- **Site and Product Information:**

- a. Evidence of site control (e.g. option, purchase agreement, city resolution, or deed)
- b. Uniform Relocation Act (URA) documentation (as applicable)
- c. URA Notice to Seller of Voluntary Sale (as applicable)
- d. Seller certification regarding vacancy (as applicable)
- e. Rent Roll and evidence of General Information Notices to existing tenants (occupied properties only)
- f. Preliminary title report (as applicable)
- g. Statement regarding availability of utility connections
- h. Assessment record-or other public record documenting date of original construction for rehabilitation projects, showing applicability of Lead-based Paint and/or historic reviews (as applicable)
- i. Site-specific environmental record and (as applicable) estimate of remediation costs
- j. Radon and mold testing (as applicable)
- k. Lead-based Paint risk assessment (as applicable)
- l. Evidence of subdivision approval (as applicable)
- m. Plans and specifications, including site plan and elevation drawings (if available)
- n. Zoning/site plan and building/code review approvals (if available)
- o. Resident services and amenities information, including supportive services staff

- **Underwriting/Financial Projections:**

- a. Proforma showing all project costs, construction sources, and estimated sales proceeds
  1. The proforma must explicitly show an itemized breakdown of development hard and soft costs by unit including any allowances for soft costs such as architectural fees, carrying costs, etc.; the hard costs of any buildings and their uses so that the city can complete preliminary HOME cost allocation calculations. (Stand-alone accessory structures like a detached garage may be included in the project but are not HOME-eligible and must be paid for with another funding source.)
  2. Commitments and/or pending applications for other financing, both permanent and construction loan sources.
  3. Documentation of construction/rehabilitation costs (e.g., estimate by general contractor, preliminary bids, etc.)
  4. Estimates/documentation of professional services and soft costs (e.g. architectural fees, construction period taxes/insurance, marketing expenses, etc.)
  - 5.

All project costs must be reasonable and customary. The City reserves the right to review any line-item cost to ensure that total project costs are not excessive. Additionally, HOME projects will be subject to the following specific cost limitations:

- The maximum allowable developer fee is 15% of total development costs, or as otherwise permitted under TCAC regulations if the project plans to utilize tax credits.
- Acquisition costs are limited to fair market value as determined by a third-party appraisal.

Unless prior approval has been obtained from the City, all project hard costs and all professional fees should be the result of a competitive bidding process. The City expects developers to seek multiple bids, including outreach to women and minority-owned businesses, and identify the most advantageous bidder based on cost, track record of accomplishment, references, experience with similar type projects, and other pertinent factors.

**MARKETING EFFORT AND BUYER/RENTER INFORMATION**

- Leasing/Sales & Marketing plan outline
- Description of primary market and outreach strategies
- Availability of homebuyer counseling services and appropriate referral plan (as appropriate)
- Availability of appropriate first mortgage products (as appropriate)
- Waiting list(s) of interested buyers/renters
- Income verification package outline

**BEFORE USE OR ESCROW CLOSING ON HOME FUNDING**

- Documentation of existing property value (e.g. tax assessment, appraisal, etc.)
- Title insurance (as applicable)
- Documentation of utility availability and connection costs
- Water/sewer, electric, gas connections map
- New projects will be required to provide an independent market study for the City

**HOME PROGRAM**

**Background and Program Information**

HOME was created by the National Affordable Housing Act of 1990 (NAHA). In addition to HOME, this Act incorporates several other major new housing initiatives including:

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|---------------|--|
| <b>HOPE I</b> | Transfer of public and Indian housing to home ownership<br>Transfer of subsidized, privately owned multifamily housing to home ownership |
|---------------|--|

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|-----------------|---|
| <b>HOPE III</b> | Promotion of single-family ownership for first-time home buyers |
|-----------------|---|

|                     |   |
|---------------------|---|
| <b>Preservation</b> | Preservation of federally subsidized rental housing with expiring subsidies |
|---------------------|---|

|                      |   |
|----------------------|---|
| <b>Special Needs</b> | Programs for the elderly and those with special needs |
|----------------------|---|

|                          |   |
|--------------------------|---|
| <b>Consolidated Plan</b> | Established comprehensive housing strategy requirements |
|--------------------------|---|

HOME is a federally funded, large scale grant for housing. Funds are allocated by a formula to participating jurisdictions (PJs), the state and local government who receive funds to operate the program.

## **SECTION 8**

### CRITICAL NEEDS

**CITY OF DAVIS  
CRITICAL NEEDS LIST  
HOME INVESTMENT PARTNERSHIPS PROGRAM  
Program Year 2024-2025**

**HOME GENERAL POLICIES**

The City of Davis has prioritized home program funds to provide affordable housing through the development or implementation of projects such as home buyer programs, development of rental units, tenant-based rental assistance, and owner-occupied property rehabilitation. The primary beneficiaries of HOME-funded projects are low-income persons and households at 60% of the median income. At least 90% of the activities of a project must serve this population.

**Organizations applying for HOME grant funds receive preference if one or more of the following are met:**

- **Serve clients who are very low and extremely low income (50% of median income and below)**
- **Leverage funds from community or other private sources**
- **Benefit clients who are not currently served or are under-served**

