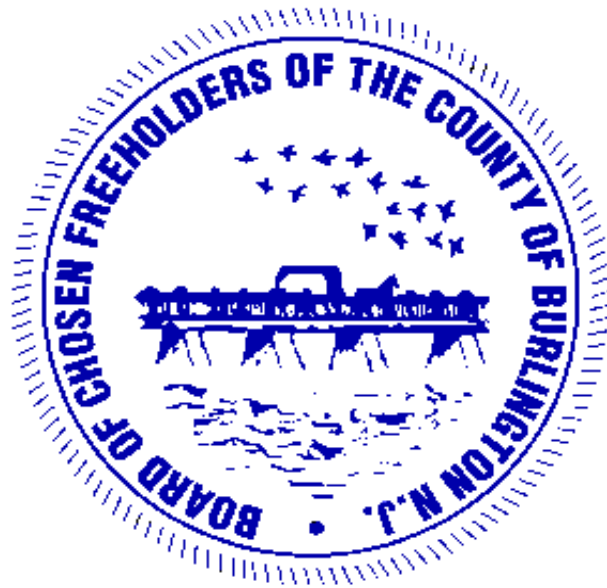


HOME INVESTMENT PARTNERSHIPS PROGRAM

DEVELOPER'S GUIDE



**BURLINGTON COUNTY
BOARD OF CHOSEN FREEHOLDERS**

**BURLINGTON COUNTY DEPARTMENT OF
HUMAN SERVICES,
COMMUNITY DEVELOPMENT AND HOUSING**

**BURLINGTON COUNTY'S "HOME" PROGRAM
(HOME INVESTMENT PARTNERSHIPS PROGRAM)
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PART I. GENERAL INFORMATION AND PROGRAM OVERVIEW

INTRODUCTION

The purpose of this Guide is to introduce Burlington County's "HOME" Program in a quick reference format. The format is primarily designed to assist affordable housing developers and sponsors in assessing the appropriateness of applying for HOME funds. Only the program's principal features are described here and HOME loan applicants are advised to become acquainted with detailed requirements of the HOME program as set forth in the Regulations at 24 CFR Parts 91 and 92, new HOME Final Rule published July 24, 2013 with an effective date of August 23, 2013.

HOME Program Purpose

The purpose of the Burlington County HOME Program is to:

- Expand the supply of affordable, decent, safe and sanitary housing for very low and low-income residents;
- Preserve and improve the existing residential areas through rehabilitation of existing housing;
- Strengthen public-private partnerships to further affordable housing development;
- Promote the development of Community Housing Development Organizations (CHDOs) and their role as affordable housing developers and sponsors.
- Provide gap financing that will make housing development feasible with costs affordable to low-income residents.

APPROPRIATION PLAN

Funding Availability

Burlington County HOME funds are available for rehabilitation of existing residential properties, conversion of buildings to residential use or new construction in accordance with HOME Program guidelines.

Organizations Eligible to Apply

Public or private entities who are housing developers, sponsors or owners and that have project management control capacity are eligible to apply for HOME funds. Refer to the "Selection Criteria and Priorities" section in Part I. for additional information. Examples of eligible entities include:

- Community Housing Development Organizations (CHDO's) - see Part IV. for CHDO definition
- Not-for-profit organizations
- Housing authorities
- Municipalities
- For-profit organizations

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Timing Requirements

1. All funds, including CHDO set-aside HOME funds, for a given program year must be committed (executed HOME Loan Agreement between the County and the housing developer) for specific housing projects within two (2) years or twenty-four (24) months of receipt of the County's allotment (e.g. 2015 Program Year funds must be committed by July 1, 2017). If this deadline is not met, HUD can reduce or recapture the uncommitted HOME funds. [HOME statute and 2013 HOME Final Rule 24 CFR Part 92.500(d)(1)(i)]
2. All funds, except CHDO set-aside HOME funds, from a given program year must be expended within four (4) years of receipt of the County's allotment (e.g. 2015 Program Year funds must be expended by July 1, 2019). [24 CFR Part 92.205(e)(2)]
3. CHDO set-aside HOME funds must be expended within five (5) years of County's fund allocation. [24 CFR Part 92.500(d)(i) and (iii)]
4. HOME projects must be completed within four (4) years of commitment (executed HOME Loan Agreement). If this deadline is not met, all HOME funds drawn will need to be repaid. [24 CFR Part 92.205(e)(2) and Part 92.2]
5. Construction work must commence within twelve (12) months of executed HOME Loan Agreement and a partial withdrawal of project HOME funds must occur or the project commitment will be cancelled and the HOME funds repaid to HUD. These regulations apply to both new construction (with or without acquisition) and rehabilitation projects. For projects requiring property or housing acquisition, title transfer must occur within six (6) months of acquisition. [24 CFR Part 92.503(b)(2) and (3) and Part 92.2]
6. Construction work must be completed within eighteen (18) months from the date of execution of a HOME Loan Agreement.
7. **Rental Projects** – Lease up of all HOME-assisted units must be completed within six (6) months of "project completion" (24 CFR Part 92.252) (refer to definition of "Project Completion" below).

Note: Lease up time frame should be noted in the Project's Development Schedule and Marketing Plan. If HOME-assisted units are not leased within six (6) months of project completion, Burlington County must notify HUD regarding current marketing efforts. If units are not leased within eighteen (18) months of project completion, HUD will require that Burlington County repay HOME funds for the unoccupied/vacant units. [24 CFR Part 92.252]

Definition: "Project Completion" (24 CFR Part 92.2):

Project completion occurs when construction work has been performed, certificate of occupancy has been issued, title transfer has occurred, final drawdown of HOME funds has been disbursed for the project, project completion and beneficiary (tenant) information for all HOME-assisted units has been entered into the disbursement and information system established by HUD.

8. **HOME Ownership Projects** – 2013 HOME Final Rule states that a qualified/eligible homebuyer must have a ratified sales contract within nine (9) months of construction completion. If the deadline is not met, the project must be either converted into a HOME

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rental unit or repayment of the full HOME investment is made to HUD. [24 CFR Part 92.254(a)(3)]

9. **FOR ALL HOME Projects** - A ten percent (10%) HOLD back of project HOME funds will be held by the County until all tenant/home buyer information is provided to the County by completion of the County's report form (Exhibit D) and submitted to the County for tenant/home buyer approval.
10. The County must enter all project completion information into the disbursement and information system established by HUD within one-hundred twenty (120) days of the final project drawdown/disbursement for all activity types. [24 CFR Part 92.502(d)]

HOME ACTIVITIES

Eligible Activities

HOME funds may be used for rehabilitation, conversion of non-residential buildings to residential, reconstruction and new construction of non-luxury housing.

Eligible Uses of Improved Properties

1. Rental of units to low-income families or individuals.
2. Sale to low-income homebuyers.

Eligible Project Costs (24 CFR Part 92.206)

Burlington County HOME funds may pay for the following costs in association with an eligible activity:

Development Hard Costs

Actual cost of constructing or rehabilitating housing.

Rehabilitation

1. Correction of substandard conditions (most importantly health and safety deficiencies);
2. Essential improvements including energy related improvements/repairs;
3. Accessibility improvements to permit use by persons with special needs;
4. Lead-based paint hazard abatement;
5. Repair or replacement of major housing systems in danger of failure.

New Construction

6. Actual costs of construction to meet state and municipal codes, ordinances, zoning requirements, HUD requirements and the Federal Model Energy Code.

Rehabilitation and New Construction

7. Acquisition of real property;

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8. Demolition of existing structures;
9. Site improvements in keeping with surrounding, standard properties;
10. Utility connections, including off-site connections.

Acquisition Costs

Costs of acquiring improved or unimproved real property, including acquisition by homebuyers.

Related Soft Costs

Other reasonable and necessary costs incurred by the owner associated with financing and/or development of new construction, rehabilitation or acquisition of housing assisted with HOME funds. These costs **may** include:

1. Pre-development and/or development costs for architectural, engineering or related professional services to prepare plans, drawings, specifications or work write-ups;
2. Costs to process and settle financing: origination fees, credit reports, fees for title evidence, recordation and filing of legal documents, building permits, attorneys fees, appraisal fees, cost estimates, builders or developers fees;
3. Project audit costs;
4. Affirmative marketing and fair housing information services to prospective tenants and homebuyers;
5. Relocation expenses for displaced persons, families, businesses or organizations, where assistance is required by program regulations or determined appropriate by program administrators. County may only reimburse these expenses if incurred up to twenty-four (24) months prior to County's commitment of HOME funds (executed HOME Loan Agreement).
6. Cost of funding initial operating deficit reserve to cover project operating expenses, scheduled payments to replacement reserve and debt service shortfalls for a period not to exceed 18 months;
7. Impact fees for both new construction and rehabilitation projects;
8. Environmental review costs and release of funds directly related to project per 24 CFR Part 58;
9. Training for first-time home buyers if the individuals become the owners of one of the projects' HOME-assisted units.

Community Housing Development Organization (CHDO) Costs

Eligible and allowable costs of project-specific assistance are set forth in 24 CFR Part 92.301(a)(2). These costs **may** include:

- Project feasibility (initial feasibility study);
- Consulting fees;
- Preliminary financial application costs;
- Legal fees;
- Architectural and engineering fees;
- Development team engagement;
- Property acquisition option;
- Site control;
- Title clearance.

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Ineligible Project Costs (not reimbursable with HOME Funds) in accordance with HUD Regulations at 24 CFR Part 92 and/or Burlington County policy

1. HOME funds will not be used to refinance existing debt in any manner or form or to create capital by transferring properties between related or interrelated organizations or corporate affiliates;
2. HOME funds will not be used for Tenant Based Rental Assistance (TBRA) activities;
3. Costs will not be reimbursed if found to be excessive or unnecessary to the creation of decent, safe, sanitary and affordable housing units;
4. HOME funds will not be used for activities that do not result in the creation of new affordable housing opportunities;
5. HOME funds will not be used for any other activities prohibited by Federal Regulations at 24 CFR Part 92.

Burlington County may establish more stringent criteria than required by HUD in order to reflect the County's priorities.

Program Benefit/Income Targeting

All HOME funds must benefit low-income households at or below eighty percent (80%) of the area median income as published by HUD.

Not less than ninety percent (90%) of the units in rental projects must benefit low-income households at or below sixty percent (60%) of the area median income as published by HUD.

In rental projects with five (5) or more units, at least twenty percent (20%) of the units must be occupied by very low-income households at or below fifty percent (50%) of the area median income as published by HUD. These units are Low HOME rent units. [24 CFR Part 92.252(b)]

The remaining HOME-assisted units in each rental project may be occupied by low-income families at or below eighty percent (80%) of area median income as published by HUD. These are High HOME rent units.

The annual gross income of the household in each rental unit must be certified as eligible prior to occupancy and recertified annually. In accordance with HOME program regulations, 24 CFR Part 92.203(b)(1), Burlington County defines "annual income" as provided for under the Section 8 Housing Assistance Payments programs in 24 CFR Part 5, for Burlington County. The annual gross household income of homebuyers must be certified as eligible within the requirements set forth in 24 CFR Part 92.203 for Burlington County at the time they are purchasing the unit. Income limits are established by the United States Department of Housing and Urban Development (HUD) for Burlington County and published annually. The current income limit guidelines are located on the County's website under Human Services → Community Development and Housing → HOME Investment Partnerships Program.

Affordability

All HOME-assisted units must qualify as affordable housing and remain affordable for a specified period. Affordability will be assured by a deed restriction and annual monitoring. To qualify as affordable, units must meet the guidelines for RENTAL HOUSING or HOME OWNERSHIP HOUSING PROJECTS as outlined below.

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Accessibility

To the greatest extent possible, all units must be accessible for persons with mobility impairments. Those not fully accessible must be designed to be easily adaptable. To the greatest extent possible, those units not able to be made fully accessible or easily adaptable must be at least visit-able by persons with mobility impairments. Please refer to 24 CFR Part 92.251(a)(2)(i) for additional information regarding new construction projects and 24 CFR Part 92.251(b)(1)(iv) for rehabilitation projects.

RENTAL HOUSING PROJECTS

Rent Limits

HOME-assisted rental units must be occupied by low-income households (at or below 80% of the area median income) and must have rents that do not exceed High HOME rent limits. In projects where there are five (5) or more units, however, at least twenty percent (20%) of the units must be occupied by very low-income families **[at or below fifty percent (50%) of the area median income] at rents that do not exceed Low HOME rent limits.** HUD will provide High and Low HOME rent limits charts annually for Burlington County. HUD's HOME rent limits include both rent and utility allowance so any utility allowance paid by the tenant should be subtracted from the HUD rent limit so the tenant's rent payment can be determined. The current High and Low HOME rent limits and monthly utility allowances are available on Burlington County's website under Human Services → Community Development and Housing → HOME Investment Partnerships Program.

Periods of Affordability

The minimum period of affordability for rehabilitation, acquisition of existing rental housing or homeownership assistance is determined by the amount of HOME funds invested per unit. New construction or acquisition of newly constructed housing carries a minimum affordability period of 20 years. [24 CFR Part 92.252(e) and Part 92.254(a)(4)] **The length of the affordability period is negotiated at the time of loan commitment.*

Rental Housing Activity	Minimum Period of Affordability
Rehabilitation or acquisition of existing housing per unit amount of HOME funds: Under \$15,000	5 years
Rehabilitation or acquisition of existing housing per unit amount of HOME funds: \$15,000 - \$40,000	10 years
Rehabilitation or acquisition of existing housing per unit amount of HOME funds: Over \$40,000 or rehabilitation involving refinancing	15 years
New construction or acquisition of newly constructed housing	20 years

Useful Life of Major Systems

A Capital Needs Assessment is required for rehabilitation projects with twenty-six (26) or more total units per HUD's regulations [24 CFR Part 92.251(b)(ii) and (ix)]. Burlington County's policy requires a Capital Needs Assessment for **all** projects including new construction as well as rehabilitation projects. For rental housing, if the remaining useful life of one or more major system is less than the affordability period, adequate replacement reserves must be established to repair or replace systems as needed. (24 CFR Part 92.251(b)(1)(ii).

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Rents

The County must review rents charged to tenants residing in HOME-assisted housing units for compliance and approve/deny the rents annually. (24 CFR Part 92.252 (f)(2).

HOMEOWNERSHIP HOUSING PROJECTS

Purchase Price

The purchase price of a homebuyer unit is considered affordable when the monthly cost (principal, interest, taxes and insurance) does not exceed thirty-eight percent (38%) of the household's gross monthly income at the time of purchase. For the First-Time Homebuyer Program, a unit is considered affordable when the homebuyer can obtain a fixed-rate, conventional, FHA or RDA mortgage with reasonable terms and conditions at an interest rate of not more than one-percent (1%) above the published weekly average for the State of New Jersey.

Properties developed for purchase must:

1. Have an estimated appraisal value after improvement that does not exceed the **HOME Homeownership Value Limits** established by HUD for Burlington County. [24 CFR Part 92.254(a)(2)(iii)] [The current HOME Homeownership Value Limits are located on the County's website under Human Services → Community Development and Housing → HOME Investment Partnerships Program → *Appendix D*]; and
2. Have an initial purchase price that is affordable and does not exceed the *lesser* of the HOME Homeownership Value Limit or the total project cost (minus project specific grants, if any); and
3. Be initially sold to a family who:
 - a) Qualifies as low income at the time of purchase; and
 - b) Will use the property as its principal residence.
4. A ratified sales contract with an eligible homebuyer must be in place within nine (9) months of construction or rehabilitation completion. If not, the project must be converted to rental housing and rented to an eligible tenant. [24 CFR Part 92.254(a)(3)]
5. Rehabilitated homeownership housing projects require that each of the major systems have a remaining useful life of at least five (5) years upon project completion. [24 CFR Part 254(b)(1)(ii)]
6. Remain affordable for a minimum period determined by the amount of HOME fund Investment per unit based on the following chart:

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Homeownership Assistance Housing Activity	Minimum Period of Affordability
Homeownership assistance per unit amount of HOME funds: Under \$15,000	5 years
Homeownership assistance per unit amount of HOME funds: \$15,000 - \$40,000	10 years
Homeownership assistance per unit amount of HOME funds: Over \$40,000 or rehabilitation involving refinancing	15 years

**The length of the affordability period is negotiated at the time of loan commitment.*

7. Subsequent Purchases:

- a) Requirements regarding subsequent purchases (resale provisions) are listed at 24 CFR Part 92.254(a)(5)(i) for all properties in which direct homebuyer assistance has not been provided through either the County's First-Time Homebuyer Program or by lowering the purchase price from Fair Market Value to an affordable price.
- b) Requirements regarding subsequent purchases (recapture provisions) are listed at 24 CFR Part 92.254(a)(5)(ii) for all properties in which direct homebuyer assistance has been provided through either the County's First-Time Homebuyer Program or by a discounted purchase price from Fair Market Value to an affordable price.

BURLINGTON COUNTY'S RECAPTURE/RESALE POLICY

Recapture

Recapture provisions established by Burlington County follow guidance provided by HUD recapture requirements at 24 CFR Part 92.254(a)(5)(ii). The HOME recapture provisions permit the original homebuyer to sell the HOME-assisted property to any willing buyer during the affordability period while enabling the County to recapture all of the HOME-assistance/subsidy directly provided to the original homebuyer. Direct homebuyer subsidy includes down payment and closing cost assistance as well as any assistance that reduced the purchase price from Fair Market Value to an affordable price. The following provisions will be enforced for all HOME-assisted homebuyer units:

1. *First-Time Homebuyer Program* – Burlington County's First-Time Homebuyer Program provides both closing costs (up to \$4,000) and down payment assistance (up to \$5,000). The recapture provision is enforced for the total loan amount during the affordability period and is reflected in recorded documents. Once the affordability period has been satisfied, the closing cost assistance is forgiven. The total amount of the down payment assistance remains subject to the recapture provision upon sale of the home.
2. *HOME Developer Program* – Developer HOME-assisted units that are sold to a qualified homebuyer are subject to enforcement of the recapture provision when the original homebuyer receives either a subsidy created by a discounted sales price from the Fair Market Value and/or direct down payment assistance and/or closing cost assistance as offered through Burlington County's First-Time Homebuyer Program.

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The homebuyer shall sign a recorded deed restriction and/or any other documents required by the County's legal counsel to ensure he/she understands the obligations and responsibilities upon sale of the HOME-assisted property. The affordability period is included in the deed restriction and the length of affordability is determined by the type of housing activity and the HOME assistance per unit. Under recapture, there is no requirement that the HOME-assisted homebuyer sell the unit to another low-income homebuyer.

Upon sale of the property prior to satisfying the affordability period, the Recapture provision will be enforced as follows:

- a. Owner investment returned first recapture. When the homeowner's mortgage lien has priority over the County's HOME loan lien, proceeds of the sale would pay the lien in full and any documented capital improvements and original down payment would be paid to the homeowner.
- b. The HOME loan will be repaid based on the remaining net proceeds from the sale of the home. The amount recaptured cannot exceed the net proceeds. If there are no remaining net proceeds, the HOME loan will not be repaid to the County. The HOME loan will then be forgiven.
- c. Upon receipt of the recaptured HOME funds, if any, the affordability restrictions are lifted and HOME program requirements are no longer applicable.
- d. Excess funds from the sale of the home will remain with the homeowner.
- e. If the HOME-assisted unit is subject to foreclosure and no net proceeds from the sale of the property result, HOME program guidelines are met.
- f. Upon satisfaction of the affordability period, the HOME loan may then be forgiven and the affordability deed restriction is released and any other recorded documents are discharged. The owner of the property is then eligible to sell the property at a Fair Market price.

Resale

The Resale option established by Burlington County follows guidance provided by HUD resale regulations at 24 CFR Part 92.254(a)(5)(i) and is enforced under the following circumstance:

1. Developer HOME-assisted units to be sold to a qualified homebuyer are subject to enforcement of resale provisions when the qualified homebuyer has not received any direct HOME subsidy.

If HOME assistance was only used to develop the unit, and the unit is sold at Fair Market Value, the resale provision(s) must be used.

The Resale provision ensures that the HOME-assisted property remains affordable for the entire affordability period which is enforced by an affordability deed restriction. Should the current homeowner desire to sell the property during the affordability period, the resale provision states:

- (a) The property must be sold as a principal residence to another low-income qualified homebuyer approved by the County. The County's approval of a new homebuyer

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ensures that the property remains affordable to income-qualified buyers for the entire affordability period.

In addition, the following Resale provisions apply:

- (b) The original homebuyer receives fair return on investment.
- (c) The property is sold at an affordable price for qualified low-income buyers.

At the end of the affordability period, and at the request of the homeowner, the HOME loan may be forgiven and the affordability deed restriction will be released and any other recorded documents will be discharged. Prior to forgiving the HOME loan and releasing/discharging the recorded documents, and in accordance with the provisions of the HOME Loan Agreement, the Burlington County Board of Chosen Freeholders may elect to enforce an additional affordability period in order to maintain the property in Burlington County's affordable housing inventory.

The Recapture and Resale provisions pertain to the homebuyer of the HOME-assisted property only. The County's legal counsel will prepare documents for execution by the homebuyer at the time of the sale/purchase of the HOME-assisted property. The developer will be responsible for providing the County with documentation regarding the qualified new homebuyer for County approval, prior to execution of final sale of a HOME-assisted property.

The following Resale provisions will be enforced for all HOME-assisted rental units:

1. Rental properties assisted with HOME funds must remain affordable for the entire length of the affordability period. This provision is enforced with a deed restriction placed on the property. If the property is sold prior to satisfying the affordability period, the affordability restriction remains.
2. At the end of the affordability period, and at the request of the property owner, the HOME loan may be forgiven and the affordability deed restriction will be released and any other recorded documents will be discharged. Prior to forgiving the HOME loan and releasing/discharging any of the recorded documents, and in accordance with the provisions of the HOME Loan Agreement, the Burlington County Board of Chosen Freeholders may elect to enforce an additional affordability period in order to maintain the property in Burlington County's affordable housing inventory.

HOME INVESTMENT

Form of Loan Assistance

RENTAL HOUSING – *Not-for-Profit Organizations*

Investment of HOME funds will be in the form of a secured, zero-percent (0%) interest loan with repayment deferred during the required affordability period. The County reserves the right to forego repayment at the end of the affordability period. It is the borrowers' responsibility to provide a written request to the County to forego repayment at the end of the affordability period.

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RENTAL HOUSING – For-profit Organizations

Investment of HOME funds will be in the form of a secured loan. Simple interest in the amount of one-percent (1%) of the principal amount of the loan shall be forwarded to the County on an annual basis. No periodic payments will be required on the principal amount. At the end of the affordability period, the principal of the loan shall become due and payable in full.

The County reserves the right to forego repayment of the loan at the end of the affordability period. It is the borrowers' responsibility to provide a written request to the County to forego repayment of the loan.

HOMEOWNERSHIP HOUSING (Not-For-Profit or For-Profit Organizations)

A deed restriction will be placed on any HOME-assisted property to enforce continued affordability for the required period.

Maximum HOME Investment

The amount of HOME funds invested in a project may not exceed the *lesser* of:

- a) The amount of HOME funds, in combination with other Federal assistance, determined to be necessary to provide affordable housing; or
- b) The maximum per-unit subsidy investment established by HUD for Burlington County [24 CFR Part 92.250(a)]. Current information is available on Burlington County's website under Human Services → Community Development and Housing → HOME Investment Partnerships Program → *Appendix E* HOME Maximum Per-Unit Subsidy Limits.

Minimum HOME Investment

The minimum HOME investment in a rental housing or homeownership project is \$1,000 multiplied by the number of HOME-assisted units in the project. [24 CFR Part 92.205(c)]

PROPERTY REQUIREMENTS

Property Standards

Before occupancy, housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances in existence at the time of project completion. [24 CFR Part 92.251]

The housing must meet the accessibility requirements in the regulations referenced in 24 CFR Part 5.105(a) and Part 8 which implement the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973. Newly constructed housing must meet the current editions of the Model Energy Code published by the Council of American Building Officials.

In addition, projects receiving HOME funding are subject to lead-based paint hazard reduction regulations promulgated pursuant to sections 1012 and 1013 of the Residential Lead-Based Paint Hazard Reduction Act of 1992 and appearing within title 24 of the Code of Federal Regulations as part 35 (24 CFR Part 35).

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Property Location

Until June 30, 2018, HOME-funded projects will not be located in North Hanover Township. As of July 1, 2018, HOME-funded projects may be located in any Burlington County municipality.

The project may be located on one site or on several scattered sites.

OTHER FEDERAL RULES

The following subjects are of importance in assessing possible use of HOME funds. HOME and HUD regulation references have been provided for more complete information.

Religious Organizations [24 CFR Part 92.257]

Additional HUD program information is available at 24 CFR Part 5.109 and Part 92.257.

- a. Organizations that are religious or faith-based are eligible, on the same basis as any other organization, to participate in the HOME program. Neither the federal government nor a state or local government receiving funds under HOME programs shall discriminate against an organization on the basis of the organization's religious character or affiliation.
- b. Organizations that are directly funded under the HOME program may not engage in inherently religious activities, such as worship, religious instruction, or proselytization, as part of the assistance funded under this part. If an organization conducts such activities, the activities must be offered separately, in time or location, from the assistance funded under this part, and participation must be voluntary for the beneficiaries of the assistance provided.
- c. A religious organization that participates in the HOME program will retain its independence from federal, state, and local governments, and may continue to carry out its mission, including the definition, practice, and expression of its religious beliefs, provided that it does not use direct HOME funds to support any inherently religious activities, such as worship, religious instruction, or proselytization. Among other things, faith-based organizations may use space in their facilities, without removing religious art, icons, scriptures, or other religious symbols. In addition, a HOME-funded religious organization retains its authority over its internal governance, and it may retain religious terms in its organization's name, select its board members on a religious basis, and include religious references in its organization's mission statements and other governing documents.
- d. An organization that participates in the HOME program shall not, in providing program assistance, discriminate against a program beneficiary or prospective program beneficiary on the basis of religion or religious belief.
- e. HOME funds may not be used for the acquisition, construction or rehabilitation of structures to the extent that those structures are used for inherently religious activities. HOME funds may be used for the acquisition, construction or rehabilitation of structures only to the extent that those structures are used for conducting eligible activities under this part. Where a structure is used for both eligible and inherently religious activities, HOME funds may not exceed the cost of those portions of the acquisition, construction, or rehabilitation that are attributable to eligible activities in accordance with the cost accounting requirements applicable to HOME funds in this part. Sanctuaries, chapels, or other rooms that a HOME-funded religious congregation uses as its principal place of worship, however, are ineligible

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for HOME-funded improvements. Disposition of real property after the term of the grant, or any change in use of the property during the term of the grant, is subject to government-wide regulations governing real property disposition (24 CFR Parts 84 and 85).

- f. If a state or local government voluntarily contributes its own funds to supplement federally funded activities, the state or local government has the option to segregate the federal funds or commingle them. However, if the funds are commingled, this section applies to all of the commingled funds.

Equal Opportunity and Fair Housing [24 CFR Part 92.350]/Affirmative Marketing [24 CFR Part 92.351]

All funded applicants will be required to have approved written minority outreach and affirmative marketing plans.

Burlington County's HOME Investment Partnerships Program for Affordable Housing Developers has adopted the New Jersey Council on Affordable Housing's (COAH) guidelines for affirmatively marketing affordable housing units in rental and homebuyer projects with **five (5) or more** HOME-assisted housing units:

Uniform Housing Affordability Controls [N.J.A.C. 5:80-26.1 et seq.]

Originally adopted October 1, 2001, 33 N.J.R. 3432, and amended December 20, 2004, 36 N.J.R. 5713.

Affirmative Marketing [N.J.A.C. 5:80-26.15 and 24 CFR Part 92.351]

Listed below is information that is primarily focused on the affirmative marketing plan. Refer to the regulation for complete information regarding the affirmative marketing process.

N.J.A.C. 5:80-26.15:

(e) The affirmative marketing plan shall provide the following information:

1. The name and address of the project;
2. The number of units, including the number of sales and/or rental units;
3. The price of sales and/or rental units;
4. The name of the sales agent and/or rental manager.
5. A description of the random selection method that will be used to select occupants of affordable housing.
6. Disclosure of required application fees.

(f) The affirmative marketing plan shall describe the media to be used in advertising and publicizing the availability of housing. In developing the plan, the administrative agent shall consider the use of language translations. The plan shall include the following:

1. The names of specific newspapers of general circulation within the housing region;
2. The names of specific radio and television stations broadcasting throughout the housing region;
3. The names of other publications circulated within the housing region, such as neighborhood oriented weekly newspapers, religious publications and organizational newsletters;
4. The names of employers throughout the housing region that will be contacted to post advertisements and distribute flyers regarding available affordable housing;

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5. The names of specific community and regional organizations that will aid in soliciting low and moderate income applicants. Such organizations may include non-profit, religious, governmental, fraternal, civic, and other organizations; and
 6. Other advertising and outreach efforts to groups that is least likely to be reached by commercial media efforts.
- (g) The affirmative marketing process for available affordable units shall begin at least four (4) months prior to expected occupancy. In implementing the marketing program, the administrative agent shall undertake all of the following strategies:
1. Publication of one advertisement in a newspaper listed under N.J.A.C. 5:80-26.15(f)1;
 2. Broadcast of one advertisement by a radio or television station listed above under N.J.A.C. 5:80-26.15(f) 2; and
 3. At least one additional regional marketing strategy using one of the sources listed above under (f) 3 through 6 above.

Displacement/Relocation [24 CFR Part 92.353]

All reasonable steps should be taken to minimize the displacement of persons, businesses and organizations as a result of a project assisted with HOME funds. County policy prohibits assisting housing activities anticipated to result in permanent, involuntary displacement. Temporary relocation is an eligible HOME project cost when undertaken as required by the regulations.

Labor [24 CFR Part 92.354]

All HOME-funded projects consisting of twelve (12) or more HOME-assisted units must comply with Federal Labor Standards and Davis-Bacon Act prevailing wages for the area.

Lead-Based Paint [24 CFR Part 92.355]

Testing of lead-based paint is required. Lead-based paint hazards abatement is required if the HOME investment is equal to or greater than \$25,000.

Flood Insurance

The Flood Disaster Protection Act of 1973 (42 U.S.C. 4012a) requires that projects receiving federal assistance and located in an area identified by the Federal Emergency Management Agency (FEMA) as being within a Special Flood Hazard Area (SFHA) be covered by flood insurance under the National Flood Insurance Program (NFIP). A property located in a SFHA cannot be assisted unless the municipality is participating in the NFIP.

COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDOs)

A CHDO is a specific type of non-profit organization that is unique to the HOME program as defined at 24 CFR Part 92.2 of the HOME Final Rule. Many non-profit organizations may share common characteristics with CHDOs, however, not all non-profits qualify as CHDOs under the HOME program.

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Only non-profit organizations that have been qualified and certified by Burlington County as CHDOs can receive funds from Burlington County's fifteen percent (15%) set-aside requirement to fund activities developed, owned or sponsored by CHDOs. The County must re-qualify an organization as a CHDO each time the CHDO receives additional HOME funds. Detailed definition of the CHDO roles can be found in HUD HOME regulation 24 CFR Part 92.300.

Burlington County has prioritized the funding of CHDOs and first option for use of the available funds for housing development will be given to CHDOs. CHDOs may undertake any of the program's eligible activities and may also qualify for special project start-up loans.

A CHDO that serves as a developer of rental housing must be in sole charge of all aspects of the development of the property and must own the housing during development and throughout the affordability period [24 CFR Part 92.300(a)(3)].

To qualify for the selection priority set for CHDOs, or to be considered for a special project start-up loan, an organization must meet the definition of CHDO described in the regulations under 24 CFR Part 92.2 and Part 92.300(a) summarized in Part IV of this Guide.

Project Start-Up Loans

No more than ten percent (10%) of the funds committed to CHDOs for ready-to-go projects can be available for project start-up loans. Therefore, start-up activities will be considered only if:

1. There is adequate funding available after other projects are selected; and
2. The project proposed for start-up funding will meet a priority stated in the selection criteria; and
3. There are no other resources available for the requested start-up expenses.

There are two types of project-specific loans: technical assistance and site control loans and seed money loans. The loans are further described below.

Project-Specific Technical Assistance and Site Control Loans

Loans to assess feasibility and gain site control for a specific project may cover the following expenses: initial feasibility study, consulting fees, cost of preliminary applications, legal fees, architectural fees, engineering fees, engagement of a development team, option to acquire property, site control and title clearance. General operating expenses of the CHDO are not allowable costs. [24 CFR Part 92.301(a)(2)]

Project-Specific Seed Money Loans

Loans to cover customary and reasonable pre-construction costs for a specific project may include: cost of obtaining firm construction loan commitments, architectural plans and specifications, zoning approvals, engineering studies and legal fees. To be eligible for this type of loan, the CHDO must have site control, a preliminary financial commitment and a capable development team. [24 CFR Part 92.301(b)(1) and Part 92.301(b)(2)]

Repayment

Project start-up and seed money loans must be repaid to the HOME Program from construction loan proceeds or other project income and terms will be determined on an individual project basis. [24 CFR Part 92.301(3)]

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APPLICANT/PROJECT SELECTION CRITERIA AND PRIORITIES

The following criteria and priorities will be applied to determine selection of applicants and projects:

General Criteria

The application is complete and the proposed project, as described in the application, clearly meets all HOME Program requirements; and

The proposed project is clearly financially feasible and the proposal does not request more HOME funding than necessary to create non-luxury housing that is affordable to very low and low-income households; and

The proposal clearly demonstrates that the project will be ready for a HOME funding commitment and can be completed within the timing requirements for the program year; and

The proposal has received a municipal acknowledgment; and

Based on the experience demonstrated in the proposal and a track record of successful similar accomplishments, the applicant has the capacity to assure:

- project development (design, financial packaging, construction) in accordance with program requirements; and
- long term property management and maintenance; and on-going control over occupancy for rental properties; or
- compliance with the Fair Housing Act.

Rental housing projects will be selected to fulfill the income benefit requirements:

- For initial rent-up, ninety percent (90%) of funded units will assist households within sixty percent (60%) of area median income as published by HUD.
- For the life of the project, twenty percent (20%) of rental units funded will be occupied by households at or below fifty percent (50%) of area median income as published by HUD.

Projects that will result in permanent displacement of any family, individual, business, non-profit organization or farm, or their personal property, from the property **will not** be selected for funding.

Priorities

Priorities may be amended from time to time to reflect Burlington County's housing objectives and goals, however, the following priorities are generally in effect:

Priority will be given to viable projects to be developed, sponsored or owned by Community Housing Development Organizations (CHDOs) with demonstrated capacity and fiscal soundness.

Priority will be given to viable projects developed, sponsored or owned by public or private non-profit organizations.

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Priority will be given to projects that provide housing and, where appropriate, supportive services or physical accommodations for very low-income renters who are:

- large families with children (3+ bedroom units)
- persons with special needs (handicap modified property);
- frail elderly (modified property, supportive services), or
- families that are homeless (supportive services).

Priority will be given to properties that are vacant at the time the application is submitted or where assistance will not necessitate relocation.

Priority will be given to projects most ready to start; and that create new (additional) affordable housing units; and for which the developer has site control.

Notwithstanding the above, any qualified project that is coupled with or otherwise brings in a HOME-matching contribution will be selected for funding before projects with no associated matching contribution. Refer to "Match" Contribution below for additional information.

"MATCH" CONTRIBUTION

Burlington County, as a participating jurisdiction, is required under the HOME regulations to provide "match" contributions to HOME funds. "Match" contributions equal to twenty-five percent (25%) of HOME funds expended for projects are required. The County may take credit for "match" contributions obtained through projects assisted by the Burlington County HOME Program or through other housing projects that comply with the HOME Program's definitions for affordability. Priority will be given to proposals that carry eligible "match" contributions. Refer to 24 CFR Part 92.220 for additional matching contribution details.

Forms of Contribution

Eligible:

1. Cash contributions from non-federal sources; funds must be contributed permanently to the County's HOME program;
2. Grant equivalent of below-market interest rate loan to project not repayable to the County;
3. Forebearance of fees – state and local taxes, charges or fees; waiver or abatement of taxes, charges or fees customarily imposed by public or private institutions associated with the ownership, transfer or development of real estate;
4. Appraised value of donated land or real property; appraisal prior to development minus debt burden, lien or other encumbrance(s);
5. On-site and off-site infrastructure improvements required for HOME-assisted project and completed no earlier than twelve (12) months before HOME funds are committed to project;
6. A portion of loans made from proceeds from multi-family affordable housing and single-family project bond financing validly issued by a state or local government and;
7. The reasonable value (or rental value) of donated site-preparation, construction materials, donated
8. Value of donated or voluntary labor or professional services;

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9. "Sweat" equity provided to a homeownership project;
10. Direct costs of supportive services (required to facilitate independent living or as part of a self-sufficiency program) to families residing in HOME-assisted units; and
11. Direct cost of homebuyer counseling services provided to families that acquire properties with HOME funds.

Ineligible:

1. Funds or resources derived from any federal sources;
2. Interest rate subsidy attributable to federal tax-exemption on financing or value attributed to Federal tax credits;
3. Owner equity or investment in a project; and
4. Cash or other forms of contributions from applicants for or recipients of HOME assistance or contracts, or investors who own, are working on, or are proposing to apply for, assistance for a HOME-assisted project.

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**PART II
HOME LOAN APPLICATION AND PRO FORMA WORKSHEET INSTRUCTIONS**

GENERAL INSTRUCTIONS

The HOME Loan Application can be found on the County's website www.co.burlington.nj.us → Departments → Human Services → Community Development & Housing → HOME Investment Partnerships Program. There are two types of Home Loan Applications:

1. Homeownership Projects
2. Rental Projects

Completion of the HOME Loan Application and Pro Forma Worksheets are required in order to request HOME funding for eligible costs of rehabilitation, acquisition and/or conversion of existing properties which will be either rented or sold, at affordable rates, to low-income families and/or individuals. Applicants will find it necessary to be familiar with and refer to the General Information in Part I and the Federal Rules and Regulations - 24 CFR Part 92 in Part IV when completing the HOME LOAN Application forms.

If additional space is necessary to provide required information when completing the HOME Loan Application and Pro Forma Worksheets, attach as many additional pages as required. Indicate the related worksheet and item number on the attachments.

The HOME Loan Application and Pro Forma Worksheets must be completed for all Rental and Homeownership Projects. Where requested information is not applicable to the proposed project, indicate "not applicable" at the relevant item. Where information is applicable, but not available, indicate this at the relevant item and explain why information is not available and when information will be available.

Any questions regarding the HOME Investment Partnerships Program or completion of the HOME Loan Application and Pro Forma Worksheets may be referred to:

Jennifer Hiros, Division Head, Community Development and Housing
OR
Mary Lou Mascarin, HOME Program
Phone: (609) 265-5072

Mail or deliver completed HOME Loan Application, Pro Forma Worksheets and required documents for loan consideration to:

Mailing Address:

Jennifer Hiros, Division Head
Community Development & Housing
County of Burlington
P.O. Box 6000
Mount Holly, NJ 08060-6000

Delivery Address (do NOT send mailings here):

Jennifer Hiros, Division Head
Community Development & Housing
County of Burlington
Human Services Facility
795 Woodlane Road
Westampton, NJ 08060

In addition, email an electronic copy of the HOME Loan Application and Pro Forma Worksheets to: Mary Lou Mascarin at mmascarin@co.burlington.nj.us

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**PART III
HOME LOAN APPLICATION PROCESS INFORMATION**

Please review the following information regarding Burlington County's HOME Investment Partnerships Program.

1. Burlington County and the County's HOME Project Review Committee reserve the right, without limitation, to recommend or reject any and all applications for HOME funding assistance that it believes to be in the best interest of the County.
2. Applicant must submit all information and documents required to complete a thorough underwriting review and due diligence process of the prospective project. The applicant may be required to submit additional financial, historical, legal data that the County may deem necessary at a later date.
3. All loans recommended by the County's HOME Project Review Committee are subject to approval by the Burlington County Board of Chosen Freeholders and the approval and release of HOME loan funds by the U.S. Department of Housing and Urban Development. Release of HOME loan fund disbursements will be subject to the applicant's compliance with all requirements listed in the HOME Loan Agreement document executed by all parties.
4. Implementation of any project funded in full or in part with HOME loan funds may not commence without full execution of project-specific HOME Loan Agreement, Mortgage Note and Deed Restriction documents with the County.
5. Burlington County will not be responsible for any project costs incurred prior to full execution of a HOME Loan Agreement.
6. Due to changing regulatory, environmental, and funding issues and concerns, Burlington County reserves the right to request a new/revised application after one year of initial submission date.
7. Burlington County must approve all contractors prior to execution of any contract to be funded in full or in part with HOME loan funds. Submit copies of the selected contractor's current license(s) and evidence of insurance (such as Builders' Risk Insurance Policy including General Liability Insurance and Workers' Compensation insurance) along with your HOME loan application submission.

Note: Before closing on a HOME loan, the Burlington County Board of Chosen Freeholders must be named as an Additional Insured or Additional Loss Payee and Certificate Holder on all insurance policies.

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PART IV DEFINITION OF COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS (CHDOs)

A CHDO is a private non-profit, community-based, service organization that has, or plans to have, staff with the ability and capacity to develop affordable housing for the community it serves.

Additional information and regulations affecting CHDOs can be found in 24 CFR Subpart G—Community Housing Development Organizations.

CHDO set-aside HOME funds must be expended within five (5) years of County's fund allocation. [24 CFR Part 92.500(d)(i) and (iii)]

Legal Status

- Organized under state/local laws: CHDOs must be organized under State and local laws.
- No individual benefit: No part of CHDO's earnings (profits) may benefit any member, founder, contributor, or individual.
- Non-profit status: CHDO must have a tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c)(3) or (4) or Section 905 status of the Internal Revenue Code of 1986.
 - The HOME requirement for a 501(c) tax exemption ruling can be fulfilled by having either a *conditional* or a *final* designation from the IRS.
 - Organizations that have applied for, but not yet received their *conditional* or *final* 501(c) designation, do not meet this requirement.
- Purpose of organization: A provision of decent housing that is affordable to low- and moderate-income persons must be one of the purposes stated in the charter, articles of incorporation, by-laws or resolutions.
- Clearly defined service area: CHDOs need not represent a single neighborhood. Geographic areas vary slightly for urban and rural area CHDOs. In addition to serving a defined service area, the non-profit organization must also meet the other requirements of being a CHDO.
 - For urban areas: a service area "community" includes a neighborhood(s), city, county or metropolitan area.
 - For rural areas: a service area "community" includes a neighborhood(s), town, village, county or multi-county area (but not the entire State).

NOTE: When applying to the Burlington County HOME Investment Partnerships Program for project funding, an existing CHDO must provide CHDO recertification papers from the State of New Jersey.

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Organizational Structure

In order for a CHDO to respond to a community's needs, the CHDO must create a board of directors that will provide community control over the CHDO. The governing board composition must be as follows:

- **Low-income community representation:** At least one-third (1/3) of the board must include representatives of the low-income community [where fifty-one percent (51%) or more of neighborhood residents are low-income]. Representatives may include:
 - Residents of low-income neighborhoods in the community; and/or
 - Low-income residents of the community; and/or
 - Elected representatives of low-income neighborhood organizations (i.e., civic associations, church groups, block groups, etc.)
- **Public-sector limits:** No more than one-third (1/3) of the board may be representatives of the public sector. The public section includes individuals who are elected or appointed public officials of the County or State, public employees of the County or State and individuals appointed by a public official. Board members appointed by public officials cannot select other members of the board.
- **Remaining representation:** The remaining balance of the board is unrestricted and may include human and social service providers, lenders, individuals with philanthropic resources/connections or individuals with professional expertise.
- **Low-income input:** The CHDO must provide a formal process for low-income program beneficiaries to advise the organization on design, location of sites, development and management of affordable housing.

Relationship to Public Bodies or Instrumentalities

- CHDOs may not be public bodies or instrumentalities of public bodies. Examples of instrumentalities of public bodies include public housing authorities (PHAs), urban renewal agencies, redevelopment authorities and downtown development authorities.

Sponsored CHDOs

- Additional requirements and board limitations may apply to CHDOs that are sponsored by other non-profit organizations, charities, religious organizations, for-profit corporations and government entities.
- Local or State government cannot qualify as a CHDO, but may sponsor or charter the creation (file papers of incorporation for) of CHDOs.
 - NOTE: Government sponsored/chartered non-profits that wish to be considered CHDOs are subject to all the other rules for CHDOs including the restrictions on the composition of the board.

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Relationship to For-Profit Entities

- CHDOs may not be controlled by, or under the direction of, for-profit individuals or entities seeking profit from the organization.
- CHDOs may be sponsored or organized by a for-profit if:
 - The primary purpose of the for-profit is not development or management of housing; a builder, developer, or real estate management firm may not spin off a CHDO;
 - The for-profit entity appoints no more than one-third (1/3) of the CHDO's governing board and the board members appointed by the for-profit do not appoint the remaining two-thirds (2/3) of board members; and
 - The CHDO is free to contract for goods and services from any vendor(s) it selects.
- Officers or employees of the parent organization are prohibited from serving as officers or employees of the CHDO.

Capacity, Experience and and Fiscal Soundness

- CHDO Capacity: Demonstrated capacity to carry out HOME-assisted activities either with:
 - experienced "CHDO key staff" who have successfully demonstrated development experience in projects of the same size, scope and level of complexity as the activities for which HOME funds are being requested; or
 - inexperienced "CHDO key staff" but will utilize contracted individuals or consulting firms who have planning and development experience similar to projects being assisted with HOME funds and can train CHDO key staff.
 - "Key CHDO staff" may be either a full-time or part-time employee or a contracted employee. Key staff cannot include municipal, county or state employees or consultants who will not train CHDO key staff.

Note: HUD defines "CHDO key staff" as paid employees who are responsible for the day-to-day operations of the CHDO. Staff does not include volunteers, board members or consultants. **Exception:** Consultants may be utilized during the first year as a CHDO only to demonstrate capacity.
- CHDO Experience: Has a history of serving the community within which housing to be assisted with HOME funds is to be located. **A CHDO must be able to show one (1) year of experience serving the community prior to the date the CHDO receives HOME funds.** The year of service does not have to be directly related to housing.
 - Newly created CHDOs formed by local churches, service organizations, or neighborhood groups can show service to the community if the parent organization has provided service to the community for at least one (1) year.

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- Fiscal Soundness and Financial Standards: Conforms to the financial accountability standards of 24 CFR Part 84.21 "Standards for Financial Management Systems."
 - Must demonstrate financial stability confirming stable and adequate funding for operations.
 - Sufficient capital to sustain the CHDO's housing efforts and operating needs is required.
 - Demonstrate compliance with past and current performance.
 - Financial soundness, good business planning, strong market/customer knowledge, technical expertise and strong leadership and staffing are critical to a CHDO's capacity to undertake and complete projects within twelve (12) months of the executed HOME Loan Agreement.

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**PART V
GROUP HOME AND SINGLE-ROOM OCCUPANCY UNIT INFORMATION**

Description of a GROUP HOME:

One unit with separate bedroom(s) and shared living, kitchen, dining, and/or sanitary facilities; occupied by two or more single persons or families. NOT student housing.

All tenants, excluding live-in service providers, must be low-income.

Rent:

Maximum rent is based on the appropriate Fair Market Rate (FMR) (based on the number of bedrooms excluding rooms occupied by live-in service providers) divided by the number of bedrooms excluding rooms occupied by live-in service providers. Each bedroom household pays a proportionate share of the rent. There is no Low HOME Rent requirement.

Description of a SINGLE-ROOM OCCUPANCY UNIT:

Single-room occupancy units (SROs) are single-room dwelling units with either sanitary and/or food preparation area in the unit. If the project is new construction or reconstruction, it may have both. If acquisition or rehabilitation, the unit is not required to have sanitary and food preparation areas. The unit may have common facilities. Not student housing.

SROs must be consistent with local zoning and building code classifications.

All tenants of HOME-assisted units must be low or very low-income.

Rent:

HOME rents include utilities, but do not include food or the costs of supportive services.

If the unit has neither food preparation nor sanitary facilities, or only one, the rent may not exceed seventy-five percent (75%) of the Fair Market Rents (FMR) for a zero-bedroom unit.

If the unit has food and sanitary facilities, High and Low HOME rents apply.

In projects with five (5) or more units, at least twenty percent (20%) of all HOME-assisted units must be occupied by very low-income families at or below fifty percent (50%) of area median income as published by HUD. These units should be charged Low HOME rent. Low HOME rent is defined for SROs as:

- (a) not more than thirty percent (30%) of the occupant's monthly adjusted income, or
- (b) not more than thirty percent (30%) of the gross income of a family at fifty percent (50%) of the area median income, adjusted for family size.

High HOME rent applies to all other units.

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**PART VI
DOCUMENTATION FOR SUBMISSION WITH HOME LOAN APPLICATION AND
PRO FORMA WORKSHEETS**

When submitting a Burlington County HOME Investment Partnerships Program application for loan consideration, provide the following documents, as applicable to your project.

***Important Note:* Any project in which the applicant is requesting HOME Investment Partnerships Program funds should not begin until an Environmental Review has been completed and the New Jersey State Historic Preservation Office's (SHPO's) concurrence is received by Burlington County's Community Development and Housing Office. Any physical work or construction activity that begins prior to the completion of an environmental review by Burlington County's Community Development and Housing Office and NJ SHPO's concurrence, may result in HOME Investment Partnerships Program funds being denied.**

1) Application Submission Instructions:

- Mail or deliver one (1) original signed copy of the HOME Loan Application, completed Pro Forma Worksheets and required document attachments listed below to Ms. Jennifer Hiros in Burlington County's Community Development and Housing Office (refer to Part II - General Instructions for mailing and delivery address information)
- Email one (1) copy of the HOME Loan Application and completed Pro Forma Worksheets in Excel format to mmascarin@co.burlington.nj.us.

2) Applicant Corporate or Limited Liability Company Board resolution authorizing the submission of the HOME Loan Application for the project and the person authorized to sign all HOME loan documents. Provide a roster of Board members, if applicable.

3) Copy of independently audited business financial statement for one (1) year with one (1) year comparison.

4) A current appraisal of the real property with all improvements dated within twelve (12) months of submission of the HOME Loan Application

NOTE: If the property is already designated as affordable housing, the appraisal must be based on the affordable housing designation.

5) Confirmation of the County's secured-lien position in the real property. (A signed statement is acceptable.)

NOTE: Burlington County holds a secured-lien position for the full amount of its HOME loan within the equity of the real property. All other funding sources must have a full understanding of the County's guideline regarding its secured-lien position in the real property.

6) Submission of two (2) copies of architectural plans and specifications drawn to scale along with two (2) sets of **color** photographs of the project location site(s) is required for all projects requesting the use of HOME funds. Photographs of buildings **must show and label** the front, back, both sides and street scene and provide directional loci. All photographs must be clearly marked to indicate the project. Photographs will be used to

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identify any historic or archeological concerns. [*Two (2) original sets of color photographs are required*].

Note: The Burlington County Department of Human Services, Community Development and Housing Office will submit architectural plans and specifications along with the photographs to New Jersey State Historic Preservation Office (SHPO) for review and approval, prior to approving HOME loan funding.

- 7) For all other project funding sources, copies of fully executed commitment letters to include all terms and conditions, when available. Copies of all fully executed closing documents are required, when available. For all projects receiving low-income housing tax credits (LIHTC), provide documentation on the syndication costs from the organization that will syndicate and sell the offering. **Note:** *Must be provided prior to the County issuing a HOME Preliminary Award Letter.*
- 8) Copy of a Survey of the real property with certification signed by the licensed surveyor.
- 9) Copy of the Deed of the real property confirming applicant's site control.
- 10) Other Evidence of Site Control.
- 11) Municipal Acknowledgement letter confirming its knowledge of the project.
- 12) Description of the Development Team's experience or resumes.
- 13) Letter of interest or commitment from a construction lender.
- 14) **For For-Profit Applicants:**
 - a. Include the County of Burlington HOME Program annual service debt equal to one percent (1%) of the principal loan amount in the Pro Forma cash flow projections for the project's applicable affordability period of 10 years, 15 years or 20 years, as needed.
 - b. Applicant and all for-profit entities holding an ownership interest in the property must complete the County's Certification to Burlington County Board of Chosen Freeholders Concerning Political Contributions for Non-Fair and Open Contracts form (*Appendix G* on HOME program webpage located on County's website).
- 15) **For CHDO applicants:**
 - a. CHDO certification/recertification document from the State of New Jersey (*submit with each HOME application*).
 - b. Resumes of all staff (paid employees) members for assessing CHDO staff capacity.
 - c. List of all staff members' responsibilities for the day-to-day operations of the CHDO and all staff development experience on projects of the same size, scope and level of complexity as the applicant's submitted project.
 - d. If CHDO previously received HOME funds for a project, provide a letter of recommendation by the HOME funding source/entity (other than Burlington County)

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confirming CHDO compliance and adherence to all HOME program regulations and funding source guidelines.

- e. Provide organizational structure listing the composition of the governing board of directors including names and affiliations within the community, public and/or private sectors.
- 16) Phase I Environmental Assessment Report for the proposed project site. **Note:** *ALL Projects are subject to an Environmental Review.*
 - 17) Marketing Analysis/Marketing Study/Needs Assessment. **Note:** *Must be provided prior to the County issuing a HOME Preliminary Award Letter.*
 - 18) Corporation or Limited Liability Company documents filed with the State of New Jersey and By Laws or Management/Operations Agreement for all entities holding an ownership interest in the project. **Note: For Non-Profit entities, a copy of an IRS letter confirming the entity's non-profit status is required.**
 - 19) Certification of Corporate Good Standing.
 - 20) List of Energy Star Rated materials, systems and appliances to be installed in the project.
 - 21) List of all amenities to be installed in the HOME-assisted units.
 - 22) Provide square footage for each bedroom size housing unit.
 - 23) Organizational chart showing all entities holding an ownership interest in the project – name of entity, percentage (%) of interest, non-profit/for-profit status.
 - 24) Tenant Selection Plan.
 - 25) Affirmative Marketing Plan.
 - 26) Conflict of Interest Questionnaire Consent to Disclose (*Appendix F* on HOME program webpage located on County's website).
 - 27) Provide copies of letters/agreements confirming rental subsidies and/or utility subsidies anticipated for the tenants, if applicable. The amount of the anticipated subsidy should be included in the project's Operating Budget and Pro Forma documents.
 - 28) Copy of Lease Agreement to be utilized for the project.
 - 29) Provide copies of letters from partners, service providers and supporters.
 - 30) All HOME projects committed to and closed on or after August 23, 2013, must adhere to the following:
 - a) Non-LIHTC Projects:
 - (1) Utility company estimates specific for the project's units sizes.
 - (2) Third-party agency to provide a utility analysis specific for the project's units sizes.

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b) LIHTC Projects:

- (1) Third-party agency to provide a utility analysis specific for the project's units sizes.

31) Additional documents may be requested on an as needed basis.

Prior to closing the HOME loan, the following items will be required:

- 1) Evidence of Hazard or Commercial Property Insurance on the real property naming the Burlington County Board of Chosen Freeholders as Loss Payee/Mortgagee.
- 2) Certificate of Liability Insurance naming the Burlington County Board of Chosen Freeholders as Additional Insured.
- 3) Certificate of Builder's Risk Insurance naming the Burlington County Board of Chosen Freeholders as Additional Insured/Loss Payee.
- 4) Flood Insurance Certification naming the Burlington County Board of Chosen Freeholders as Certificate Holder, if required due to the location of the real property.
- 5) Commitment of Title Insurance naming the Burlington County Board of Chosen Freeholders as a mortgagee for the total amount of its HOME loan.
- 6) All items listed in the Burlington County HOME Investment Partnerships Program Preliminary Award Letter fully executed by all parties.
- 7) All documents required by Burlington County Legal Counsel.