

HOME Homeownership and Small Rental Housing Development Notice of Funds Availability

The Georgia Housing and Finance Authority (GHFA) hereby notifies interested Applicants of the availability of funds allocated from the HOME Investment Partnerships Program (HOME). The availability and use of these funds is subject to Federal HOME regulations (24 CFR Parts 91 and 92) and any amendments thereto, including the final regulations published by the Department of Housing and Urban Development (HUD) in the Federal Register on or about July 24, 2013, and is further subject to GHFA's policies and program requirements. The Georgia Department of Community Affairs (DCA) is the administrator of GHFA's programs.

Funds will be awarded to successful Applicants who will act as Sub recipients of GHFA to administer the programs set out in this NOFA. Sub recipients are defined in the revised HOME Final Rule of July 24, 2013, to mean "a public agency or nonprofit organization selected by the participating jurisdiction to administer all or some of the participating jurisdiction's HOME programs to produce affordable housing...."

Administrative responsibilities of the Sub recipient will include, but are not limited to:

- Selecting third party developers to complete eligible activities.
- Conducting assessments of proposed developments and coordinating appropriate work to be completed.
- Evaluating the reasonableness of proposed project costs.
- Ensuring that the work is performed in accordance with all required property standards.
- Submitting required project documentation to DCA.
- Performing federal compliance oversight.
- Monitoring program timelines for commitment and expenditure of funds.
- Monitoring compliance with DCA and HOME program requirements for the period of affordability

This Notice of Funding Availability (NOFA) is issued by the Georgia Department of Community Affairs (DCA), as the administrator of the programs of GHFA. The availability and use of these funds are subject to the Federal HOME regulations (24 CFR Parts 91 and 92) and any amendments thereto including the final regulations published by the U.S. Department of Housing and Urban Development.

For more information on the HOME regulations, follow the link to:

<https://www.hudexchange.info/programs/home/>

This Notice of Funding Availability and other related materials is available on the DCA website at:

<http://www.dca.state.ga.us/housing/housingdevelopment/programs/CHIPApplication.asp>

A webinar with details about the application is scheduled for September 7, 2016, at 2:00 p.m. and will be archived to be viewed later. To register for the webinar go to:

<https://attendee.gotowebinar.com/register/7093529329745988868>

Application forms will be available no later than seven (7) business days after the posting of the NOFA.

Applicant questions must be directed in writing to CHIP@dca.ga.gov no later than on Friday, November 18, 2016. Answers to these as well as other program updates will be posted on the above website in a Frequently Asked Questions (FAQ) section.

Application Dates

Applications under the CHIP 2017 NOFA will be accepted beginning on November 21, 2016. Applications must arrive at DCA by 4:00 PM on December 1, 2016. No applications will be accepted after this date and time. Applications under this NOFA must be emailed to: CHIP@dca.ga.gov.

A \$250 application fee payable to the Georgia Housing and Finance Authority is due at time of application. If application fee is returned due to insufficient funds, the applicant will be required to pay an insufficient funds fee of \$35.00 and the application will not be scored or considered for funding.

Application fee address:

CHIP Activity Manager
Office of Activity and Public Affairs
Georgia Department of Community Affairs
60 Executive Park South, N.E.
Atlanta, Georgia 30329-2231

Eligible Applicants:

Eligible CHIP applicants may include:

- Local governments that have not been designated by HUD as a Participating Jurisdiction (PJ) for the HOME program
- Organizations designated with a 501(c)(3) or 501(c)(4) status, or
- Local Public Housing Authorities

At the time of application, the authorized signatory of the Applicant (e.g. Chief Executive Officer) must demonstrate compliance with O.C.G.A. §50-36-1 (e) (2)-Verification of Lawful Presence within the United States.

Applicants must show the capacity to carry out the proposed activities by having either staff or entities under contract with relevant experience in successfully completing the administration of other developments of a similar nature and scope. Applicants that

must meet one of the three criteria below will be considered to have the capacity to be eligible for funding:

- Applicants have acted as a sub recipient for HOME Funds directly in the past three years
- Applicant has or will hire a grant administrator with experience managing DCA HOME funds for subrecipients
- Applicant has at least five years of experience managing federal funds for affordable housing activities

Applicants must not be out of material compliance or disqualified from any program administered by DCA or under debarment, proposed debarment or suspension by a federal agency.

Additional Eligibility Requirements for Applicants- Non Profit Requirements

At the time of application, all non-profit Applicants also must be in compliance with O.C.G.A. Section 50-20-1 through 50-20-8. Successful Applicants must remain in compliance with this section through program closeout. DCA will not fund any activity should the non-profit fall out of compliance with O.C.G.A. Section 50-20 et. seq. until such time that the entity's compliance has been determined by Georgia Department of Audits.

Additional Eligibility Requirements for Applicants – Local Governments

In addition to the requirements for all Applicants, Local Governments must also meet the following requirements:

- Local governments that received a grant award under the Community HOME Investment Program (CHIP) in the 2014 or any prior grant year must have expended at least 50% of all project and administrative funds by December 1, 2016, in order to be qualified as an Applicant.
- Local governments should also be in compliance with the audit report/grant certification form submission requirements as provided under O.C.G.A. Section 36-81-7 and Section 36-81-8.1.

Eligible Activities:

- Homeowner Rehabilitation: CHIP funds may be used to assist existing low income homeowners by providing rehabilitation assistance to their homes.
- New Construction: CHIP funds may be used to build single family homes for low-to-moderate income homebuyers.

Ineligible Activities

The following activities are ineligible for funding:

- Requests for refinancing as defined under the HOME regulations.
- Developments under common ownership and financing that consist of two or more units that are designated solely for occupancy by persons with disabilities and are in close geographic proximity. "Close geographic proximity" is defined as

such units being less than 2,000 feet in distance from other properties similar in nature as measured from lot line to lot line regardless of their ownership or financing.

- Developments involving only acquisition of property.
- Developments that will result in any permanent, involuntary displacement of residents.
- All activities expressly prohibited in the HOME regulations as outlined in 24 C.F.R. 92.214.

AMOUNT OF FUNDS AVAILABLE FOR AWARD

DCA anticipates that approximately Three Million Dollars (\$3,000,000) will be available under this NOFA. DCA reserves the right to fund, in whole or in part, any, all, or none of the applications submitted in response to this NOFA. DCA will not award less than \$300,000 per application submitted ("Application") and not more than \$612,000 per Application. Eligible Applicants may submit only one Application.

Property Standards

All funded properties must meet certain property standards. At minimum, all units must meet HUD's Uniform Physical Condition Standards (UPCS). However, the HOME regulation also requires that all housing that is rehabilitated or financed with HOME funds must meet all applicable local codes (including state codes), rehabilitation standards, ordinances, and zoning ordinances at the time of development completion. The State Code can be found at the following link:

<http://www.dca.ga.gov/development/constructioncodes/programs/codes2.asp>.

Period of Affordability Compliance

During the Period of Affordability, Subrecipients will be required to carry out ongoing compliance monitoring activities as dictated by HOME rules. DCA will monitor their performance in completing these activities. The period of affordability will be determined by the level of assistance provided each unit as outlined in the HOME regulations in Section 92.254 for homeownership units and can vary from 5 to 15 years.

For homeownership developments, the liens will be considered satisfied by the owner's continued occupancy in the home as their primary residence as verified throughout the period of affordability. Failure to fulfill this requirement during this time frame will result in a recapture of net proceeds as described in DCA's 2013-2017 Consolidated Plan including the 2016 Annual Action Plan.

Home Buyer Development

Funds will be provided to acquire, rehabilitate, or newly construct single-family units to be sold to low and moderate income home buyers. Single-family units are defined as structures with 1-4 units. All eligible Applicants, including qualified non-profit organizations, are eligible to apply for this activity

Funds to Applicants for new construction, rehabilitation, and/or reconstruction of single family units for homeownership shall be provided by the applicant as a construction loan at 0% interest due upon sale to a home buyer eligible under the HOME Program. Under rare instances, the sales price less a 15% developer fee may be less than the construction loan. In these instances, the developer fee will be limited to 15% of the sales price and the remaining balance after applying the sales proceeds will be provided as a grant to the developer to satisfy the construction loan.

Fees to developers that complete developments funded under this NOFA shall be 15% of the total development cost not including the value of the land if acquisition funds are provided. This amount may be reduced if there is an identity of interest between the developer and the contractor working on the development.

Sub recipients are eligible to receive project delivery costs of up to 5% of the HOME-funded total development cost. All eligible project delivery costs must be identified by the Sub recipient.

If the application proposes the development (either new construction or rehabilitation) of housing units that will be sold to low and moderate income home buyers, a formal agreement between the Sub recipient and a HUD-approved housing counseling agency to provide pre-purchase, home buyer education services to all new home buyers will be required, but not at the time of application. A firm partnership will be required in carrying out the funded activities. Partnerships that consider post-purchase education services for each new home buyer are encouraged

APPLICATION REVIEW PROCESS

All Applications will initially be reviewed by DCA to determine completeness. Applicants must respond to any DCA clarification request within three (3) business days from receipt. Failure to meet this deadline will cause the Application to be deemed incomplete and the Application will not be reviewed further.

Complete Applications will be screened to determine whether the Application meets the minimum NOFA eligibility requirements. DCA will evaluate and rank each complete and eligible Application according to the priorities identified below.

Only one application per county will be funded. If more than one Application is received for properties located in the same county, only the one with the highest score will be

awarded funding. If Application have the same score, local government applications will receive priority over other applications.

SELECTION PRIORITIES

1. Experience of the Proposed Subrecipient - Both the experience of the Applicant in administering HOME funds as a Subrecipient and/or the Applicant's experience in developing or administering the development of similar units will be considered.
2. Project Concept – DCA will evaluate each Applicant's proposal for administration of any awarded funds. The evaluation will include, but not be limited to, the appropriateness of the proposed service area, the type of housing to be developed, the income of the population to be served, the amount of HOME investment per unit, and the demonstrated demand for the completed units. Proposals will also be evaluated for completeness, existing delivery systems and the plan for meeting DCA program deadlines.
3. Leveraging - The amount and extent of documented commitments from other lenders or funders that will leverage DCA resources will be considered.
4. Readiness to Proceed – Applications that can demonstrate the greatest readiness to proceed with program implementation will be given the highest priority. This can be demonstrated by the submission of the following with the Application:

The identification of proposed development sites is not required at the time of submission. However, if sites have been identified and site control is in place for the Applicant or owner, priority will be given to these Applications. Site control is identified as (A) A Warranty Deed that conveys title to the subject property(ies) to the Applicant or proposed owner, (B) a legally binding contract to purchase the proposed project site(s) in the name of the Applicant or ownership entity, or (C) a legally binding contract for a binding long-term ground lease, with a minimum term of 45 years.

5. Comprehensive Community Strategy

Applications for activities that will be located in a past or present Georgia Initiative for Community Housing (GICH) participating community. Further information may be found at: <http://www.fcs.uga.edu/hace/hdrc/gich>.

Compliance with Other Federal Requirements

In addition to the basic HOME rules previously outlined, a number of other federal and state regulations must be adhered to in the course of administering HOME funds. The certifying official of the Applicant is responsible for ensuring that the proposed program, activities, goals and timetables are in compliance with all federal and state laws, regulations and executive orders. The major applicable federal laws, regulations and executive orders include, but are not limited to, the areas outlined below:

A. Non-Discrimination and Equal Access

Applicants must take measures to ensure non-discriminatory treatment, outreach and access to HOME resources. This applies to employment and contracting, as well as to marketing and selection of program participants. DCA does not discriminate based on disability in the administration of Federal HOME funds.

B. Fair Housing and Equal Opportunity

Applicants and their activities must comply with all of the federal laws, executive orders and regulations pertaining to fair housing and equal opportunity listed below:

- Title VI of the Civil Rights Act of 1964, As Amended (42 U.S.C. 2000d et seq.)
- The Fair Housing Act (41 U.S.C. 3601-3620)
- Section 104(b) (2) of the Fair Housing Act
- Fair Housing Act implementing regulations for HUD programs at 24 CFR Part 100-115
- Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259)
- Equal Opportunity in Housing Regulations at 24 CFR Part 107
- Age Discrimination Act of 1975, As Amended (42 U.S.C. 6101)
- Title VIII of Civil Rights Act of 1968 (2 U.S.C. 3601 et. seq. and implementing regulations, as amended)
- Affirmative marketing in accordance with the HOME Investment Partnerships Act and 24 CFR 92.351
- Section 3 of the Housing and Urban Development Act of 1968
- Georgia Fair Lending Act

C. Accessibility for Individuals with Disabilities

- Section 504 of the Rehabilitation Act of 1973

D. Equal Opportunity

- Equal Employment Opportunity Executive Order 11246, as amended, and implementing regulations at 41 CFR Part 60

E. Contracting and Procurement

- Procurement Standards at 24 CFR 85.36 and for nonprofit organizations at 24 CFR Part 84 and OMB Circular A-110
- HOME Program Conflict of Interest Provisions at 24 CFR 92.356
- Debarred, Suspended or Ineligible Contractors at 24 CFR Part 5

F. Environmental

- National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR Parts 50 and 58

G. Lead Based Paint:

- Section 1012 and 1013 of the Residential Anti-Lead Based Paint Hazard Reduction Act of 1992, which is Title X of the Housing and Community Development Act of 1992 and implementing regulations at 24 CFR Part 35

H. Acquisition and Relocation

- Uniform Relocation Act (URA)
- Section 104(d) of the Housing and Community Development Act, known as the Barney Frank Amendments

I. Financial Management

- 24 CFR Part 85 ("Common Rule") and for nonprofit organizations see CFR Part 84
- Federal OMB Circular A-133
- Federal OMB Circular A-87

J. Housing

- The Truth in Lending Act (Regulation Z)
- Title I Consumer Protection Act (PL 90321)
- Construction Industry Licensing Board Act (O.C.G.A. Section 43-14-1, et. seq.)
- Georgia Industrialized Building Act of 1982, As Amended (O.C.G.A. Title 8, Chapter 2, Article 2, Part 1 "Industrialized Buildings"; Part 2
- Manufactured Housing [Mobile Homes]
- Mandatory State Construction Codes, as well as the International Energy Conservation Code
- Construction and Safety Standards at 24 CFR 3280 for new manufactured housing
- Georgia Fair Lending Act

K. Labor Standards

- Every contract for the new construction or rehabilitation of housing that includes 12 or more units assisted with HOME funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as pre-determined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a-5). Such contracts are also

subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332).

L. General

- Title II of the National Affordable Housing Act of 1990, As Amended
- 24 CFR Part 92, HOME Investment Partnerships Program
- 24 CFR Part 5 A, 5.105, Other Federal Requirements
- O.C.G.A. Title 50, Chapter 18, Article 4, Georgia Open Records Act

Section X. Compliance with State Requirements

In addition to the basic HOME rules and Federal requirements, the certifying official of the Applicant is responsible for ensuring that the proposed program, activities, goals and timetables are in compliance with all state laws, regulations and executive orders, including:

A. Immigration

- O.C.G.A. 50-36-1, Verification of Lawful Presence within the United States
- HB 87, Illegal Immigration Reform and Enforcement Act of 2011

B. Non-profit Contractors

- O.C.G.A 50-20-1, Relations with Non-profit Contractors

C. Single-family Construction Requirements

- O.C.G.A. 8-3-172, Funding for Single-family Housing; Construction Requirements