

**CITY OF STAMFORD
STAMFORD COMMUNITY DEVELOPMENT OFFICE
NOTICE OF FUNDING AVAILABILITY (NOFA)**

HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)

The City of Stamford is making available approximately \$850,000 in federal HOME Investment Partnerships Program (HOME) funds from the U.S. Department of Housing and Urban Development for low-income housing sponsored by private developers and non-profit Community Housing Development Organizations (CHDOs). The Stamford Community Development Office (SCD) is accepting proposals that will result in rehabilitating or constructing affordable housing in Stamford that meets the requirements of the HOME Program.

Prospective applicants to this NOFA are strongly encouraged to meet with SCD staff to discuss their projects and receive guidance on preparing proposals. Low-income persons wishing to obtain a down payment loan for the purchase of a home in Stamford may apply to SCD at any time and are not subject to the deadline indicated below.

Prospective applicants are invited to attend a HOME Program orientation to be held on August 3, 2016, 10:30 A.M., in the Office of Operations Conference Room, 10th Floor, Government Center, 888 Washington Boulevard, Stamford, Connecticut.

Proposal packages may be obtained from the Stamford Community Development Office, 10th Floor, 888 Washington Boulevard, Stamford, Connecticut. Electronic copies of an application are available at <http://www.stamfordct.gov/community-development-office>. Any questions should be addressed to Erik J. Larson, 203-977-4053. Proposals must be received no later than August 17, 2016, at the SCD Office in order to be considered.

The City of Stamford and the Stamford Community Development Office are Equal Opportunity Lenders.

CITY OF STAMFORD
STAMFORD COMMUNITY DEVELOPMENT

NOTICE OF FUND AVAILABILITY (NOFA) AND
REQUEST FOR PROPOSALS (RFP) FOR FINANCIAL
ASSISTANCE FOR HOUSING
UNDER THE HOME INVESTMENT PARTNERSHIP
PROGRAM (HOME)

PRELIMINARY APPLICATION FORM

2016

APPLICATION SUBMISSION DEADLINE:

WEDNESDAY, AUGUST 17, 2016

NOTE:

APPLICANTS ARE REQUIRED TO RESPOND TO ALL
APPLICABLE SECTIONS OF THE PRE-APPLICATION

FAILURE TO DO SO MAY RESULT IN THE APPLICATION NOT
BEING CONSIDERED FOR FUNDING

CITY OF STAMFORD
STAMFORD COMMUNITY DEVELOPMENT

**NOTICE OF FUND AVAILABILITY (NOFA) AND
REQUEST FOR PROPOSALS (RFP) FOR FINANCIAL
ASSISTANCE FOR HOUSING
UNDER THE HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)**

July 2016

1. GENERAL INFORMATION

The City of Stamford is making approximately \$850,000 available from the United States Department of Housing and Urban Development (HUD) under the HOME Investment Partnerships Program (HOME Program), for the creation of housing for low income people by private developers, non-profits, and non-profits known as Community Housing Development Organizations (CHDOs). Of this amount, approximately \$267,739 is reserved for CHDOs. The HOME Program is designed as a partnership among the federal government, state and local governments, and those private owners and non-profit developers that build, own, manage, finance, and support low income housing initiatives.

The HOME Investment Partnership Program (HOME Investment Partnerships Act) of the National Affordable Housing Act of 1990. The general purposes of HOME include:

- To expand the supply of decent and affordable housing, particularly rental housing, for low and very low income persons. Such housing includes existing rental housing made affordable through tenant-based rental assistance.
- To strengthen the abilities of state and local governments to design and implement strategies for achieving adequate supplies of decent, affordable housing.
- To provide both financial and technical assistance to participating jurisdictions, including the development of model programs for affordable low-income housing.
- To extend and strengthen partnerships among all levels of government and the private sector, including for-profit and non-profit organizations, in the production and operation of affordable housing.

The priorities of the City of Stamford HOME Program will be to:

- a. Highly leverage the HOME funds with private investment. This may be in the form of owner/sponsor cash and in-kind, equity and private financing or contributions.
- b. Prioritize the HOME funds for projects which will expand the housing stock or preserve existing housing.
- c. Limit the HOME funds expenditure to a maximum per unit amount approved by the City's Board of Representatives so as to assist a larger number of housing units and households.
- d. Prioritize the use of HOME funds for housing user groups which are in great need as per the analysis in the City's Consolidated Plan: extremely low-income elderly renters, extremely low and very low-income families, and extremely low and very low-income individuals.
- e. As per HOME regulations, only fund projects that have other funds needed for project completion awarded/in hand.

A brief description of the HOME program relative to rental housing, permitted uses, rent and income requirements can be found in Attachment #3.

2. NOTICE OF FUND AVAILABILITY:

Approximately \$850,000 in funds are presently being made available to fund the acquisition, rehabilitation and/or new construction of housing for low income persons. Funds will be made available as deferred payment loans.

In addition to the funds noted above, the City of Stamford makes HOME funds available to income qualified individuals/families in the form of down payment assistance, and owner occupant rehabilitation loans. These funds are available year round.

3. PROGRAM PROGRESS:

The Stamford Community Development Office will place a legal advertisement in the Advocate requesting proposals for the use of HOME Funds. Proposals will be rated and ranked based upon the following:

- a. Extent of construction investment
- b. Extent of need for relocation of existing tenants
- c. Proportion of low income units in the proposed project
- d. Project's consistency with the Estimated Use of Funds and the City of Stamford Consolidated Plan.
- e. Project readiness

Acquisition will be adjusted to the full market value as determined by the city tax assessor's card. Property owners currently owing or buying the property at a discount now will not be adversely affected in the leveraging category of the ranking.

Due to the HUD deadlines to commit and expend the HOME funds or consequently have the funds rescinded by HUD, proposed projects that are best prepared to proceed will be considered for this funding. Being "prepared to proceed" can be evidenced by such accomplishments as having site control, zoning approvals, architectural plans, cost estimate and a primary loan commitment. Note, HUD now requires that any project receiving HOME commitment must have all other funds in place. Construction must begin within 6 months of fund commitment. Inability to begin construction by the deadline may result in withdrawal of funding commitment. Once City ranking measures are applied to each application, projects will be prioritized by projected start date, with highest ranking going to those projects that are scheduled to start earliest, and that have provided proof of ability to start (e.g., site control, zoning approvals, loan commitments).

The proposers of high ranking proposals that are poised to proceed will be will be invited to submit tenant data, management plan, proof of required insurance, draft title policy, construction plans, specifications, estimated costs and other project details. Stamford Community Development staff will be available to give technical assistance to applicants in preparing this information. . Provided that each proposal is financially feasible, a primary source of financing is obtained by the applicants, and construction estimates/bids fall within the project budget, a firm commitment of HOME Funds would then be awarded in the form of a loan agreement. Following the legal closing on the primary financing and the HOME loan, construction could begin. The Stamford Community Development Office will monitor the construction progress and authorize progress payments. Guidance will be provided to the project sponsor concerning affirmative marketing and tenant selection. Following completion of construction and occupancy, a final release of HOME funds will be made. In each year following completion in accordance with the HOME regulations, the Stamford Community Development Office will review rent levels for affordability and verify tenants' incomes for eligibility under the HOME Program.

4. APPLICATION PROCEDURES:

Applicants are required to respond to all preliminary application requirements, and to fully complete all forms. Applicant must submit one (1) signed original and one (1) copy of the proposal. **All applications must be received on or before, Wednesday, August 17, 2016.** Applications received after this time will not be considered for this round of funding. Applications must include a letter of transmittal stating that the applicant will, if approved for funding, fully comply with all City of Stamford and HOME Program Requirements and Regulations.

Applications are to be addressed to:

**Erik J. Larson, Grants Coordinator
Stamford Community Development Office
City of Stamford
P. O. Box 10152
888 Washington Boulevard
Stamford, Connecticut 06904-2152**

Minority Business Enterprises (MBE's) and Women Business Enterprises (WBE's) are encouraged to participate in this process.

ANY TAX DELINQUENT PROPERTIES OWNED BY THE OWNER/DEVELOPER, INCLUDING THOSE PROPERTIES OWNED BY A PARTNERSHIP OR CORPORATION IN WHICH THE OWNER/DEVELOPER HAS AN INTEREST, MUST BE BROUGHT CURRENT AS A CONDITION OF LOAN APPROVAL. THIS REQUIREMENT IS NOT LIMITED TO THOSE PROPERTIES WHICH ARE SUBJECT OF A HOME PROPOSAL.

Note, funds are also available from the HOME Partnership Program to assist individual homebuyers with downpayment assistance, and resident owner occupants with repair/rehabilitation. Applications for these funds can be made throughout the year.

5. QUESTIONS:

All applicants are encouraged to meet with the Community Development staff to discuss their proposal prior to submitting an application.

6. ELIGIBLE HOME PROGRAM RENTAL ACTIVITIES UNDER THIS NOFA/RFP:

- a. Moderate Rehabilitation
(< \$25,000 Total Development Cost/Unit)
- b. Substantial Rehabilitation
(> \$25,000 Total Development Cost/Unit)
includes reconstructed buildings and modular housing
- c. New Construction (includes expansions of existing buildings which add complete units outside of the existing building envelope)
- d. Acquisition of units that meet local codes
- e. Site Improvement
- f. Relocation Costs
- g. Tenant Based Relocation Rent Assistance

7. RESTRICTIONS GOVERNING THE USE OF HOME FUNDS:

The following represents a synopsis of some of the more significant restrictions governing the use of HOME Program funds, and should not be construed as a comprehensive, all encompassing list of the HOME Program restrictions governing rental housing.

- a. Any new construction or rehabilitation undertaken utilizing HOME monies must meet, at a minimum, the local applicable housing and building codes, any existing rehabilitation standards, zoning ordinances, and HUD Housing Quality Standards.
- b. The minimum allowable HOME subsidy per/unit is \$1,000.00. The maximum allowable HOME subsidy per/unit is as approved by the City of Stamford Board of Representatives. Applicants should calculate using \$20,000 per unit amount. NOTE: Applicants should demonstrate their ability to leverage other sources of financing to fully fund the total development costs beyond the HOME deferred payment loan. The HOME loan mortgage will be subordinated to the primary financing.
- c. HOME PROGRAM RENTS: HOME Program rents are strictly controlled. The HOME Program requires that "100 percent" of the HOME funds be used to benefit low and very low income households. Twenty per cent of units in properties having five or more units must be occupied by those who meet the Very Low Income guidelines provided by HUD. However, it is not mandatory that 100% of all units in a project be HOME assisted. There are two HOME rents levels established for projects.

Unit Size	Permitted Rent (Incl. Utilities - effective 6/6/16)	
	Low HOME	High HOME
Efficiency	\$1,150	\$1, 224
One Bedroom	\$1,231	\$1, 313
Two Bedroom	\$1,477	\$1, 577
Three Bedroom	\$1,707	\$1,814
Four Bedroom	\$1, 905	\$2,004

The maximum allowable HOME rents must be reduced if the tenant pays for utilities. These utility allowances are contained as part of this NOFA/RFP as Attachment #1. Both HOME rent maximum levels and utility allowances are periodically adjusted by HUD. The rent and income targeting requirements must be enforced by deed restrictions.

NOTE: Occupancy of HOME units by Section 8 Tenants is permissible, but does not increase the maximum rent levels under the HOME Program, **unless the Section 8 assistance is "project based"**.

d. Occupancy of HOME-Assisted Units:

At least 20% of the HOME-assisted rental units in multifamily buildings (five or more home assisted units) must be occupied by families who have annual incomes equal to or less than the maximum income for "very low income" persons/households as defined by HUD. The balance of the HOME-assisted units may be occupied by any person or household with annual incomes equal to or less than the maximum income for "low income" persons/households as defined by HUD. The current income and rent limits for Stamford are included in this NOFA/RFP as Attachment #2.

e. Terms of Affordability:

The Stamford HOME Program requires that for assisted rental housing, 100% of the HOME-assisted units must remain affordable for a fixed period of five to 20 years, depending upon the type of project, and the average amount of HOME funds investment per unit. The terms of affordability will be enforced by mortgage restrictions. For HOME assisted units that will be developed and offered for sale, the purchasers, who will be owner occupants, must be low income at the time of the purchase.

f. Monitoring and Record Keeping Requirements: owner/developer will be required to provide annual certifications of rent levels and tenant incomes. A written loan agreement with the City of Stamford and Note/Mortgage documents will provide assurance of compliance.

g. Other Federal Requirements

The project must comply with all other federal requirements including Davis Bacon Wage rates which apply to any project with 12 or more HOME assisted units.

h. Relocation

Federal law requires that any tenants in a building up to ninety days prior to submission of an application have relocation rights and may be eligible for relocation benefits. Owners may meet their relocation obligations by providing a comparable unit in the rehabilitated building. **For more information, please contact the Community Development Office. Do not evict any tenants without consulting with the Community Development Office.** Evicting tenants without providing proper notification may either delay a project or substantially increase project costs.