

Hudson County
Division of Housing and
Community Development



HOME Program
Policies and Procedures



Revised January 2018

Table of Contents

I.	Introduction.....	3
II.	Distribution of Funding.....	5
III.	Eligible Projects	6
A.	Eligible Activities.....	6
B.	Eligible Property Types.....	6
C.	Site and Neighborhood Standards	7
D.	Forms of Subsidy	8
E.	Subsidy Limits.....	8
F.	Eligible Beneficiaries/Residents	8
IV.	Long Term Affordability and Occupancy Requirements	11
V.	Funding and Underwriting.....	16
A.	Application	16
B.	HOME Subsidy Layering and Underwriting Policy	16
C.	Commitment Letter	17
D.	Administrative Plan.....	18
E.	Closing Documents	18
F.	Drawdown Process.....	18
G.	Deadlines for Completion and Occupancy.....	19
<i>Rental</i>		19
<i>Homeowner</i>		19
H.	Lease- up and Affirmative Marketing Program	20
VI.	Federal Requirements	25
A.	Housing Accessibility	25
B.	Employment and Contracting.....	25
C.	Environmental Review	27
D.	Lead Based Paint Hazards.....	28
E.	Recordkeeping.....	29

F.	Uniform Relocation Assistance.....	29
H.	Financial Management Requirements.....	30
VII.	Community Housing Development Organizations.....	32
A.	Overview	32
B.	Definition of A CHDO.....	32
C.	Certification/Review Process	34
D.	Accessing CHDO HOME Funds.....	34
E.	Eligible CHDO Set-aside Activities.....	35
F.	CHDO Roles	35
	Appendix 1: Definitions.....	37
	Appendix 2: Subsidy Limits	41
	Appendix 3: 2016 Jersey City, NJ HUD Metro FMR Area Income Limits	43
	Appendix 4: 2016 Jersey City, NJ HUD Metro FMR Rents and HOME Rents.....	44
	Appendix 5: HUD Utility Allowance Limits.....	45
	Appendix 6: Calculating Income Eligibility	46
	Appendix 7: Rental Compliance Monitoring Guide.....	47
	Appendix 8: Closing Checklist	48
	Appendix 9: Affirmative Fair Housing Marketing Plan	49
	Appendix 10: CHDO Application	50

I. Introduction

The HOME Program was created by the National Affordable Housing Act of 1990 (NAHA) and is designed to strengthen public-private partnerships and to expand the supply of decent, safe, sanitary, and affordable housing.

HOME funds are used to achieve the following objectives:

- To provide decent affordable housing to lower-income households.
- To expand the capacity of non-profit housing providers.
- To strengthen the ability of state and local governments to provide housing.
- To leverage private sector participation.

Eligible activities are defined in accordance with the following categories:

- Housing rehabilitation,
- Homebuyer activities,
- Rental housing activities, &
- Tenant-based Rental Assistance (TBRA).

The HOME Investment Partnership Program (HOME) is designed to assist communities- often in partnership with local, non-profit projects. The Hudson County Consortium (the “Consortium”) for the HOME Program includes the eleven communities in the Hudson Urban County, East Newark, Guttenberg, Harrison, Kearny, Secaucus, Weehawken and West New York as well as the Entitlement municipalities of Bayonne, Hoboken, Union City, and North Bergen. The City of Jersey City is the direct recipient of HOME funds and is not included in the Consortium.

The Hudson County Consortium utilizes its HOME Program allocation to carry out activities that provide funds for the rehabilitation of very low and low income homeowners' units; to increase homeownership opportunities for very low and low income persons and families; and to increase the supply of affordable rental units for very low and low income persons at or below 80% of the Jersey City, New Jersey HUD Metropolitan area median income. These activities are consistent with the priorities set forth in the Hudson County Consortium's Consolidated Plan.

Although many types of activities are eligible under the federal HOME Investment Partnership Program (HOME) regulations, applications for funds must be in conformance with the housing priorities in the Consortium’s submitted 2015-2019 Consolidated Plan. These priorities include:

- Supporting the creation of new rental units through new construction or rehabilitation. Within this priority, there is also a focus on creating housing for individuals and families (under 55) and permanent housing for homeless individuals and families.
- Priority will be given to any project that is consistent with County initiatives, including but not limited to: ending veteran homelessness, housing for the very-low and extremely-low income, and redevelopment of foreclosed or abandoned properties.

II. Distribution of Funding

The Consortium distributes HOME funds geographically within the 11 municipalities listed above and among different categories of housing need, according to the priorities identified in its approved consolidated plan. The Consortium only invests HOME funds in eligible projects within its boundaries, or in joint projects within the boundaries of contiguous local jurisdictions, which serve residents from both jurisdictions.

The Hudson County Consortium municipalities include all Hudson County municipalities except the City of Jersey City which has its own HOME allocation and may only be funded by the Hudson County Consortium in select circumstances. In order for the Division to fund projects in the City of Jersey City, the applicant must have a documented commitment from Jersey City and units developed must be for populations that are consistent with the County's priorities such as homeless veterans and families.

Applications for Hudson County HOME funds are accepted on a rolling basis. Before committing funds to a project, the County of Hudson evaluates the project and will not invest any more HOME funds, in combination with other governmental assistance, than is necessary to provide affordable housing.

Recognizing that Hudson County HOME funds are limited, funds are typically intended to provide gap financing for development projects and to fund projects that would otherwise not be available in the community.

A link to Hudson County's online HOME application may be found [through this link](#) or a paper copy may be requested by contacting the Housing & Community Development office.

III. Eligible Projects

A. Eligible Activities

HOME funds may be used to develop and support affordable rental housing and homeownership units. HUD regulations mandate that all housing supported with HOME funds must be permanent. Below is a list of eligible activities:

- New construction
- Rehabilitation
- Reconstruction
- Conversion
- Site improvements
- Acquisition of property
- Acquisition of vacant land if construction will begin on a HOME project within 12 months of purchase. Land banking is prohibited.
- Demolition of an existing structure may be funded through HOME only if construction will begin on the HOME project within 12 months.
- Relocation costs
- Refinancing
- Initial operating reserve
- Project-related soft costs
- Community Housing Development Organization (CHDO) Costs

B. Eligible Property Types

Both single site and scattered site developments are eligible for the HOME program. Single site developments are one or more buildings on one site that are under common ownership, management, and financing. Buildings scattered on more than one site as long as the sites are under common ownership, management, and financing, are eligible to received HOME assistance as part of a single undertaking.

Single Room Occupancy (SRO)/Group Housing

Permanent SRO's and group housing are eligible under the HOME Program, though they will not receive priority points. SROs are subject to more stringent underwriting guidelines and, minimally, must provide a set-aside of units with deep affordability for extremely low income persons. SROs must generally comply with rental housing guidelines. Specific guidance is available through CPD Notice 94-01 "Using HOME funds for Single Room Occupancy (SRO) and Group Housing" available from the County. Please request this notice if you are applying for such a project.

Mixed-Income/ Mixed-Use Projects

Mixed-income and mixed-use (i.e. residential and commercial) are eligible for HOME funds in the affordable portions of the building. However, project costs must be allocated on a rational, documented basis in accordance with the actual unit-by-unit expenditures; or prorating of expenditures reflecting the proportion of HOME units in the project; or a combination of both.

In a mixed-income project, designated HOME-assisted units may change over time (called "floating units as long as the total number of affordable units remains the same and the substituted units are comparable in size, features, and number of bedrooms).

Tax Credit Funded Properties

Tax credits and HOME funds may be used together and for the most part the rules are compatible. The general rule is that when Tax Credit and HOME rules conflict Tax Credit rules are to be followed. Any project receiving Tax Credit and HOME funds requires a layering review to ensure that the project is not receiving an excess amount of subsidy.

Ineligible properties include: projects assisted under title VI of NAHA- Prepayment of Mortgages Insured under the National Housing Act; Public Housing projects; Rental Rehabilitation Program funded projects; properties with existing obligations to any federal, state, or local housing program.

C. Site and Neighborhood Standards

Housing provided through the HOME program must promote greater choice of housing opportunities. Specifically:

- HOME funded housing must be suitable from the standpoint of facilitating and furthering full compliance with Title VI of the Civil Rights Act- 1964, the Fair Housing Act and Executive Order 11063.
- New construction rental projects must meet the site and neighborhood standards from 24CFR 983.6(b), which places limiting conditions on buildings in areas of minority concentration and that are racially mixed.

The Consortium will consider siting and neighborhood standards during the application process. Neighborhood amenities such as access to transportation, healthcare facilities, supportive services, targeted development areas, environmentally safe areas, and access to grocery stores and banking will be considered.

The Consortium will also place priority on project sites that do not have any known environmental hazards. The County must conduct an environmental review on every project. It is the responsibility of the owner to ensure that the County has all the information necessary to complete the review. Project may not begin and funds may not be expended until the review is completed and funds are released by HUD.

D. Forms of Subsidy

HOME allows for a variety of forms of financial assistance to be provided for eligible projects and to eligible beneficiaries. The Consortium's approach to providing HOME funds is to provide the "gap" financing necessary to make the project affordable under the HOME rental / purchase and income guidelines. The focus of this type of underwriting is to maximize private financing and minimize HOME funds. Some forms of assistance will require legal instruments for implementation. HOME regulations list the following forms of assistance as eligible:

- Interest or non-interest bearing loans or advances
- Deferred Loans (forgivable or repayable)
- Grants
- Interest Subsidies
- Equity Investments

Applicants may propose any of the forms listed above; however the Division determines what forms of assistance it will provide. In general the Division provides funds in the form of loans. Projects that can be completed solely with private financing are not eligible.

Detailed underwriting standards for rental housing projects are noted under the rental housing section of these guidelines.

E. Subsidy Limits

The minimum amount of HOME funds that must be invested in a project involving rental housing or home ownership is \$1,000 times the number of HOME-assisted units in the project. Maximum per unit subsidy amounts are included in Appendix 2: Subsidy Limits.

Actual funding levels will vary project by project and may be lower based on cost reasonableness and needs of project.

F. Eligible Beneficiaries/Residents

The Hudson County HOME Program is designed to provide affordable housing to low and very-low-income households and individuals living in Hudson County. For local income limits and Fair Market Rents as defined by HUD, please see Appendix 3: HUD Area Income Limits.

While different restrictions apply to each type of activity, the method for calculating income is the same. The annual income definition found at 24 CFR Part 5 is used by a variety of Federal programs including Section 8, public housing and the Low-Income Housing Tax Credit Program and will be used as the qualifying standard for all County of Hudson HOME programs.

The Part 5 definition of annual income is the *gross amount of income of all adult household members* that is *anticipated to be received* during the coming 12-month period by all adult household members (everyone 18 years of age and older).

Detailed instructions for calculating annual income and determining eligibility for residents can be found in Appendix 6: Calculating Income Eligibility or completed using HUD's online calculator at <https://hudexchange.info/incomecalculator>.

Rental Projects

For rental projects with four or fewer HOME units, all households must be at or below 60% of Area Median Income (AMI). For projects with five or more units, 20% of the households must be at or below 50% of AMI and the remaining 80% of the units must be at or below 60% of AMI.

Units with multiple sources of funding may be governed by HOME rules as well as other restrictions. In these cases, the stricter of the two regulations will apply. For example, tenants of HOME-assisted units that have been allocated low-income housing tax credits by a housing credit agency pursuant to section 42 of the Internal Revenue Code of 1986 (26 U.S.C. 42) must pay rent governed by section 42.

To ensure ongoing compliance owners must establish systems to re-certify tenant income on an annual basis. Recertification documents will be monitored by the Division. Units must remain affordable for the duration of the affordability period. These provisions are provided in Section G below. For additional guidance, please see the Rental Compliance Monitoring Guide in Appendix 7: Rental Compliance Monitoring Guide.

Homeowner Projects

Eligible homebuyers must meet the following requirements:

- Household must be at or below 80% of area median income (*At time of purchase*);
- Household will ultimately use the dwelling unit as their principal residence; and
- Household will ultimately legally own the dwelling unit/property (as evidenced though a fee simple title, 99 year leasehold interest, or equivalent form of ownership approved by the County of Hudson)

Hudson County Continuum of Care

The Hudson County Alliance to End Homeless (HCAEH), the local administrator of the Continuum of Care, operates under Coordinated Assessment. All supportive housing for the homeless constructed with Hudson County HOME funds must fill those units through the Coordinated Assessment process. All HMIS data collection and usage must maintain compliance with the Dept. of Housing and Urban Development's HMIS Requirements and NJ Housing and

Mortgage Finance Agency's statewide NJ HMIS Policies and Procedures Manual. Please see the Coordinated Assessment Policies under the Library Tab. The U.S. Department of Housing and Urban Development is encouraging communities to use resources such as the HOME Program to assist in the creation of permanent housing for the homeless with a focus on the chronically homeless. As such the creation of such housing is a priority in our Consolidated Plan and the HOME application review.

In addition, the Veteran Committee of the HCAEH has established a working list of homeless veterans in Hudson County. All projects proposing to serve homeless veterans must work with the Committee and only take referrals from this list.

If you would like further information on how to use HOME funds to assist the homeless please refer to CPD Notice 03-08 which is available at the following website: <http://www.hud.gov/offices/cpd/affordablehousing/lawsandregs/notices/index.cfm>

IV. Long Term Affordability and Occupancy Requirements

A. Rental Projects

The Consortium will provide initial maximum rent limits for each funded project, which may not exceed the published HOME Rents. For projects with five or more HOME units, 20% of the units must be at or below the following Low HOME rent and the remaining units must be below the High HOME rents. The Consortium may designate more than the minimum HOME units in a rental housing project to have Low HOME rents. The rent limit includes both rent and a utility allowance. If an applicant chooses to not include utilities in the rent, the rents must be reduced by the applicable allowances. Allowances are based on building type. Current rent limits and utility allowances are attached in Appendix 4 and Appendix 5.

The Division will allow the developer to determine if the assisted units are “fixed” or “floating”.

- A “fixed” unit is when the owner applies funding requirements to specific units throughout the affordability period.
- A “floating” unit is when the units designated as HOME assisted may change over the term of affordability, as long as the number of HOME assisted unit in the project remains constant.

Whether units are fixed or floating, there always has to be the required amount of designated HOME units in the projects.

Every unit assisted with HOME funds is subject to annually updated rent limits. The maximum HOME rent limits are recalculated on a periodic basis after HUD determines fair market rents and median incomes. Regardless of changes in fair market rents and in median income over time, the HOME rents for a project are not required to be lower than the HOME rent limits for the project in effect at the time of project commitment.

The Division must review and approve rents for each HOME-assisted project annually. The Developer must submit proposed rents to the Division each year (during the period of affordability) for review and approval. Undue rent increases from year to year are prohibited.

If the assisted unit has multiple subsidies, e.g. HOME and LIHTC the more restrictive guidelines must be met for the rent and income limits. Any increase in rents for HOME-assisted units is

subject to the provisions of outstanding leases, and in any event, the owner must provide tenants of those units not less than 30 days prior written notice before implementing any increase in rents.

Additional information on rent limits can be found in the Consortium's Rental Compliance Guide included in Appendix 6.

Lease Requirements

The lease between a tenant and an owner of rental housing assisted with HOME funds must be for not less than one year, unless by mutual agreement between the tenant and the owner. There are a number of prohibited lease provisions. Lease requirements can be found at §92.253.

Further lease and compliance information may be found in the Consortium's Rental Compliance Monitoring Guide found in Appendix 6.

Affordability Compliance Period

The minimum length of an affordability period depends on the amount of the HOME Investment in the property and the nature of the activity:

HOME Investment per Unit	Minimum Affordability Period
Less than \$15,000	5 years
\$15,000-\$40,000	10 years
More than \$40,000	15 years
New Construction or acquisition of newly constructed rental housing	20 years
Refinancing of rental housing	15 years

The Division reserves the right to impose longer affordability periods on a case by case basis.

Throughout the period of affordability, income eligible households must occupy the assisted units. When designated rental units become vacant during the period of affordability, subsequent tenants must be income eligible and must be charged the applicable rent. In projects in which the HOME units are designated as floating, tenants who no longer qualify as low-income are not required to pay as rent an amount that exceeds the market rent for comparable, unassisted units in the neighborhood.

Tenants who no longer qualify as low-income (exceeding 80% of Area Median Income) families must pay as rent:

1. The lesser of the amount payable by the tenant under State or local law; or
2. 30 percent of the family's adjusted income.

B. Homeowner Projects

All units must be sold at or below the HOME Unit Sale Limits (95 percent of the median purchase price for the area for the specified housing type) to an eligible buyer at or below 80

percent area median income. The sale price must be such that the amount of Principal, Interest, Taxes, and Insurance does not exceed 35 percent of the Buyer's annual income.

Unit prices may vary (underneath this limit) based on neighborhood trends, target buyers, and project underwriting.

The sale of a property and any assistance to a homebuyer require that the buyer be underwritten according to the County's HOME project underwriting guidelines for homebuyers. This underwriting will include standards for the first mortgage and establish the terms for any subordination of the HOME loan.

If HOME funds are used to help a purchase/acquire one or more rental units along with the homeownership unit, the HOME rental affordability requirements apply to the rental units.

The ownership interest may be subject only to the following:

- Mortgages, deeds of trust or other debt instruments approved by the County of Hudson; or
- Any other encumbrances or restrictions that do not impair the marketability of the ownership interest, other than the HOME Program restrictions on resale.

All homeowners must be provided homebuyer counseling prior to purchase.

Forgiveness of homebuyer debt will be conditioned on the requirement that the properties must be maintained in accordance with minimum local codes and standards throughout the affordability period.

Resale and Recapture Policy

To ensure investments provide affordable housing over the long term occupancy restrictions continue throughout the period of affordability. If a home purchased with HOME assistance is sold during the period of affordability ***resale provisions*** apply to ensure the continued provision of affordable housing over the entire period of affordability. Resale provisions are used because the Hudson County HOME program does not provide direct assistance to the homebuyer.

If the housing does not continue to be the principal residence of the family for the duration of the period of affordability, that housing must be made available for subsequent purchase only to a buyer whose family qualifies as a low-income family and will use the property as its principal residence.

The minimum length of an affordability period depends on the amount of the HOME Investment in the property and the nature of the activity:

HOME Investment per Unit	Minimum Affordability Period
Less than \$15,000	5 years
\$15,000-\$40,000	10 years

More than \$40,000	15 years
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The Division reserves the right to impose longer affordability periods on a case by case basis.

All designated HOME-assisted property sales or transfers under the resale provision during the period of affordability shall meet the following criteria:

1. Sales prices shall be set such that the amount of Principal, Interest, Taxes, and Insurance does not exceed 35 percent of the new Buyer's annual income. Exceptions may be made for multi-unit HOME-assisted housing to account for rental income as needed.
2. The new purchaser must meet the criteria of low income, having an income between 60% and 80% of AMI, and occupy the property as the family's principal residence.
3. Net proceeds from the sale must provide the original homebuyer, a "fair return" on his/her investment (including any down payment and capital improvement investment made by the seller since purchase). The sales price may encompass the following in its formula:
 - a. The cost of any capital improvements documented with receipts including but not limited to the following:
 - i. Any additions to the home such as a bedroom, bathroom, or garage;
 - ii. Replacement of heating, ventilation, and air conditioning systems;
 - ii. Accessibility improvements such as bathroom modifications for disabled or elderly which were not installed through a federal, state, or locally funded grant program; and
 - iv. Outdoor improvements such as a new driveway, walkway, retaining wall, or fence.
 - b. The increase in the value of owner equity and investment as calculated by the cumulative percentage of change as calculated by the Housing Price Index (HPI) calculator of the Federal Housing Finance Agency <http://www.fhfa.gov/DataTools/Tools/Pages/HPI-Calculator.aspx> and projects what a given house purchased at a point in time would be worth today if it appreciated at the average appreciation rate of all homes in the area.

The resale policy is enforced through the use of restrictive covenants. The restrictive covenant will include the following:

1. Length of affordability;
2. Requirement that the home remain the buyer's principal residence throughout the affordability period; and
3. The conditions and obligations of the owner, should the owner wish to sell before the affordability period has expired, including:
 - a. Owner must notify the Hudson County Division of Housing and Community Development in writing if the wish to sell a HOME-assisted unit during the affordability period;

- b. The subsequent purchaser must be between 60% and 80% AMI and occupy the home as their primary residence;
- c. The sales price must be affordable to the subsequent purchaser; affordable is defined as limiting the principal, interest, taxes and insurance total amount to no more than 30% of the new purchaser's monthly income.

Throughout the period of affordability, income eligible households must occupy the assisted units. When designated rental units become vacant during the period of affordability, subsequent tenants must be income eligible and must be charged the applicable rent.

V. Funding and Underwriting

A. Application

Applications to the HOME program are accepted on a rolling basis. The application may be found and completed online [through this link](#). Please contact the Hudson County Consortium directly to receive a paper copy. Only complete applications will be reviewed.

Applicants and developers must be in compliance at all existing Hudson County Consortium funded developments in order to be eligible for new funding.

B. HOME Subsidy Layering and Underwriting Policy

Before committing funds to a project, the Consortium will evaluate each application to determine the feasibility and eligibility. The experience of the project sponsor or developer in the field of housing development, rehabilitation and/or housing management will be assessed. In addition, the financial stability and quality of the project will be evaluated by the Division. This will include, at a minimum, an examination of the sources and uses of funds for the project and a determination that the costs are reasonable; and an assessment of the current market demand in the neighborhood in which the project will be located, level of site control, amount of funding required, level of displacement and firm written financial commitments for the project.

General Underwriting Guidelines

- a. Debt Service Coverage Test. Net operating income, after vacancy reserve and expenses, must be at least 115 percent (1.15 DCR) of the total annual debt service payments due from loan financing, if applicable.
- b. Minimum vacancy allowances of at least 5% will be used for underwriting purposes. Higher vacancy allowances may be used for smaller projects, consistent with sound underwriting practice.
- c. The Division will underwrite stabilized operating expenses as if the property were owned and managed at “arm’s length”, as in foreclosure. Management fees of 4-6% annually will be based on those commonly available in the market, and appropriate reserves based on scale and construction type will be used for replacement of capital items.

- d. The construction and rehabilitation budget must be adequate to complete the proposed work and bring the property into full code compliance. All cost estimates will be reviewed by a County architect to determine reasonableness.
- e. Return on investment will be determined based on the size, type, and level of complexity. Generally, for-profit developments will follow HMFA's guidelines of a return on investment of a base rate (30 year Treasury bond) plus 6 percent for low-income and 4 percent for moderate-income developments. Non-profit developers are not subject to caps on return but must submit an annual statement of how the realized profits are being reinvested into the operation or creation of affordable housing. Development fees may be up to 15 percent of total development costs not including acquisition except in select circumstances.
- f. If additional funding is received from either a state or federal program, the more stringent regulations of either the other program or the HOME Program shall apply.

The County reserves the right to request a letter of credit, a payment and performance bond, or other liquid security acceptable to the County, to ensure successful completion of the project. The bond will be required for the amount of construction or rehabilitation being financed. The bond must be provided by a recognized bonding company or guarantor acceptable to the Department. The amount of a letter of credit will be determined by the County. This letter of credit is particularly important when an owner is acting as a general contractor. In such a case the County will request a letter of credit in an amount equal to the difference between the contractor's cost and the County's cost to hire a general contractor through a public bidding process. Letters of credit must be irrevocable, non-documentary, issued by a reputable bank approved by the County and in a form acceptable to the County. Other forms of security will be subject to County approval. The Department will consider alternative forms of surety that both insulate the Consortium from construction risk, and promote the affordability goals of the program.

The Division may rely upon the guidelines developed and/or evaluations conducted by other agencies, such as when Low Income Housing Tax Credits (LIHTC) or New Jersey Housing and Mortgage Finance Agency.

C. Commitment Letter

Upon review of the completed application package, a positive or negative recommendation to fund the project will be made to the County Administrator and the County Executive. The Project sponsor will be advised, in writing, of the Consortium's approval of the application.

Once an application is approved, a funding commitment letter will be prepared which describes the specific terms of the grant/loan, including rate, amount, collateral, equity requirements, and affordability requirements. The Commitment letter will also specifically identify which units will be HOME assisted and how many are designated as High and Low HOME units.

D. Administrative Plan

An administrative Plan (the “Plan”) must be submitted by the project sponsor to the Division prior to closing. The Plan must provide detail of the project throughout the construction period and lease-up. The Plan will be used by the Division to estimate the payment schedule and monitor the progress of the project. The Plan may be based on the budget and timetable that were submitted in Rental Production Program application. The Plan must include, at a minimum, the following items:

- a. A schedule of construction and/or rehabilitation activities detailing when items will start and finish, as well as which items will overlap. The schedule should include all activity that will take place after the loan contract has been executed.
- b. A complete description of the staff responsible for the implementation of the project. The staff description should include the person responsible for the submission of payment vouchers and monthly reports, as well as the person on site who will be in charge of daily activity.
- c. A sample monthly monitoring report to be used by developers of construction and/or rehabilitation projects. The report should compare actual progress and expenses with the original schedule and budget. The report should provide space to explain any variances.
- d. Any information unique to the project should be detailed in a narrative and incorporated into the schedule, if necessary.

E. Closing Documents

Depending on the type of funding provided, the applicable legal documents will be executed. This typically includes the mortgage, note, regulatory agreement and deed restriction. Various documents will be required before the closing may proceed. Please see the Closing Checklist in Appendix 8: Closing Checklist.

F. Drawdown Process

Beginning of Construction

Construction may not begin on an approved project until the development has been awarded HOME funds and has closed with the County. Costs incurred prior to this date are ineligible for reimbursement.

Release of Funds

All owner equity must be invested in the project prior to the release of any County funds. Prior to the initial release of funds all applicable items on the project checklist included in Appendix 8 must be satisfied. All requests for payment must include an invoice on agency letterhead and the proper Hudson County voucher. Items submitted for reimbursement must include a copy of the original invoice and a copy of the cashed check or bank record. Construction draws will be permitted on a monthly basis. An executed Application & Certificate for Payment (AIA) form must accompany all construction drawdown requests. Correct and complete draw requests submitted by the 5th of the month will be processed for payment by the end of the month.

There will be a maximum of 10% retainage on each contract or subcontract until all work under that contract is completed, lien release is obtained and until the issuance of Certificates of Occupancy by the local municipality.

Taxes, insurance, and debt service payments on the construction loan must be current at the time of each draw. In addition, all of the project sponsor's reporting requirements (construction schedule, draw schedule, Administrative Plan, Affordable Housing Agreement, or other requirements of the commitment or closing documents) must be current to the satisfaction of the Division.

Construction inspections will be conducted by staff of the Division in consultation with the project sponsor and the project architect, as necessary.

Final Payment

At the completion of construction, each project sponsor will be required to submit a detailed cost certification form, certified as true and accurate by the borrower. This form will, at a minimum, show budgeted costs, as approved at the time of the funding commitment. The form must show the costs actually incurred, and must be supported by paid receipts and a comparison must be made between real and projected costs. If actual costs are less than budgeted costs, the amount of the funds may be reduced at the discretion of the Department.

In order to receive final payment the project sponsor must satisfy all items listed in the closing portion of the checklist in Appendix 8.

G. Deadlines for Completion and Occupancy

Rental

Within 4 years of contract execution rental projects must be complete; meaning 100% of HOME funds has been disbursed for the project. Once construction is complete, the property has 18 months in which to achieve 100 percent occupancy. However, both construction and lease-up may not exceed 5 years in total.

The HOME-assisted units in a rental housing project must be occupied by households that are eligible as low-income families and must meet the requirements of this section to qualify as affordable housing. If eligible tenants do not occupy the housing within six months following the date of project completion, the Developer must submit marketing information and, if appropriate, a marketing plan.

HOME funds invested in any housing unit that has not been rented to eligible tenants 18 months after the date of project completion shall be repaid to the County of Hudson and/or HUD.

Homeowner

All projects must complete construction and sell the units with transfer of title within 4 years of the commitment of HOME funds. In addition, any unit not sold within 9 months (6 months for projects funded under county action plans 2013 and earlier) of the completion of construction must be converted to rental and meet all of the requirements for HOME rental housing. HOME

funds provided for any such unit that is not rented within 18 months of conversion must be repaid to the County.

H. Lease- up and Affirmative Marketing Program

Property Management Policies

All HOME program participants must comply with all state and federal laws and regulations regarding fair housing and equal opportunity. No person in the United States shall on the grounds of race, color, national origin, religion, sex, or sexual orientation, be excluded, denied benefits, or subjected to discrimination under any program funded in whole or in part by HOME funds.

Rental

All projects must develop and submit a tenant selection plan to the county for approval that includes, at a minimum, the following items:

- Are consistent with the purpose of providing housing for very low and low-income families;
- Are reasonably related to program eligibility and the applicant's ability to perform the obligations of the lease;
- Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and
- Give prompt written notification to any rejected applicant of the grounds for any rejection.

The developer must use fair marketing practices when leasing HOME units. The County of Hudson will review and approve the developer's marketing policy as part of the application review and it will incorporate the policy as part of the funding agreement.

Developers/owners must distribute to residents:

- All applicable HUD or Environmental Protection Agency (EPA) approved pamphlets
- "Renovate Right" Brochure (prior to any repairs that may disturb lead based paint in home built prior to 1978).
- "Protect Your Family from Lead in Your Home"
- "Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards" signed by renters prior to their becoming obligated under a rental
- The County of Hudson requires that developers/owners obtain evidence of tenant receipt of any pamphlet distributed. Owners may create their own receipt of disclosure.

The owner cannot refuse to lease HOME-assisted units to persons with a voucher for Section 8 Tenant-Based Assistance.

Homeownership

The developer must use fair housing marketing practices when selling HOME units, as required by the Fair Housing Act (4.2 U.S.C. 3601-29). The County will review and approve the developer's marketing policy as part of the application review and it will incorporate the policy as part of the funding agreement.

Affirmative Fair Housing

Recipients of HOME funds are held to Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d-2000d-4), the Fair Housing Act (42 U.S.C. 3601 et seq.), E.O. 11063 20 Title VI of the Civil Rights Act of 1964, P. L. 88-352 and the regulations of HUD with respect thereto, including 24 CFR, Parts 1.

HOME recipients are prohibited from discriminating on the basis of:

- Race
- Color
- Religion
- National origin
- Disability Status (Including prior Alcohol & Illegal Substance Addictions)
- Familial status
- Ethnicity
- Gender
- Gender Identity
- Language(s) Spoken
- Literacy
- Sexual Orientation
- Veteran Status

Discrimination is prohibited in the assistance, tenant selection, sale, rental, and financing of dwellings. It is also prohibited in program administration and any enforcement mechanisms.

In accordance with the regulations of the HOME Program 24 CFR 92.350 and 92.351; and in furtherance of the Hudson County Consortium's commitment to nondiscrimination and equal opportunity in housing, the Consortium has established procedures and requirements to affirmatively market units built or rehabilitated under the HOME Program containing five or more housing units Please see Appendix 9: Affirmative Fair Housing Marketing Plan for the Affirmative Fair Housing Marketing Plan HUD form.

The Consortium believes that individuals of similar economic levels in the same housing market area should have available to them a like range of housing choices regardless of their race, color, religion, sex and national origin. The Consortium is committed to the goals of affirmative marketing which will be implemented through a specific set of steps that the Consortium and participating owners will follow. These goals will be reached through the following procedures:

- i. Informing the General Public, Potential Owners and Tenants About Federal Fair Housing Laws and the Consortium's Affirmative Marketing Policy*

The Hudson County Division of Housing and Community Development will inform the general public about fair housing laws and the Consortium's affirmative marketing policy through press releases, news articles, and advertisements in the local newspapers, i.e. the Jersey Journal and at least one widely circulated local Spanish language newspaper. It will conduct technical meetings with the representatives of local housing/tenant organizations, municipalities, non-profit groups and concerned citizens. It will clearly

display the "Equal Housing Opportunity" logo or slogan in all announcements regarding the program. The Consortium will also make copies of its "Affirmative Plan" available to the public.

a) Informing Owners

The Consortium will inform owners of the Federal Fair Housing Laws and the Consortium's affirmative marketing policy prior to the approval of their projects as a HOME assisted project. In addition, property owners will via a letter of Certification and Assurance that they will comply with Title VI, Title VIII and Executive Orders 11063 and 11246.

b) Informing Potential Tenants

The Consortium will contact one or more tenant or public service organizations, in the housing market area that serves lower income people to inform potential tenants about Federal Fair Housing laws and the Consortium's affirmative marketing policy.

ii. *Affirmative Marketing Procedures for Informing Persons in the Housing Market Area about Units*

Property owners (developers and sponsors) will assume this responsibility under their contracts with the Hudson County Consortium as they participate in the HOME Program. Owners, often in cooperation with community groups and social service providers, will advertise or solicit prospective tenants. At a minimum, owners will be required to use the "Equal Housing Opportunity" logos in advertising. Owners also will be required to conduct tenant solicitation and selection according to applicable Fair Housing law. Project signs used during construction will also contain the "Equal Housing Opportunity" logo.

The Hudson County Consortium will require that property Owners, selected for program participation, to honor affirmative marketing contract stipulation indicating non-compliance may result in foreclosure proceedings.

All projects will be affirmatively marketed through:

- a. the local media, including Hispanic newspapers;
- b. local service agencies and non-profits.

iii. *Procedures to be used by Owners to Inform and Solicit Applications From Persons in the Housing Market Area Who Are Not Likely to Apply for Housing Without Special Outreach*

U.S. 2010 Census data indicates that the Hudson County Consortium is the residence of a substantial Hispanic population. Due to the language barrier, it is believed that this group is least likely to apply for rehabilitated housing without special outreach. An analysis of tenant racial characteristics occupying rehabilitated units is indicative of this fact. Program advertisement will be placed in newspaper publications within the Hispanic community and will appear in Spanish.

Each owner will be required, as part of the agreement for assistance, to:

- a. Use the "Equal Housing Opportunity" logo, slogan, or statement in all advertising.
- b. Where appropriate to advertise, use media, including minority outlets, likely to reach persons least likely to apply for the housing.
- c. Accept a fair housing policy.
- d. Where there is a project sign, display the "Equal Housing Opportunity" logo.
- e. Work cooperatively with the various County and non-profit agencies who serve individuals and families in the target income groups.

iv. *Record Keeping*

In accordance with HUD requirements, Section 511.71(a)(2), the Consortium will, to the greatest extent possible, secure and keep data on the racial, ethnic and gender characteristics of the tenants:

- a. occupying units before HOME assistance;
- b. moving from and into projects after HOME assistance;
- c. applicants for tenancy, 90 days following completion of rehabilitation.

Property owners will also keep records of:

- a. copies of ads placed in the Jersey Journal or other publication as required;
- b. records of dates with tenants;
- c. records of dates of meetings and descriptions of attendees;
- d. letters to agencies and organizations for special group outreach for each HOME assisted unit
- e. applications for units by prospective tenants.

v. *Assessment to Affirmative Marketing Effort of All Participants*

The affirmative marketing efforts of project sponsor will be assessed as follows:

- a. To measure good faith efforts - examine records required of owners to be maintained on actions they have taken, and compare them with the actions required to be taken. If the required actions have been carried out, where possible, as specified, it will be assumed the owners have made good faith effort to carry out these procedures.
- b. To determine results - assess property owner's affirmative marketing efforts in relation to whether or not persons from a variety of racial and ethnic groups in the area, and particularly groups who ordinarily would not apply, have applied and become tenants in the rehabilitated units. If it is found that they have, it can be assumed that the owners have effectively carried-out the specified Affirmative Marketing Procedures.

If the representation of racial/ethnic group is not broad or the least likely to apply group is not represented, the Consortium will review the Affirmative Marketing Procedures to determine what changes, if any, might be made to make more effective the affirmative marketing efforts in informing persons in all groups about rental opportunities.

vi. *Corrective Action*

The Consortium will take corrective action if it is determined that a property owner has failed to carry out the required procedures or fails to maintain records on tenants and applicants. If, after discussions with the owner on the methods used to meet the affirmative marketing requirements, the owners continues to fail to meet the affirmative marketing requirements, and the owners has been given an opportunity to correct identified deficiencies, the Consortium may disqualify the owner from further participation in future housing programs administered by the Consortium and/or legal action.

VI. Federal Requirements

A. Housing Accessibility

Most housing properties fall under several different laws. Federal programs and the age of the property determine which laws apply.

- Title VIII of the Civil Rights Act of 1968 (Fair Housing Act) protects race, religion, sex and national origin
- The Fair Housing Amendments Act of 1998 (Amendments Act - FHAA) added disability and familial status
- The Americans with Disabilities act (ADA) of 1990 addresses public accommodations (rental offices and common areas are considered public accommodations)

For more information on the Americans with Disabilities Act, visit the Department of Justice ADA Home Page. <http://www.ada.gov/>

- Section 504 of the Rehabilitation Act of 1973 (Section 504) applies to those receiving federal assistance

For more information, see the Reasonable Accommodations section of the Section 504 Frequently Asked Questions page.

http://portal.hud.gov/hudportal/HUD?src=/program_offices/fair_housing_equal_opp/disabilities/sect504

B. Employment and Contracting

Equal Opportunity

HOME recipients must comply with the following regulations that ensure equal opportunity for employment and contracting.

- Equal Employment Opportunity, Executive Order 11246, as amended: Prohibits discrimination against any employee or applicant for employment because of race, color, religion, sex or national origin. Provisions to effectuate this prohibition must be included in all construction contracts exceeding \$10,000. Implementing regulations may be found at 41 CFR Part 60.
- Section 3 of the Housing and Urban Development Act of 1968: Requires that, to the greatest extent feasible, opportunities for training and employment arising from HOME will be provided to low-income persons residing in the program service area. Also, to the

greatest extent feasible, contracts for work (all types) to be performed in connection with HOME will be awarded to business concerns that are located in or owned by persons residing in the program service area. Contracts over \$200,000 and subcontracts over \$100,000 must include the Section 3 clause.

Outreach to Minority and Women's Business Enterprises

The Hudson County Consortium encourages the use of minority and women-owned businesses pursuant to Section 281 of the HOME Investment Partnerships Act and 24 CFR 92.350. Accordingly, the Consortium has adopted the following policies to ensure HOME funded agencies make a good faith effort to affirmatively assure that minority-owned and women-owned businesses are afforded contracting opportunities.

This policy applies to all contracts, subcontracts and procurements for services (including engineering and legal), supplies, equipment, and construction. The goal of this policy is to make MBE/WBE firms aware of contracting opportunities to the fullest extent practicable through outreach and recruitment activities. To achieve this goal, the affirmative steps that must be followed are:

1. Include qualified small and minority businesses and women's business enterprises on solicitation lists;
2. Ensure that small and minority and women's businesses are solicited whenever they are potential sources of products or services to be bid;
3. Include the statement “**minority and women owned businesses are encouraged to apply**” in all bid/solicitation documents
4. Divide total requirements, when economically feasible, into smaller tasks or quantities to permit maximum participation by small and minority business, and women business enterprises;
5. Establishing delivery schedules, where the requirement permits, which encourage participation by small and minority business and women business enterprises;
6. Using the services and assistance of the Small Business Administration and the Minority Business Development Agency of the Department of Commerce; and
7. Require the Prime Contractor to take affirmative steps as outlined in items one through six above to subcontract with small and minority and women's businesses, if they award subcontracts.

Hudson County maintains a list of businesses in the Office of WMBE. Sponsors will be provided with a list prior to construction bidding and must document that bid advertisements were shared with these firms.

“Good Faith” Effort Compliance Documentation

The recipient of HOME funds must provide documentation to support a “good faith” effort in the solicitation of MBE and WBE firms.

- Copies of announcements/postings in newspapers or other media for specific contracting/subcontracting opportunities. Include language in announcements/postings that MBE/WBE firms are encouraged to bid.
- Copies of bids obtained

Davis-Bacon Act

Any contract for the construction of Affordable Housing with **12 or more units** will require that all laborers and mechanics who are employed to perform work on any project, or any contractor or construction work which is financed, in whole or in part, with assistance which is received under the Housing and Community Development Act of 1974 shall be paid wages at rates which are not less than those that prevail in the locality for similar construction and shall receive overtime compensation in accordance with the Contract Work Hours and Safety Standards Act.

The contractor and its subcontractors shall also comply with all applicable Federal laws and regulations, which pertain to labor standards, including the minimum wage law.

Recipients of HOME funds shall:

- Not discriminate against any employee or applicant for employment on the basis of religion and not limit employment or give preference in employment to persons on the basis of religion; and
- Not discriminate against any person applying for such public services on the basis of religion and not limit such services or give preference to persons on the basis of religion; and
- Provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing and exert no other religious influence in the provision of such public services. <http://www.hud.gov/progdesc/sec-109.cfm>

C. Environmental Review

The environmental effects of each activity carried out with HOME funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24CFR parts 50 and 58.

No HOME funds will be committed without the establishment of an Environmental Review Record and the appropriate level of Review completed (6600). It is the intention of the County to complete the ERR prior to committing funds, however in the event this is not feasible, funds committed to a HOME activity or project will be conditional on the completion of the environmental review and approval of the request for release of funds and related certification, except as authorized by 24 CFR part 58. Changes to the project site or address will result in subsequent and additional review prior to commitment and release of funds.

As per Section 202 of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106) all owners/developers must obtain flood insurance if the site is located in a FEMA designated 100-year flood plain.

D. Lead Based Paint Hazards

The HOME Program requires owners/developers to take actions to reduce lead-based paint hazards in HOME-assisted units. Owners must comply with 24 CFR 35, the regulations implementing the Lead-Based Paint Poisoning Prevention Act along with requirements for dealing with lead-based paint found in the Uniform Physical Condition Standards (UPCS). Current Part 35 requirements stipulate that all occupants receive and acknowledge notice of the possible presence of lead paint.

Level of Assistance in Property	Hazard Reduction Requirements	Summary of Requirements
Assistance of more than \$5,000 per unit up to and including \$25,000 per unit	Interim controls.	<i>Interim controls</i> means a set of measures designed to reduce temporarily human exposure or likely exposure to lead-based paint hazards. Once work is completed a passing a NJ Dept. of Health LEAD SAFE CERTIFICATE must be realized for the exterior, common spaces, and all assisted units. Interim controls include, but are not limited to, repairs, painting, temporary containment, specialized cleaning, clearance, ongoing lead-based paint maintenance activities, and the establishment and operation of management and resident education programs.
Assistance of more than \$25,000 per unit	Abatement of lead-based paint hazards.	<i>Abatement</i> means any set of measures designed to permanently eliminate lead-based paint or lead-based paint hazards (see definition of “permanent”) on the exterior, common spaces, and all assisted units. Once work is completed a passing a NJ Dept. of Health Lead Free Certificate must be realized for the exterior, common spaces, and all assisted units. Abatement includes: (1) The removal of lead-based paint and dust lead hazards, the permanent enclosure or encapsulation of lead-based paint, the replacement of components or fixtures painted with lead-based paint, and the removal or permanent covering of soil-lead hazards; and (2) All preparation, cleanup, disposal, and post abatement clearance testing activities associated with such measures.

The Lead-Based Paint Poisoning Prevention Act applies to all units in a property assisted with HOME funds -- not only to HOME-assisted units. During the compliance review, staff will monitor to ensure that the owner has conducted all necessary activities and maintained appropriate documentation in their files.

Owners/developers must be in compliance with 24CFR35 and Sections 302 and 401 (b) of the Lead-Based Paint Poisoning Prevention Act. This subpart implements the provisions of 42

U.S.C. 4852d, which impose requirements on the sale or lease of housing. The seller or lessor of housing shall:

- Disclose to the purchaser or lessee the presence of any known lead-based paint and/or lead-based paint hazards;
- Provide available records and reports;
- Provide the purchaser or lessee with a lead hazard information pamphlet;
- Give purchasers a 10-day opportunity to conduct a risk assessment or inspection; and
- Attach specific disclosure and warning language to the sales or leasing contract before the purchaser or lessee is obligated under a contract to purchase or lease target housing.

In addition, any disturbance of a painted surface on housing constructed prior to 1978 requires additional testing, notices and remediation as specified by 24CFR35.

E. Recordkeeping

The County of Hudson, HUD, the Comptroller General of the United States or any of their authorized representatives, has the right to access the Project and any books, documents, papers or other records of a HOME assisted unit.

Developers/owners will maintain all books and records pertaining to HOME assisted units with the provisions of 24 C.F.R. § 92.508 for a period of not less than five (5) years after the affordability period ends and all matters pertaining to the project (e.g., audit, disputes or litigation) are resolved under applicable federal or state laws, regulations or policies.

Developers/Owners shall maintain records for inspection by the County as discussed in the Rental Compliance Monitoring guide found in Appendix 7. The developer/owner will make any additional records requested available to the County of Hudson upon request.

F. Uniform Relocation Assistance

All owners/developers shall be in compliance with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601 et seq.).

G. Construction Standards

Housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. Specifically, housing must meet the County of Hudson HOME Construction Standards and must conform to any design plans and specifications provided as part of a developer or owner application. Projects will be regularly inspected during the construction period to monitor for progress and compliance.

Newly constructed housing must meet the current edition of the Model Energy Code published by the Council of American Building Officials.

All other HOME-assisted housing (e.g., acquisition) must meet all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the housing quality standards in 24 CFR 982.401.

The housing must meet the accessibility requirements at 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619).

Construction of all manufactured housing must meet the Manufactured Home Construction and Safety Standards established in 24 CFR Part 3280. These standards pre-empt State and local codes covering the same aspects of performance for such housing.

An owner of rental housing assisted with HOME funds must maintain the housing in compliance with all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the housing quality standards in 24 CFR 982.401.

The following requirements apply to housing for homeownership that is to be rehabilitated after transfer of the ownership interest:

Before the transfer of the homeownership interest, Hudson County will:

- Inspect the housing for any defects that pose a danger to health; and
- Notify the prospective purchaser of the work needed to cure the defects and the time by which defects must be cured and applicable property standards met.

The housing must be free from all noted health and safety defects before occupancy and not later than 6 months after the transfer. The housing must meet the property standards in paragraph (a) (1) of this section not later than 2 years after transfer of the ownership interest.

All new buildings and gut rehabilitations shall be designed to meet the National ENERGY STAR efficiency performance specifications. All projects must comply with the National Home Energy Rating System guidelines and use ENERGY STAR mechanical systems and appliances. Other Energy Star and “green” components are encouraged as practicable. Additionally, rental housing property owners must maintain these housing standards for the duration of the regulatory period. Periodic inspections will be conducted by the County to insure these standards are complied with.

H. Financial Management Requirements

Projects and programs receiving HUD funds must abide by the financial management requirements of the Federal Office of Management and Budgets which pertain to their particular type of organization, whether it is an institution of Higher Education, a hospital, other non-profit, a state, a local government, etc. For instance, a CHDO serving as a sub-recipient for the Consortium and as a development organization has different OMB requirements based on their activity.

Some of the basic financial requirements are:

OMB Circular A-110: Uniform Administrative Requirements for grants and Agreement with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations (<http://www.whitehouse.gov/omb/circulars/a110/a110.html>);

OMB Circular A-133: Audits of States, Local Governments and Non-Profit Organizations (<http://www.whitehouse.gov/omb/circulars/a133/a133.html>);

OMB Circular A-122: Cost Principles for Non-Profit Organizations (<http://www.whitehouse.gov/omb/circulars/a122/a122.html>)

Audit requirements for non-profit organizations

Non-profit organizations subject to regulations in the part 200 and part 800 series of title 24 of the CFR shall comply with the audit requirements of revised OMB Circular A-133, “Audits of States, Local Governments, and Non-profit Organizations” (see 24 CFR 84.26). For HUD programs, a non-profit organization is the mortgagor or owner (as these terms are defined in the regulations in the part 200 and part 800 series) and not a related or affiliated organization or entity.

For rental projects with 10 or more units financial statements prepared an independent CPA (in the form of either a formal annual audit or CPA-compiled review) must be annually submitted to the County of Hudson for review.

The Hudson County Consortium will collect organizational audits during the annual Rental Compliance Monitoring process.

Fiscal Policies

The owner must submit annual operating budgets to the County of Hudson for review (in a similar format to the pro-forma). If problems are identified, the County of Hudson may offer technical assistance and/or request additional documentation and corrective actions.

VII. Community Housing Development Organizations

A. Overview

The National Affordable Housing Act of 1990 (the “Act”) created the HOME Investment Partnerships Program (HOME). The Act’s objectives include (1) promoting partnerships among states, local governments and non-profit organizations; (2) increasing the capacity of non-profit organizations to develop and manage affordable housing.

To help achieve these objectives the Act requires that Participating Jurisdictions (PJs) set aside at least 15% of their HOME funds for housing that is developed, owned or sponsored by Community Housing Development Organizations (CHDOs).

The reason for the 15% set-aside is to:

- Provide reasonable supplemental operating funds to CHDOs with the purpose of expanding their ability to produce housing units. This funding is not intended to serve as a primary source of funding for the organization. The CHDO should demonstrate the ability to leverage other sources of funds for future operations and to grow into self-sufficiency.
- Increase the organizational capacity of the recipient to allow the organization to develop HOME Program CHDO-eligible activities such as; transitional housing, permanent supportive housing, rental housing, and homebuyer activities, within 24 months of receiving the award.

B. Definition of A CHDO

The HOME Program definition of a CHDO can be found at 24 CFR 92.2

The definition outlines the criteria that an organization must meet to qualify as a CHDO. The criteria focus on the:

- legal status of the organization;
- capacity and experience;
- organizational structure;
- and relationship of the CHDO to for-profit entities

The CHDO checklist outlines these criteria in detail. The following is a summary of some of the key criteria necessary to qualify as a CHDO.

1. Legal Status

- 1) The CHDO must be organized under state law
- 2) One of the purposes of the organization must be the provision of decent housing that is affordable to low-income and moderate-income persons. This statement of purpose may be evidenced in the organization's charter, articles of incorporation, by-laws, or board resolutions.
- 3) The CHDO must be have non-profit status under §501(c)(3) or (4) of the Internal Revenue Code of 1986.
- 4) The organization must have a clearly defined geographic area that is smaller than the entire state.

2. Capacity and Experience:

- 1) The CHDO must have at least one year of experience serving the community. This can be satisfied by a statement that documents at least one year of experience in serving the community, or for a newly created organization formed by local churches, service or community organizations, a statement that documents that its parent organization has at least one year of experience in serving the community. This service can include developing new housing, rehabilitating housing, managing housing, or delivering non-housing services to the community such as counseling, food services, or child care facilities.
- 2) The organization must have paid employees with housing development experience who will work on projects assisted with HOME funds. (**for its first year of funding as a CHDO, an organization may satisfy this requirement through a contract with a consultant who has housing development experience to train appropriate key staff of the organization*).
- 3) The CHDO must have financial management systems that meet the federal standards outlined in 24 CFR 84.21. The most recent version of OMB Circulars A-110 (24 CFR 84) A-133 may be obtained at <http://www.whitehouse.gov/omb/circulars>

3. Organizational Structure

- 1) At least one-third of the organization's board of directors must be representatives of the low-income community served by the CHDO; no more than one-third may be representatives of the public sector, including employees of the PJ.
- 2) The CHDO must also provide a formal process for low-income HOME Program beneficiaries to advise the organization in all of its decisions regarding the design, development, and management of all HOME Program assisted affordable housing projects. This provision for accountability to the low-income community, entails, at a minimum, a written procedure adopted by the board for obtaining input from the community regarding the delivery of housing whenever HOME Program funds are

used.

4. Relationship to For-Profit Entities

The CHDO cannot be controlled by for-profit organizations or individuals.

C. Certification/Review Process

The Division will accept CHDO certification applications throughout the year. The Division will only review completed application packets and applicable documentation. Applicants will be notified by the Division, if their application has been approved, denied, or what additional information and documentation is necessary to make a determination.

The Division is required to certify an organization as a CHDO each time it commits funds to an organization. Therefore, organizations that have previously been certified by the Division must complete this application for each new project. For a copy of the CHDO application see Appendix10: CHDO Application.

Each application will be reviewed by evaluating the following:

- Completeness - All required exhibits and attachments are included and the application was received on or before the due date.
- The application meets the required thresholds (serves the eligible populations, has requested funding for the appropriate uses, etc.).
- The organization has shown enhanced capabilities including, but not limited to; employees have specialized skills, the organization has long-term partnerships with for-profit entities, and has shown an advanced ability to leverage additional funding, etc.

D. Accessing CHDO HOME Funds

Any non-profit organization is eligible to apply for funding under the HOME Program, but only those non-profit organizations that receive certification as a CHDO are eligible to apply for funds from the Division's CHDO set-aside.

Once an organization has been approved and receives CHDO status from the Consortium, it may apply for CHDO funds. Certification as a CHDO does not guarantee that an organization will receive funding from the HOME Program. Whether a CHDO is successful in accessing funds will be a function of the merits of its proposed project, project feasibility, ability to proceed, and the strength of its partnership in and with the Division. The strength of the partnership between the Consortium and the CHDO has a great deal to do with communication and compliance.

E. Eligible CHDO Set-aside Activities

1. Only certain types of activities count toward the 15% set-aside.

The eligible activities are:

- a. Acquisition and/or rehabilitation of rental housing
- b. Construction of new rental housing
- c. Acquisition and/or rehabilitation of properties for home ownership
- d. New construction for home ownership

The following activities are not eligible for CHDO set-aside:

- a. Tenant-based rental assistance
- b. Rehabilitation of owner-occupied properties
- c. Direct home buyer assistance for existing housing (not developed, owned, or sponsored by a CHDO)

F. CHDO Roles

The 15% set-aside can only be used for projects in which a CHDO is the developer, owner or sponsor.

1. **CHDO as “Developer”** – A CHDO is a “developer” when it either owns property or develops a project.
 - a. **Rental Housing:** A CHDO that is a “developer” of rental housing is defined at §92.300(a)(3). The CHDO is the owner (in fee simple absolute or long-term ground lease) and developer of the project and must be in sole charge of all aspects of the development process, including obtaining zoning, securing non-HOME funds, selecting contractors, overseeing the progress of work, and determining reasonableness of costs. The CHDO must own the HOME-assisted housing during the development process and throughout the period of affordability.
 - b. **Home ownership:** For HOME-assisted homebuyer projects, the housing is “developed” by the CHDO if it is the owner (in fee simple absolute) and developer of new housing that will be constructed or existing substandard housing that is owned or will be acquired by the CHDO and rehabilitated for sale to low-income families, in accordance with §92.254. To be the “developer,” the CHDO must arrange financing for the project and be in sole charge of construction. As part of its set-aside funds, the CHDO can provide direct down payment assistance to a buyer of the housing it has developed with HOME funds in an amount not to exceed 10 percent of the amount of HOME development funds.
2. **CHDO as “Owner”** – A CHDO that is an “owner” of rental housing is defined at §92.300(a)(2). The CHDO is required to own (in fee simple absolute or long-term ground lease) multifamily or single family housing that is rented to low-income

families, in accordance with §92.252. The CHDO must own the HOME project during development and throughout the period of affordability, and is required to hire and oversee all aspects of the development process. At a minimum, the CHDO can own the property and hire a project manager or contract with a development contractor to oversee all aspects of the development – including, obtaining zoning, securing non-HOME financing, selecting a developer, or general contractor, overseeing the progress of the work and determining the reasonableness of costs.

3. CHDO as “Sponsor” – The Final HOME Rule provides two definitions of a “sponsor” of HOME-assisted rental housing:

- a. §92.300(a)(4) clarifies the requirement for CHDOs to maintain effective project control when acting as “sponsor” of rental housing: A CHDO “sponsors” rental housing when the property is “owned” or “developed” by:
 - A subsidiary of the CHDO (in which case the subsidiary, which may be a for-profit or non-profit organization, must be wholly owned by the CHDO);
 - A limited partnership (in which the CHDO or its wholly owned subsidiary must be the sole general partner); or
 - A limited liability company (in which the CHDO or its wholly owned subsidiary must be the sole managing member). If the limited partnership or limited liability company agreement permits the CHDO to be removed as sole general partner or sole managing member, respectively, the agreement must require that the removal be “for cause” and that the CHDO must be replaced by another CHDO. In addition, HOME funds must be provided to the entity that owns the project.
- b. §92.300 (a)(5) codifies the pre-2013 Rule definition of “sponsor.” It states that a CHDO “sponsors” HOME-assisted rental housing in situations in which the CHDO owns and develops the housing and agrees to convey the housing to a private non-profit organization (that does not need to be a CHDO but cannot be created by a governmental entity) at a predetermined time after completion of the project development. Such arrangements typically occur when a CHDO has development expertise and the non-profit organization has the capacity to own and operate the housing. The CHDO is required to own the property before the development phase of the project and is required to select the non-profit organization before entering into an agreement with the PJ that commits HOME funds to the project. The non-profit organization assumes the CHDO’s HOME obligation (including any repayment of loans) for the project. If the property is not transferred to the non-profit organization, the CHDO sponsor remains liable for the HOME assistance and the HOME project.

Appendix 1: Definitions

1. **Action Plan:** The one-year portion of the Consolidated Plan. It includes the PJ's annual application for HOME funds.

2. **Adjusted Income:** Adjusted income is annual (gross) income reduced by deductions for dependents, elderly households, medical expenses, handicap assistance expenses and childcare (these are the same adjustment factors used by the Section 8 Program). Adjusted income is used in HOME to compute the actual tenant payment in TBRA programs and the low HOME rent in rental projects in which rents are based on 30% of a family's adjusted gross income.

3. **Affordability:** The requirements of the HOME Program that relate to the cost of housing both at initial occupancy and over established timeframes, as prescribed in the HOME Final Rule. Affordability requirements vary depending upon the nature of the HOME assisted activity (i.e., homeownership or rental housing).

4. **Annual Income:** Annual income as defined in 24 CFR 5.609, referred to as "Part 5 annual income", also known as the rules for determining income under the Section 8 voucher program.

5. **Commitment:** Commitment means (1) The participating jurisdiction has executed a legally binding written agreement (that includes the date of the signature of each person signing the agreement) with a State recipient, a subrecipient, or a contractor to use a specific amount of HOME funds to produce affordable housing, provide down payment assistance, or provide tenant-based rental assistance; or has met the requirements to commit to a specific local project, as defined in paragraph (2) of this definition. (See § 92.504(c) for minimum requirements for a written agreement.) An agreement between the participating jurisdiction and a subrecipient that is controlled by the participating jurisdiction (e.g., an agency whose officials or employees are official or employees of the participating jurisdiction) does not constitute a commitment. An agreement between the representative unit and a member unit of general local government of a consortium does not constitute a commitment. In addition, and only until October 21, 2013, a properly executed written agreement reserving a specific amount of funds for a CHDO may constitute a commitment. As of October 22, 2013 the requirements for commitment to a specific local project will apply to all CHDO fund commitments.

6. **Commitment to a specific local project:** Commitment to a specific local project means that a legally binding agreement was executed meeting one of the following sets of requirements:

(1) For rehabilitation or new construction projects, the PJ (or other entity) and the project owner will execute an agreement for an identifiable project for which all necessary financing has been secured, a budget and schedule have been established, and underwriting has been completed and under which construction is scheduled to start within 12 months of the agreement date.

(2) If the project consists of acquisition of standard housing by the PJ, the agreement must be a binding contract for the sale of an identifiable property and the property title must be transferred to the PJ (or other entity) within six months of the date of the contract.

(3) If the project involves the acquisition of standard housing and the County of Hudson is providing HOME funds to a purchaser, under the agreement, the title of the property must be transferred to the purchase within six months of the agreement date.

(4) If the project consists of TBRA, the County of Hudson/Subrecipient must enter into a rental assistance contract with the owner or the tenant in accordance with the provisions of 24 CFR Part 92.209.

(5) Note that preliminary or conditional “commitments” may be made, but no funds are considered committed under the rules unless the above conditions have been met.

7. Consolidated Plan: A plan prepared in accordance with the requirements set forth in 24 CFR Part 91 which describes community needs, resources, priorities and proposed activities to be undertaken under certain HUD programs, including HOME.

8. Consortium: Geographically contiguous units of general local government consolidated to be in a single unit of general local government for HOME Program purposes when certain requirements are met.

9. Community Housing Development Organization (CHDO): A private, non-profit organization that meets a series of qualifications prescribed in the HOME regulations at 24 CFR Part 92.2. The HOME New Rule requires that CHDO's have paid staff with demonstrated capacity appropriate to the CHDO's role (this requirement cannot be met through volunteer, donated staff, shared staff, or board members). A participating jurisdiction must award at least 15 percent of its annual HOME allocation to CHDOs.

10. Draw-Down: The process of requesting and receiving HOME funds. The County of Hudson will draw down funds from a line of credit established by HUD.

11. Final Rule: The Final HOME Rule was published at 24 CFR Part 92 on July 24, 2013 and became effective on August 24, 2013.

12. **Group Home:** Housing occupied by two or more single persons or families consisting of common space and/or facilities for group use by the occupants of the unit, and (except in the case of shared one-bedroom units) separate private space for each family.

13. **HOME-Assisted Units:** A term that refers to the units within a HOME project for which rent, occupancy and/or resale restrictions apply. The number of units designated as HOME-assisted affects the maximum HOME subsidies that may be provided to a project.

16. **Household:** One or more persons occupying a housing unit.

17. **Jurisdiction:** A state or unit of general local government.

18. **Low-Income Families:** Families whose annual incomes do not exceed 80 percent of the median income for the area (adjusted for family size).

19. **Match:** Match is the other funding contributions to projects receiving funding from the HOME Program – the private, local, or other non-Federal contribution to the partnership. The Consortium’s match contribution must equal not less than 25 percent of the HOME funds drawn down for projects in that fiscal year.

20. **New Construction:** The creation of new dwelling units. Any project which includes the creation of new or additional dwelling units in an existing structure is considered new construction.

21. **Participating Jurisdiction (PJ):** The term given to any state, local government or consortium that has been designated by HUD to administer a HOME Program. HUD designation as a PJ occurs if a state or local government meets the funding thresholds, notifies HUD that they intend to participate in the program and has a HUD-approved Consolidated Plan.

22. **Program Income:** Gross income received by the C, state recipient, or a sub recipient directly generated from the use of HOME funds or matching contributions.

23. **Project:** A site or an entire building or two or more buildings, together with the site or sites on which the building or buildings is located, that are under common ownership, management and financing and are to be assisted with HOME funds, under a commitment by the owner, as a single undertaking. The HOME Final Rule eliminated the requirement that all buildings fall within a four block radius.

24. **Project completion:** All necessary title transfer requirements and construction work have been performed; the project complies with all HOME requirements; the final draw-down of HOME funds has been disbursed for the project; and the project completion information has been entered in the disbursement and information system established by HUD, except that with respect to rental housing project completion, for the purposes of § 92.502(d) of this part, project completion occurs upon completion of construction and

before occupancy. For TBRA, project completion means the final draw-down has been disbursed for the project.

25. Reconstruction (also rehabilitation): The rebuilding, on the same lot, of housing standing on a site at the time of project commitment. Except that housing that was destroyed may be rebuilt on the same lot if HOME funds are committed within 12 months of the date of destruction the number of housing units on the lot may not be changed as part of the reconstruction project, but the number of rooms per unit may change. Reconstruction also includes replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing.

Appendix 2: Subsidy Limits

Hudson County HOME Per Unit Maximum Subsidy
Effective 6/4/2020

Bedrooms	Section 234 Limit	High Cost Area Multiplier	Per Unit Max Subsidy
SRO	\$47,910	240%	\$114,984
0	\$63,881	240%	\$153,314
1	\$73,230	240%	\$175,752
2	\$89,049	240%	\$213,717
3	\$115,201	240%	\$276,482
4+	\$126,454	240%	\$303,489

Notes:

SRO: An SRO is a unit that does not have its own private bathroom or kitchen.

Bedroom: A room used for sleeping which has a door, window, closet, and heat.

Appendix 3: 2020 Jersey City, NJ HUD Metro FMR Area Income Limits

U.S. DEPARTMENT OF HUD
STATE:NEW JERSEY

		-----			2020 ADJUSTED HOME			INCOME LIMITS			-----		
PROGRAM		1 PERSON	2 PERSON	3 PERSON	4 PERSON	5 PERSON	6 PERSON	7 PERSON	8 PERSON				
Warren County, NJ HUD Metro FMR Area													
30% LIMITS		20650	23600	26550	29500	31900	34250	36600	38950				
VERY LOW INCOME		34450	39350	44250	49150	53100	57050	60950	64900				
60% LIMITS		41340	47220	53100	58980	63720	68460	73140	77880				
LOW INCOME		54950	62800	70650	78500	84800	91100	97350	103650				
Atlantic City-Hammonton, NJ MSA													
30% LIMITS		17450	19950	22450	24900	26900	28900	30900	32900				
VERY LOW INCOME		29050	33200	37350	41500	44850	48150	51500	54800				
60% LIMITS		34860	39840	44820	49800	53820	57780	61800	65760				
LOW INCOME		46450	53100	59750	66350	71700	77000	82300	87600				
Bergen-Passaic, NJ HUD Metro FMR Area													
30% LIMITS		21900	25000	28150	31250	33750	36250	38750	41250				
VERY LOW INCOME		36500	41700	46900	52100	56300	60450	64650	68800				
60% LIMITS		43800	50040	56280	62520	67560	72540	77580	82560				
LOW INCOME		54950	62800	70650	78500	84800	91100	97350	103650				
Jersey City, NJ HUD Metro FMR Area													
30% LIMITS		20750	23700	26650	29600	32000	34350	36750	39100				
VERY LOW INCOME	50% LIMITS --->	34550	39450	44400	49300	53250	57200	61150	65100				
60% LIMITS		41460	47340	53280	59160	63900	68640	73380	78120				
LOW INCOME		55250	63150	71050	78900	85250	91550	97850	104150				
Middlesex-Somerset-Hunterdon, NJ HUD Metro													
30% LIMITS		25100	28700	32300	35850	38750	41600	44500	47350				
VERY LOW INCOME		41850	47800	53800	59750	64550	69350	74100	78900				
60% LIMITS		50220	57360	64560	71700	77460	83220	88920	94680				
LOW INCOME		57800	66050	74300	82550	89200	95800	102400	109000				
Monmouth-Ocean, NJ HUD Metro FMR Area													
30% LIMITS		23000	26250	29550	32800	35450	38050	40700	43300				
VERY LOW INCOME		38300	43800	49250	54700	59100	63500	67850	72250				
60% LIMITS		45960	52560	59100	65640	70920	76200	81420	86700				
LOW INCOME		54950	62800	70650	78500	84800	91100	97350	103650				
Newark, NJ HUD Metro FMR Area													
30% LIMITS		22300	25450	28650	31800	34350	36900	39450	42000				
VERY LOW INCOME		37100	42400	47700	53000	57250	61500	65750	70000				
60% LIMITS		44520	50880	57240	63600	68700	73800	78900	84000				
LOW INCOME		54950	62800	70650	78500	84800	91100	97350	103650				

Appendix 4: 2020 Jersey City, NJ HUD Metro FMR Rents and HOME Rents

U. S. DEPARTMENT OF HUD
STATE: NEW JERSEY

----- 2020 HOME PROGRAM RENTS -----

PROGRAM EFFICIENCY 1 BR 2 BR 3 BR 4 BR 5 BR 6 BR

Warren County, NJ HUD Metro FMR Area

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
For Information Only:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

845 963 1163 1344 1500 1655 1809
845 963 1171 1463 1641 1887 2133
845 963 1171 1463 1641 1887 2133
905 970 1163 1344 1500 1655 1809
1156 1241 1491 1714 1893 2069 2246

Atlantic City-Hammononton, NJ MSA

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
For Information Only:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

726 778 933 1079 1203 1328 1452
872 993 1193 1369 1508 1645 1782
872 1028 1305 1745 1980 2277 2574
726 778 933 1079 1203 1328 1452
925 993 1193 1369 1508 1645 1782

Bergen-Passaic, NJ HUD Metro FMR Area

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
For Information Only:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

933 1000 1200 1386 1546 1706 1865
1151 1280 1538 1768 1953 2136 2320
1151 1377 1623 2023 2481 2853 3225
933 1000 1200 1386 1546 1706 1865
1194 1280 1538 1768 1953 2136 2320

Jersey City, NJ HUD Metro FMR Area

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
For Information Only:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

863 925 1110 1281 1430 1578 1725
1103 1183 1421 1633 1803 1970 2138
1292 1439 1691 2107 2291 2635 2978
863 925 1110 1281 1430 1578 1725
1103 1183 1421 1633 1803 1970 2138

Remember to deduct from
rent the utility allowance for
tenant paid utilities!

Middlesex-Somerset-Hunterdon, NJ HUD Metro

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
For Information Only:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

1046 1120 1345 1553 1733 1912 2091
1193 1382 1727 1987 2196 2405 2614
1193 1382 1770 2228 2572 2958 3344
1046 1120 1345 1553 1733 1912 2091
1340 1438 1727 1987 2196 2405 2614

Monmouth-Ocean, NJ HUD Metro FMR Area

LOW HOME RENT LIMIT
HIGH HOME RENT LIMIT
For Information Only:
FAIR MARKET RENT
50% RENT LIMIT
65% RENT LIMIT

957 1026 1231 1422 1587 1751 1914
1088 1270 1578 1815 2005 2194 2383
1088 1270 1639 2251 2523 2901 3280
957 1026 1231 1422 1587 1751 1914
1225 1314 1578 1815 2005 2194 2383

For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

Effective Date: July 1, 2020

Appendix 5: HUD Utility Allowance Limits



Office of Policy Development and Research (PD&R)
U.S. Department of Housing and Urban Development
Secretary Ben Carson



Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Locality ZIP07305 - Jersey City, NJ			Green Discount None	Unit Type Lowrise Apartment Building (2-4 units)			Date 06/22/2020
Utility/Service		Monthly Dollar Allowances					
Utility/Service	Utility/Service	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR
Space Heating	Natural Gas	\$39	\$44	\$47	\$50	\$52	\$55
	Bottle Gas	n/a	n/a	n/a	n/a	n/a	n/a
	Electric Resistance	\$48	\$56	\$71	\$86	\$100	\$115
	Electric Heat Pump	\$34	\$40	\$47	\$53	\$59	\$65
	Fuel Oil	n/a	n/a	n/a	n/a	n/a	n/a
Cooking	Natural Gas	\$2	\$3	\$4	\$5	\$7	\$8
	Bottle Gas	n/a	n/a	n/a	n/a	n/a	n/a
	Electric	\$8	\$10	\$14	\$19	\$23	\$28
	Other	n/a	n/a	n/a	n/a	n/a	n/a
Other Electric		\$39	\$46	\$63	\$81	\$99	\$117
Air Conditioning		\$11	\$13	\$19	\$25	\$31	\$36
Water Heating	Natural Gas	\$7	\$8	\$12	\$16	\$19	\$23
	Bottle Gas	n/a	n/a	n/a	n/a	n/a	n/a
	Electric	\$26	\$31	\$40	\$49	\$59	\$68
	Fuel Oil	n/a	n/a	n/a	n/a	n/a	n/a
Water		n/a	n/a	n/a	n/a	n/a	n/a
Sewer		n/a	n/a	n/a	n/a	n/a	n/a
Trash Collection		n/a	n/a	n/a	n/a	n/a	n/a
Range/Microwave		n/a	n/a	n/a	n/a	n/a	n/a
Refrigerator		n/a	n/a	n/a	n/a	n/a	n/a
Other – specify		n/a	n/a	n/a	n/a	n/a	n/a

* The schedule above has allocated any monthly fees from tariffs into the 1st instance where they are selected in the Actual Allowance section. Be sure to apply monthly fees correctly to allowances with a different utility profile!



Office of Policy Development and Research (PD&R)
U.S. Department of Housing and Urban Development
Secretary Ben Carson



Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Locality ZIP07305 - Jersey City, NJ			Green Discount None	Unit Type Larger Apartment Building (5+ units)				Date 06/22/2020
Utility/Service		Monthly Dollar Allowances						
Utility/Service	Utility/Service	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
Space Heating	Natural Gas	\$27	\$30	\$33	\$36	\$40	\$43	
	Bottle Gas	n/a	n/a	n/a	n/a	n/a	n/a	
	Electric Resistance	\$35	\$40	\$52	\$64	\$76	\$88	
	Electric Heat Pump	\$26	\$31	\$37	\$42	\$46	\$51	
	Fuel Oil	n/a	n/a	n/a	n/a	n/a	n/a	
Cooking	Natural Gas	\$2	\$3	\$4	\$5	\$7	\$8	
	Bottle Gas	n/a	n/a	n/a	n/a	n/a	n/a	
	Electric	\$8	\$10	\$14	\$19	\$23	\$28	
	Other	n/a	n/a	n/a	n/a	n/a	n/a	
Other Electric		\$32	\$37	\$52	\$67	\$81	\$96	
Air Conditioning		\$10	\$12	\$17	\$22	\$27	\$32	
Water Heating	Natural Gas	\$6	\$7	\$9	\$12	\$15	\$18	
	Bottle Gas	n/a	n/a	n/a	n/a	n/a	n/a	
	Electric	\$21	\$25	\$32	\$39	\$47	\$55	
	Fuel Oil	n/a	n/a	n/a	n/a	n/a	n/a	
Water		n/a	n/a	n/a	n/a	n/a	n/a	
Sewer		n/a	n/a	n/a	n/a	n/a	n/a	
Trash Collection		n/a	n/a	n/a	n/a	n/a	n/a	
Range/Microwave		n/a	n/a	n/a	n/a	n/a	n/a	
Refrigerator		n/a	n/a	n/a	n/a	n/a	n/a	
Other – specify		n/a	n/a	n/a	n/a	n/a	n/a	

* The schedule above has allocated any monthly fees from tariffs into the 1st instance where they are selected in the Actual Allowance section. Be sure to apply monthly fees correctly to allowances with a different utility profile!



Office of Policy Development and Research (PD&R)
U.S. Department of Housing and Urban Development
Secretary Ben Carson



Allowances for Tenant-Furnished Utilities and Other Services

U.S. Department of Housing and Urban Development
Office of Public and Indian Housing

Locality ZIP07305 - Jersey City, NJ		Green Discount None		Unit Type Single Family House			Date 06/22/2020	
Utility/Service Utility/Service		Monthly Dollar Allowances						
		0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	
Space Heating	Natural Gas	n/a	n/a	n/a	n/a	n/a	n/a	
	Bottle Gas	n/a	n/a	n/a	n/a	n/a	n/a	
	Electric Resistance	n/a	n/a	n/a	n/a	n/a	n/a	
	Electric Heat Pump	n/a	n/a	n/a	n/a	n/a	n/a	
	Fuel Oil	n/a	n/a	n/a	n/a	n/a	n/a	
Cooking	Natural Gas	n/a	n/a	n/a	n/a	n/a	n/a	
	Bottle Gas	n/a	n/a	n/a	n/a	n/a	n/a	
	Electric	n/a	n/a	n/a	n/a	n/a	n/a	
	Other	n/a	n/a	n/a	n/a	n/a	n/a	
Other Electric		n/a	n/a	n/a	n/a	n/a	n/a	
Air Conditioning		n/a	n/a	n/a	n/a	n/a	n/a	
Water Heating	Natural Gas	n/a	n/a	n/a	n/a	n/a	n/a	
	Bottle Gas	n/a	n/a	n/a	n/a	n/a	n/a	
	Electric	n/a	n/a	n/a	n/a	n/a	n/a	
	Fuel Oil	n/a	n/a	n/a	n/a	n/a	n/a	
Water		\$41	\$43	\$55	\$74	\$92	\$111	
Sewer		\$15	\$15	\$15	\$15	\$15	\$15	
Trash Collection		n/a	n/a	n/a	n/a	n/a	n/a	
Range/Microwave		n/a	n/a	n/a	n/a	n/a	n/a	
Refrigerator		n/a	n/a	n/a	n/a	n/a	n/a	
Other – specify		n/a	n/a	n/a	n/a	n/a	n/a	

* The schedule above has allocated any monthly fees from tariffs into the 1st instance where they are selected in the Actual Allowance section. Be sure to apply monthly fees correctly to allowances with a different utility profile!

Appendix 6: Calculating Income Eligibility

<https://www.hudexchange.info/resource/786/technical-guide-for-determining-income-and-allowances-for-the-home-program/>

Appendix 7: Rental Compliance Monitoring Guide

Hudson County
Division of Housing and
Community Development



HOME Program
Rental Compliance Manual



Contents

INTRODUCTION	2
I. OWNER'S RESPONSIBILITIES	3
II. RECORD-KEEPING REQUIREMENTS	3
III. HOME RENTS	5
V. HOME INCOME TARGETING REQUIREMENTS	7
VI. PERIOD OF AFFORDABILITY	7
VII. ANNUAL INCOME ELIGIBILITY RECERTIFICATION	8
VIII. FAIR HOUSING AND EQUAL OPPORTUNITY LAWS	10
IX. MONITORING PROCESS	10
ADDENDUM 1: DETERMINING HOUSEHOLD INCOME	13
ADDENDUM 2: 2018 & 2019 HOME RENT LIMITS	15
ADDENDUM 3: 2018 & 2019 HOME INCOME LIMITS	16
ADDENDUM 4: UTILITY ALLOWANCE SCHEDULES	17
ADDENDUM 5: TENANT SELECTION PLAN (TSP) &	18
AFFIRMATIVE FAIR HOUSING MARKETING PLAN (AFHMP)	18
ADDENDUM 6: RENTAL & INCOME VERIFICATION REPORT (RIV)	19
ADDENDUM 7: PROJECT FINANCIAL STATEMENT (PFS)	20
ADDENDUM 8: CERTIFICATION OF COMPLIANCE (COC)	21
ADDENDUM 9: HOUSING QUALITY STANDARDS CHECKLIST HUD-52580A	22

INTRODUCTION

This manual is a reference guide for the administration of the HOME Rental Program. It is intended to answer questions regarding procedures, rules and regulations that govern HOME properties. The manual should be used in conjunction with, and as a supplement to 24 CFR Part 92 and part 200 regulations. If a determination is made that any provision of this manual is in conflict with the regulations, 24 CFR, Part 92 and Part 200 will govern.

HOME funded rental projects are subject to a number of rules designed to ensure that rental housing produced with HOME funds is affordable to households earning below 60% Area Median Income, at the time that it is first developed, and for a determined affordability period. This manual is designed to guide owners and agents in establishing and maintaining compliance with the HOME and Regulatory requirements associated with the allocation of HOME funds.

This manual is not intended to be all-inclusive. Compliance is **always** the responsibility of the development owner. HOME regulations can be located at:

<https://www.hudexchange.info/home/home-laws-and-regulations>

Questions regarding HOME compliance issues may be directed to:

Randi Moore, Division Chief
Kimberly El-Sadek, Program Director
Asha Bailey, Compliance Monitor

Hudson County Division of Housing and Community Development
830 Bergen Avenue 5B
Jersey City, NJ 07306
201-369-4520
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I. OWNER'S RESPONSIBILITIES

In accordance with HOME program regulations, a development owner receiving and accepting HOME funds is required to manage the development in accordance with the HOME Final Rule and regulatory agreement. Specifically, the owner must adhere to the following requirements:

1. Ensure all HOME units are rented to income eligible tenants (Addendum 3);
2. Annually recertify tenants' income and maintain source documentation supporting income eligibility;
3. Maintain the physical building to applicable HOME property standards;
4. Ensure that the property is being managed in accordance with all applicable federal, state and local fair housing laws;
5. Assume liability for all instances of noncompliance and the correction of such deficiencies;
6. Provide the Hudson County Division of Housing and Community Development (the "Division") with reasonable access to HOME records and the HOME assisted project for the purpose of review and inspection;
7. Provide annually updated Rental & Income Verification Report (Addendum 6), Tenant Selection Plan (Addendum 5), Affirmative Fair Housing Marketing Plan (upon request, Addendum 5), and Project Financial Statement (Addendum 7) to the Division;
8. Provide annually a completed and signed Owner Certification of Compliance (Addendum 8) form to the Division;
9. List all available units and waiting lists on the Hudson Housing Finder. The Housing Finder must be incorporated into the Tenant Selection Plan.

II. RECORD-KEEPING REQUIREMENTS

The agent/owner shall establish and maintain a comprehensive system of records, books, and development accounts as well as tenant files, in a manner satisfactory to the Division.

The owner/agent bears the responsibility of maintaining and safeguarding the management and operating records of the development, such as tenant files, maintenance records and supporting documents for receipts and disbursements.

General rental housing records must be kept for five years after project completion. Tenant income, rent and inspection information must be kept for the most recent five years, until five years after the affordability period expires.

Agent/Owner must keep the following records available for review at all times:

1. A listing of the total number of residential rental units and number of bedrooms in each unit of the development;

2. The percentage of Low (50% AMI) and High (60% AMI) HOME rent units in the development;
3. The rent charged on each unit in the development, including the utility allowance;
4. The number of occupants in each unit;
5. Income certifications/recertifications for each income eligible tenant household and sufficient documentation to support the certification.

All tenant files must include the following documents:

1. Application - A rental application that discloses household composition and income.
2. Tenant Income Certification (TIC) - An original certificate, signed by the owner/management agent with the appropriate tenant and unit information demonstrating the tenant is qualified to live in the HOME assisted unit.
3. Third-Party Verification or Source Documents - The appropriate documents verifying the information provided by the tenant for each certification and recertification.
4. Lease: The lease between the owner/agent and tenant in a HOME assisted property should be for a term of at least one year (unless otherwise agreed upon by the tenant and owner/agent), and must contain signatures of all adult household members and the owner/agent. The lease may not contain any of the HOME prohibited items listed in §92.253 which are as follows:
 - a. Agreement to be sued. Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
 - b. Treatment of property. Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;
 - c. Excusing owner from responsibility. Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
 - d. Waiver of notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
 - e. Waiver of legal proceedings. Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;

- f. Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury;
- g. Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease;
- h. Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenant to pay attorney's fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses; and
- i. Mandatory supportive services. Agreement by the tenant (other than a tenant in transitional housing) to accept supportive services that are offered.

III. HOME RENTS

The Regulatory Agreement for each development will set the required rent levels. In some instances the Regulatory Agreement is more restrictive than overall HOME program requirements and will be the ruling standard. Every HOME-assisted unit is subject to rent controls based on the number of bedrooms in the unit. These maximum rents are referred to as HOME Rents.

There are two levels of HOME Rents established for developments: Low HOME Rent for households earning no greater than 50% Area Median Income (AMI) and High HOME Rent for households earning between 50% and 60% AMI. Both the Low and High HOME Rents represent the maximum that tenants can pay for rent and utilities combined.

Low HOME Rents (applies to developments with five or more HOME assisted units): 20% of HOME-assisted units in projects with 5 or more units must have rents (including any allowance for tenant-paid utilities) which are less than or equal to the lesser of:

- a. 30% of the gross monthly incomes for households with 50% of area median income; or
- b. The Section 8 Fair Market Rents (Metro FMRs) for the county in which the development is located.

If the Low HOME unit receives Federal or State project-based rental subsidy and the very low-income family pays as a contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program. Units in which the tenant receives tenant-based rental assistance may not charge more than the appropriate High or Low HOME rent.

High HOME Rents: the remaining HOME-assisted units must have rents (including any allowance for tenant-paid utilities) that are less than or equal to the lesser of:

- a. 30% of the gross monthly income for households with 65% of area median income; or
- b. The FMRs for the county in which the development is located.

If the FMR is lower than the HOME Rents based on 50% and 65% of area median income, the High HOME Rent and the Low HOME Rent will be identical.

Revised 09/2019

High HOME Rent units and units in which the tenant is using tenant-based rental assistance may not charge more than the appropriate HOME rent. Tenants with rental assistance are not to be denied based on their possession of a voucher. Units may be rented to these tenants and the voucher will pay the difference between the tenant's portion of rent and the total High HOME or Low HOME rent.

HUD calculates and publishes the Low and High HOME rents annually, generally around May or June. The current rent limits are included in Addendum 2 and the Division will provide updates as they become available.

Each individual project may have additional rent restrictions agreed between the county and the owner when funded. These restrictions will be detailed in the Regulatory Agreement.

Rent Increases

Annual rent increases are permitted provided the tenant is given at least thirty (30) days written notice before rent increases are implemented. A rent increase is also subject to the provisions of the lease agreement.

The maximum allowable annual rent increase will be based on the prior calendar year's Annual 12-Month Percent Change of the Consumer Price Index-All Urban Consumers Not Seasonally Adjusted measure as published by the Bureau of Labor Statistics in the United State Department of Labor. The rent increase when applied must not result in a rent exceeding the HOME Rent Limits in effect at the time of the rent increase. In the event that the Consumer Price Index is zero or negative, no rent increases are allowed. The 2018 Annual 12-Month Percent Change of the Consumer Price Index-All Urban Consumers Not Seasonally Adjusted is +2.4%.

It is important to note that HOME Rent Limits may stay level from one year to the next and occasionally decrease. In this case, the project owner is not required to decrease rent for existing tenants.

If a project is subject to local rent control ordinance, the most restrictive allowable rent increase would apply.

Utility Allowances

The HOME Rents provide an allowance for tenant-paid utilities. When calculating the maximum rent that could be charged for a HOME-assisted unit, the development owner must subtract from the applicable High or Low HOME Rent limit, the utility allowance for that unit.

The Division will annually calculate and distribute a utility allowance schedule for HOME assisted projects around May or June to go into effect alongside the annually updated HOME Rent Limits which are released by HUD in May or June (Addendum 4).

Only LIHTC projects may use the NJHMFA issued utility allowances and a copy of the utility allowance schedule must be provided during the annual monitoring process.

IV. TENANT ELIGIBILITY & MARKETING REQUIREMENTS

At initial occupancy, owner/agents must determine whether prospective tenants of HOME-assisted units are income eligible households, no greater than 50% AMI for Low HOME Rent units and between 50% and 60% AMI for High HOME Rent units (Addendum 3).

Tenant Selection Plan

All tenants must be selected in accordance with the program's approved Tenant Selection Plan (TSP) which is to be updated annually and submitted as part of the annual monitoring process. The Tenant Selection Plan details the project's application, tenant screening, and approval process (Addendum 5).

Affirmative Fair Housing Marketing Plan

All projects must complete an Affirmative Fair Housing Marketing Plan (AFHMP) prior to initial lease up and updated at least every 5 years during the affordability period (Addendum 5). These plans are intended to promote equal housing choices for all prospective tenants in the market area regardless of race, color, religion, sex, age, creed, national origin, familial status or handicap. Marketing efforts must be intentional, monitored, and adjusted if the desired mix of applicants does not apply for residency.

V. HOME INCOME TARGETING REQUIREMENTS

For developments including five or more HOME-assisted units, at least 20% of the HOME-assisted units must be occupied by households whose annual incomes, at the time of initial occupancy, are 50% or less of area median. These very low-income tenants must occupy the units with the Low HOME Rents.

The remaining HOME-assisted units must be occupied by families with annual incomes that are 60% or less of area median. These are considered High HOME units. Development owners may agree to additional income and rent restrictions depending on the goals of their development, the marketability of their units, and the requirements of other funding sources used to develop the development. The HOME regulatory agreement will establish actual requirements.

HOME units may be "fixed" or "floating" and are designated on a development by-development basis.

Fixed Units – A designation of specific units identified as HOME assisted units.

Floating Units – A certain number of units within the HOME development are not specified by unit number or letter. Floating HOME units must match both the number of units and the unit mix (# bedrooms) represented in the development's Regulatory Agreement during the period of affordability.

VI. PERIOD OF AFFORDABILITY

Both the rent limits and income targeting requirements must be maintained during the period of affordability. The period of affordability begins the day that the day that construction is completed, which will be evidenced by Certificate of Occupancy. A Temporary Certificate of Occupancy may be accepted at the discretion of the Division.

Revised 09/2019

The length of the affordability period for HOME-assisted units depends upon the amount of HOME funds invested per unit and the agreement between the Division and the project owner. The chart below defines the minimum affordability periods, but owners should review the Regulatory Agreement for specific timeframes for each project, as the period may be longer.

HOME Investment per Unit	Minimum Affordability Period
Less than \$15,000	5 years
\$15,000-\$40,000	10 years
More than \$40,000	15 years
New Construction or acquisition of newly constructed rental housing	20 years
Refinancing of rental housing	15 years

VII. ANNUAL INCOME ELIGIBILITY RECERTIFICATION

All tenants occupying a rental unit in a HOME-funded development must be recertified annually at the time of a tenant's lease renewal. Alternatively, with Division approval the project owner may choose to recertify all tenants at the same time each year. Interim recertifications are not required under the HOME Program, although a project owner may choose to process an interim recertification at its own discretion. An interim recertifications is not a replacement for the annual recertification. Annual recertifications must be effective on or before the lease renewal date, but not more than 60 days before the lease renewal.

Increases in Tenant Household Income

Tenant's household income may increase over time. Project owners are required to take certain steps to maintain compliance if increases occur during the affordability period. A project is required to maintain the total number of HOME-assisted units as described in the regulatory agreement. The project must also maintain the appropriate number of High (60% AMI) and Low HOME (50% AMI) rent units. If a tenant's household income increases over 80% of AMI, rents must be adjusted to 30% of the household's adjusted income calculation (Note: this is not the same as IRS adjusted gross income!) and the unit may change affordability designations. The process is different for fixed and floating unit projects and described below:

Fixed Unit Projects

If the income of a tenant occupying a Low HOME rent unit increases over 50% of AMI, but does not exceed 80% of AMI, that unit remains a Low Rent unit until a HOME-assisted unit can be substituted.

- In this situation, the owner may not increase the tenant's rent above the Low HOME rent limit for as long as the unit retains the Low HOME unit designation and is occupied by the income eligible tenant household whose income exceeds 50% of AMI but is below 80% of AMI.

- When a High Home Rent unit in the property vacates, that unit must be redesignated as a Low HOME rent unit. This unit must be rented to an income eligible tenant household earning at or below 50% AMI at no more than the maximum Low HOME rent.
- Once the new Low HOME rent unit has been designated, the previous Low HOME rent unit that is occupied by the tenant between 50% AMI and 80% AMI must be redesignated as the High HOME rent unit. At this time, the owner may increase the tenant's rent to the High HOME rent, subject to the terms of the lease.

If a tenant in a Low or High HOME rent unit increases above 80% of AMI the unit this tenant occupies is still considered to be a HOME-assisted unit but the tenant's rent must be adjusted.

- Over-income tenants with incomes over 80% of AMI in a fixed unit must pay 30% of their adjusted income for rent and utilities.
- If the tenant whose income went over 80% of AMI was in a Low HOME unit and they elect to vacate the property, the new tenant must be at or below 50% of AMI and rent cannot exceed the Low HOME Rent limit
- If the tenant whose income went over 80% of AMI was in a High HOME unit and they elect to vacate the property, the new tenant must be at or below 60% of AMI and rent cannot exceed the High HOME Rent limit

Floating Unit Projects

In properties with floating units, owners can generally draw on all of the units in the property to designate High or Low HOME rent units. This means that the owner is not restricted to those units initially designated as HOME-assisted units when looking to re-designate a comparable unit as the new Low or High unit. However, the owner is not required to designate more HOME-assisted units than initially required.

If the income of a tenant occupying a Low HOME rent unit increases over 50% of AMI, but does not exceed 80% of AMI, that unit remains a Low Rent unit until a comparable unit can be substituted.

- In this situation, the owner may not increase the tenant's rent above the Low HOME rent limit for as long as the unit retains the Low HOME unit designation and is occupied by the low-income household who income exceeds 50% of AMI but is below 80% of AMI.
- To replace the Low HOME rent unit, the next available High HOME rent unit must be rented to an income eligible tenant household earning at or below 50% AMI at no more than the Low HOME rent.
- Once the new Low HOME rent unit has been designated, the previous Low HOME rent unit that is occupied by the tenant between 50% AMI and 80% AMI must be re-designated as the High HOME rent unit. At this time, the owner can increase the tenant's rent to the High HOME rent, subject to the terms of the lease.
- Note that the owner is not required to re-designate a vacated market rate unit as a HOME-assisted unit unless one of the existing HOME-assisted units is occupied by a tenant whose income is over 80% of AMI

If a tenant's income increases above 80% of AMI, the unit this tenant occupies is still considered to be a HOME-assisted unit, but the following must occur:

- The tenant's income must be adjusted and the tenant must pay 30% of their adjusted income for rent and utilities not to exceed the HUD Small Area Fair Market Rent (FMR) applicable to the unit size.

- The next available market unit in the project of comparable size or larger must be rented to a HOME-eligible household. The unit occupied by the over-income tenant is no longer considered HOME-assisted and the rent of that unit can be adjusted.

Vacated HOME-Assisted Units

When households vacate HOME-assisted units, they must be reoccupied by an eligible household in the appropriate income category to satisfy the projects HOME occupancy requirements.

VIII. FAIR HOUSING AND EQUAL OPPORTUNITY LAWS

For HOME assisted developments with five or more assisted units, HOME requires affirmative marketing. Prior to closing, properties must prepare and submit for approval to the Division an Affirmative Fair Housing Marketing Plan (AFHMP). Any changes to the approved AFHMP must be submitted to the Division for approval. The AFHMP must be updated every five years or more frequently upon request. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status or disability.

The affirmative marketing requirements and procedures adopted must include:

1. Methods for informing the public, owners, and potential tenants about Federal fair housing laws. (e.g., the use of the Equal Housing Opportunity logotype or slogan in press releases and solicitations for owners; and written communication to fair housing and other groups)
2. Requirements and practices each owner/agent must adhere to in order to carry out the affirmative marketing procedures and requirements (e.g., display of fair housing poster and Equal Housing Opportunity Logo and slogans).
3. Procedures to be used by owner/agents to inform and solicit applicants from persons in the housing market area that are not likely to apply for housing without special outreach. (e.g., use of community organizations, places of worship, employment centers, fair housing groups, or housing counseling centers).
4. Records that will be kept describing actions taken by the owner/agent to affirmatively market units and records to assess the results of these actions.
5. A description of how the owner/agent will annually assess the success of affirmative marketing actions and what corrective actions will be taken where requirements are not met.

IX. MONITORING PROCESS

The Division's Monitoring Role

In accordance with the HOME Program Rule the Division is responsible for monitoring HOME-assisted programs to ensure ongoing program compliance throughout the compliance period.

New Projects

Prior to closing out a project the Division staff will review all HOME-assisted tenants' income eligibility, rents, leases and affirmative marketing/tenant selection procedures. This review may be completed remotely/electronically for smaller projects.

Within Twelve (12) months of closing the project in IDIS, the Division will perform the initial on-site inspection of the property and HOME-assisted units for compliance with the Division's required property standards.

After initial review the Division will monitor each project according to the process set forth below.

Existing Projects

Annually, on or about June 1st, projects will be notified of updated HOME Rents, Income Limits, and Utility allowances. Please note that this will be dependent upon when HUD publishes updates.

Annual Desk Review of Rents, Incomes, Unit Mix, Lease Terms and Financial Status

During the project's affordability period the Division will annually conduct a desk review of all HOME-assisted units in existing HOME-assisted projects for compliance with HOME Program rules. The Division will annually monitor the financial status of all HOME projects, regardless of project size annually.

Division staff will electronically send owners/agents the compliance reports and documents to be completed for submission and review. The Division will evaluate compliance with HOME Rent & Income Limits, Utility Allowances, analyze the financial performance of the project, and review tenant lease agreements.

The monitoring process is expected to be completed within 90 days from notification of monitoring, submission and review of documentation, physical inspection of the project, notice of findings (if any), and notification of compliance.

On-Site Reviews

Schedule and Sample Size

The Division will perform on-site reviews of client files and physical condition of each project based on the number of HOME-assisted units in a project. The chart below outlines how many units will be inspected:

# of HOME Assisted Units	# of Units to be Inspected
1-4	100% of units
5-20 Units	4 Units
Over 20 units	20% of units

HOME Program rules require on site monitoring including physical inspection within 12 months of a project's initial occupancy date and every three years thereafter. The Division intends to conduct on site monitoring annually and whenever there is a concern of operational deficiencies. All projects are required to submit an annual Owner Certification of Compliance (COC) that all

Revised 09/2019

HOME assisted units meet habitability standards, are occupied by income eligible households, and the project is in compliance with HOME Program rules.

On-Site File Review

The Division will review files of HOME-assisted units to verify the following:

1. Appropriate income documentation is on file and that incomes were calculated correctly and in accordance with the Part 5 methodology;
2. Rents, including documentation of utility allowances, comply with required rent limits;
3. Leases are for one year, do not contain prohibited terms and the tenants have been appropriately notified of lease renewals and rent increases; and
4. Any vacancies have been filled in a manner consistent with the project's tenant selection plan.

Onsite Property Standards Inspection

Division staff will inspect a sample of units as outlined in the chart above utilizing Housing Quality Standard Checklist HUD-52580A (Addendum 9). In addition, Division staff will inspect the site, building exterior and common areas.

Owners must correct any reported deficiencies within one month from the inspection date with the exception that any health and safety related deficiencies (e.g. fire exits, infestation, smoke detectors, elevators etc.) must be corrected immediately. A follow up inspection will be conducted to determine if the deficiencies have been corrected; however, certain non-hazardous deficiencies may not be required to be physically re-inspected if satisfactory documentation, (e.g. paid invoice of work order accompanied by photographs, etc.) is provide to the Division within one month.

Any project in which a health or safety related deficiency was identified will be required to have a physical inspection the following year.

Program Noncompliance

Should the Division find instances of noncompliance with any provision of the HOME agreements during monitoring visit or otherwise, the development owner will be immediately notified of the violation(s), and the time period allowed for correcting the violation(s).

The owner shall immediately notify the Division, in writing, if they become aware of any situation, event or condition that would result in noncompliance. Such written notice shall include an outline of steps the owner intends to take toward remedy of the infraction.

Owners shall have thirty (30) days (or such greater time as deemed necessary by the Division in its sole discretion) to correct noncompliance matters.

ADDENDUM 1: DETERMINING HOUSEHOLD INCOME

The Division requires that the definition of income found at 24 CFR Part 5, or the “Part 5” definition be used in determining client income.

Owners/agents must follow appropriate steps in determining whether a tenant is an eligible low-income tenant prior to admittance. The steps are provided below:

1. Determine household size
2. Calculate annual income through the use of third-party verifications and source documents
3. Determine that annual income does not exceed income limits
4. Certify to Tenants Qualification

Income eligibility is based on *anticipated income*. When collecting income verification documentation, owner/agents must consider any likely changes in income. While there is no definitive way to guarantee an applicant’s future income, wage statements that reflect overtime earnings and tax returns should be reviewed carefully to identify trends over time.

An overview of how household income should be calculated and documented is included below and detailed instructions on calculating tenant income can be found in the Technical Guide for Determining Income and Exclusions for the HOME Program (the “Technical Guide”):

http://portal.hud.gov/hudportal/documents/huddoc?id=19754_1780.pdf

The following items are key to understanding Part 5 definition:

- **Gross amount.** For those types of income counted, gross amounts (before any deductions have been taken) are used;
- **Income of all adult household members.** The Part 5 definition of annual income contains income “inclusions” – types of income to be counted – and “exclusions” – types of income that are not considered (for example, income of minors); and
- **Anticipated to be received.** The Part 5 annual income is used to determine eligibility and the amount of Federal assistance a family can receive. A PJ must, therefore, use a household’s expected ability to pay, rather than past earnings, when estimating housing assistance needs.

Whose Income Should be Included

The income of all adult household members should be counted. Under the Part 5 definition of annual income, income from certain groups of people requires special consideration when calculating a household's annual income. Detailed instructions on how to include the income of the following categories of people can be found in the Technical Guide.

- Minors (age 17 and under)
- Live-in aides
- Persons with disabilities
- Temporarily absent family members
- Permanently absent family members
- Adult students living away from home

What Income to Count

At its most basic level, the Part 5 definition of annual income includes actual income and income derived from assets. There are certain inclusions and exclusions to each. A list of the Part 5 income inclusions and exclusions is published in the Code of Federal Regulations at 24 CFR 5.609. This list is periodically updated by HUD when changes are made to the Part 5 definition of annual income by the United States Congress.

How to Treat Assets

In general terms, an asset is cash or non-cash item that can be converted to cash. Note that when assets are included in the calculation of Part 5 annual income, it is the income earned from the asset - not the value of the asset - that is counted.

This income is counted even if the household elects not to receive it. For example, though an applicant may elect to reinvest the interest or dividends from an asset, the interest or dividends are still counted as income.

As with other forms of income, the income from assets that is included when determining Part 5 annual income is the income that is anticipated to be received from the asset during the coming 12 months.

Detailed instructions on how to treat assets can be found in the Technical Guide.

Third-Party Verification

All sources of income must be declared by a household applying for occupancy in a HOME funded project. The owner and/or management agent must verify each and every source of income before a family is allowed to occupy a rental unit.

Owners or management must seek written third-party verification for all income, whenever possible. Tenant supplied verification, such as check stubs, W-2's and divorce degrees, should be used only when third-party verifications are impossible or impractical. Verifications are valid for 90 days prior to the move-in and recertification dates.

At least two months of source documents (i.e. paystubs, interest statements etc.) must be examined when determining income.

Appendix 8: HOME Program Checklist

Hudson County Division of Housing and Community Development HOME Program Checklist

Project Name:					
Developer:					
Address:					
Project Type:					
Total units:		Total HOME Units (High/Low)			
HOME funds Requested:		HOME funds per unit:			
Commitment Date:		Closeout Date:		IDIS #:	
Changes to project?	Date: Notes:		Date: Notes:		

Documents Required for Commitment of Funds					
Application and Project Documents		N/A	In File	Date	NOTES
	Application and Proforma				
	Organizational document/ ownership structure				
	Audited corporate or partnership financial statements				
	Relevant Staff Experience				
	Documentation of Municipal Support				
	Evidence of Site Control				
	Commitments for non-HOME funds				
	Appraisal/Market Analysis				
	Land use approval (s)				
	If any existing building was completed prior to 01-01-1978, additional submission requirements re: lead based paint				
	Relocation Plan				
	Preliminary plans and specifications				
	Construction/Completion Schedule				
	Environmental Assessment or other required reports				
	Plan for Special Needs Services for residents (if applicable)				

	Compliance with Section 504 (ADA compliance)				
	Documentation of rental assistance/subsidy (if applicable)				
	CHDO Certification (if applicable)				
	<i>Hudson County Participating Jurisdiction Requirements</i>	N/A	In File	Date	NOTES
	Consistency with PJ's approved Consolidated Plan/Annual Action Plan				
	Environmental Review Record				
	Form 7015.16 Complete				
	6600-Complete and Archive Review				
	Subsidy Layering Analysis/Cost Reasonableness Review				
	Assessment of developer's capacity/financial capacity				
	Commitment Letter				
	<i>Date all commitment requirements achieved/approved</i>				
Documents Required Prior to Release of Funds					
	<i>Project Documents-PJ</i>	N/A	In File	Date	NOTES
	Regulatory Agreement a) # of HOME units identified and designated as Low (50%) or high (80%) by bedroom size b) Fixed/Floating designated				
	Recorded legal documents with affordability requirements (land use restriction covenants, mortgage & note)				
	IDIS Set-up				
	<i>Architectural/Construction Documents</i>	N/A	In File	Date	NOTES
	Architect's Contract				
	Architectural Drawings a) CD b) Full size				
	Contractor Bid Documents (including bid tabulation)				
	Contractor Eligibility (Debarment Check, Sec.3, WMBE)				
	Contractor License and Insurance				

	Construction Contract				
	Notice to Proceed				
	Building Permits				
	Approved Change Orders				
	Contractor Payment/Requisitions				
	Payment Certifications				
	Certified Payrolls- Davis Bacon (12 or more units)				
	See Construction Checklist				
Documents Required for Project Close-out					
Construction Documents		N/A	In File	Date	NOTES
	Final invoice from contractor				
	Waiver of liens from general contractor, subcontractors, and suppliers				
	Warranties (if applicable)				
	Certificate of Occupancy				
	Cost Certification				
Initial Occupancy Documents		N/A	In File	Date	NOTES
	Documentation that the following were received by owner: 1. Utility allowances 2. Rent amounts 3. Income limits 4. Guide to calculating income 5. Sample Lease 6. Lead Based Paint pamphlet 7. Rental Monitoring Guide				
	Income certification & verification (source documentation collected)				
	Lead-Based Paint disclosures to tenants (if applicable)				
	Initial Occupancy Compliance form				
	Lease				
	IDIS Project Completion Form				
	Affirmative Fair Housing Marketing Plan				

	Hudson Housing Finder Listing				
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Appendix 9: Affirmative Fair Housing Marketing Plan

Note to all applicants/respondents: This form was developed with Nuance, the official HUD software for the creation of HUD forms. HUD has made available instructions for downloading a free installation of a Nuance reader that allows the user to fill-in and save this form in Nuance. Please see <http://portal.hud.gov/hudportal/documents/huddoc?id=nuancereaderinstall.pdf> for the instructions. Using Nuance software is the only means of completing this form.

Affirmative Fair Housing Marketing Plan (AFHMP) - Multifamily Housing

U.S. Department of Housing
and Urban Development
Office of Fair Housing and Equal Opportunity

OMB Approval No. 2529-0013
(exp.12/31/2016)

1a. Project Name & Address (including City, County, State & Zip Code)	1b. Project Contract Number	1c. No. of Units
	1d. Census Tract	
	1e. Housing/Expanded Housing Market Area	

1f. Managing Agent Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address

1g. Application/Owner/Developer Name, Address (including City, County, State & Zip Code), Telephone Number & Email Address

1h. Entity Responsible for Marketing (check all that apply)

Owner Agent Other (specify)

Position, Name (if known), Address (including City, County, State & Zip Code), Telephone Number & Email Address

1i. To whom should approval and other correspondence concerning this AFHMP be sent? Indicate Name, Address (including City, State & Zip Code), Telephone Number & E-Mail Address.

2a. Affirmative Fair Housing Marketing Plan

Plan Type

Date of the First Approved AFHMP:

Reason(s) for current update:

2b. HUD-Approved Occupancy of the Project (check all that apply)

Elderly

Family

Mixed (Elderly/Disabled)

Disabled

2c. Date of Initial Occupancy

2d. Advertising Start Date

Advertising must begin *at least* 90 days prior to initial or renewed occupancy for new construction and substantial rehabilitation projects.

Date advertising began or will begin

For existing projects, select below the reason advertising will be used:

To fill existing unit vacancies

To place applicants on a waiting list (which currently has individuals)

To reopen a closed waiting list (which currently has individuals)

3a. Demographics of Project and Housing Market Area

Complete and submit Worksheet 1.

3b. Targeted Marketing Activity

Based on your completed Worksheet 1, indicate which demographic group(s) in the housing market area is/are *least* likely to apply for the housing without special outreach efforts. (check all that apply)

White	American Indian or Alaska Native	Asian	Black or African American
Native Hawaiian or Other Pacific Islander		Hispanic or Latino	Persons with Disabilities
Families with Children	Other ethnic group, religion, etc. (specify)		

4a. Residency Preference

Is the owner requesting a residency preference? If yes, complete questions 1 through 5.

If no, proceed to Block 4b.

(1) Type

(2) Is the residency preference area:

The same as the AFHMP housing/expanded housing market area as identified in Block 1e?

The same as the residency preference area of the local PHA in whose jurisdiction the project is located?

(3) What is the geographic area for the residency preference?

(4) What is the reason for having a residency preference?

(5) How do you plan to periodically evaluate your residency preference to ensure that it is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(a)?

Complete and submit Worksheet 2 when requesting a residency preference (see also 24 CFR 5.655(c)(1)) for residency preference requirements. The requirements in 24 CFR 5.655(c)(1) will be used by HUD as guidelines for evaluating residency preferences consistent with the applicable HUD program requirements. See also HUD Occupancy Handbook (4350.3) Chapter 4, Section 4.6 for additional guidance on preferences.

4b. Proposed Marketing Activities: Community Contacts

Complete and submit Worksheet 3 to describe your use of community contacts to market the project to those least likely to apply.

4c. Proposed Marketing Activities: Methods of Advertising

Complete and submit Worksheet 4 to describe your proposed methods of advertising that will be used to market to those least likely to apply. Attach copies of advertisements, radio and television scripts, Internet advertisements, websites, and brochures, etc.

5a. Fair Housing Poster

The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Check below all locations where the Poster will be displayed.

Rental Office	Real Estate Office	Model Unit	Other (specify)
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5b. Affirmative Fair Housing Marketing Plan

The AFHMP must be available for public inspection at the sales or rental office (24 CFR 200.625). Check below all locations where the AFHMP will be made available.

Rental Office	Real Estate Office	Model Unit	Other (specify)
---------------	--------------------	------------	-----------------

5c. Project Site Sign

Project Site Signs, if any, must display in a conspicuous position the HUD approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Check below all locations where the Project Site Sign will be displayed. Please submit photos of Project signs.

Rental Office	Real Estate Office	Model Unit	Entrance to Project	Other (specify)
---------------	--------------------	------------	---------------------	-----------------

The size of the Project Site Sign will be x

The Equal Housing Opportunity logo or slogan or statement will be x

6. Evaluation of Marketing Activities

Explain the evaluation process you will use to determine whether your marketing activities have been successful in attracting individuals least likely to apply, how often you will make this determination, and how you will make decisions about future marketing based on the evaluation process.

7a. Marketing Staff

What staff positions are/will be responsible for affirmative marketing?

7b. Staff Training and Assessment: AFHMP

- (1) Has staff been trained on the AFHMP?
- (2) Has staff been instructed in writing and orally on non-discrimination and fair housing policies as required by 24 CFR 200.620(c)?
- (3) If yes, who provides instruction on the AFHMP and Fair Housing Act, and how frequently?

- (4) Do you periodically assess staff skills on the use of the AFHMP and the application of the Fair Housing Act?
- (5) If yes, how and how often?

7c. Tenant Selection Training/Staff

- (1) Has staff been trained on tenant selection in accordance with the project's occupancy policy, including any residency preferences?

- (2) What staff positions are/will be responsible for tenant selection?

7d. Staff Instruction/Training:

Describe AFHM/Fair Housing Act staff training, already provided or to be provided, to whom it was/will be provided, content of training, and the dates of past and anticipated training. Please include copies of any AFHM/Fair Housing staff training materials.

8. Additional Considerations Is there anything else you would like to tell us about your AFHMP to help ensure that your program is marketed to those least likely to apply for housing in your project? Please attach additional sheets, as needed.

9. Review and Update

By signing this form, the applicant/respondent agrees to implement its AFHMP, and to review and update its AFHMP in accordance with the instructions to item 9 of this form in order to ensure continued compliance with HUD's Affirmative Fair Housing Marketing Regulations (see 24 CFR Part 200, Subpart M). I hereby certify that all the information stated herein, as well as any information provided in the accompaniment herewith, is true and accurate. Warning: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (See 18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802).

Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)

Name (type or print)

Title & Name of Company

For HUD-Office of Housing Use Only		For HUD-Office of Fair Housing and Equal Opportunity Use Only	
Reviewing Official:		Approval	Disapproval
Signature & Date (mm/dd/yyyy)		Signature & Date (mm/dd/yyyy)	
Name (type or print)		Name (type or print)	
Title		Title	

Public reporting burden for this collection of information is estimated to average six (6) hours per initial response, and four (4) hours for updated plans, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget (OMB) control number.

Purpose of Form: All applicants for participation in FHA subsidized and unsubsidized multifamily housing programs with five or more units (see 24 CFR 200.615) must complete this Affirmative Fair Housing Marketing Plan (AFHMP) form as specified in 24 CFR 200.625, and in accordance with the requirements in 24 CFR 200.620. The purpose of this AFHMP is to help applicants offer equal housing opportunities regardless of race, color, national origin, religion, sex, familial status, or disability. The AFHMP helps owners/agents (respondents) effectively market the availability of housing opportunities to individuals of both minority and non-minority groups that are least likely to apply for occupancy. Affirmative fair housing marketing and planning should be part of all new construction, substantial rehabilitation, and existing project marketing and advertising activities.

An AFHM program, as specified in this Plan, shall be in effect for each multifamily project throughout the life of the mortgage (24 CFR 200.620(a)). The AFHMP, once approved by HUD, must be made available for public inspection at the sales or rental offices of the respondent (24 CFR 200.625) and may not be revised without HUD approval. This form contains no questions of a confidential nature.

Applicability: The form and worksheets must be completed and submitted by all FHA subsidized and unsubsidized multifamily housing program applicants.

INSTRUCTIONS:

Send completed form and worksheets to your local HUD Office, Attention: Director, Office of Housing

Part 1: Applicant/Respondent and Project

Identification. Blocks 1a, 1b, 1c, 1g, 1h, and 1i are self-explanatory.

Block 1d- Respondents may obtain the Census tract number from the U.S. Census Bureau (<http://factfinder2.census.gov/main.html>) when completing Worksheet One.

Block 1e- Respondents should identify both the housing market area and the expanded housing market area for their multifamily housing projects. Use abbreviations if necessary. A **housing market area** is the area from which a multifamily housing project owner/agent may reasonably expect to draw a substantial number of its tenants. This could be a county or Metropolitan Division. The U.S. Census Bureau provides a range of levels to draw from.

An **expanded housing market area** is a larger geographic area, such as a Metropolitan Division or a Metropolitan Statistical Area, which may provide additional demographic diversity in terms of race, color, national origin, religion, sex, familial status, or disability.

Block 1f- The applicant should complete this block only if a Managing Agent (the agent cannot be the applicant) is implementing the AFHMP.

Part 2: Type of AFHMP

Block 2a- Respondents should indicate the status of the AFHMP, i.e., initial or updated, as well as the date of the first approved AFHMP. Respondents should also provide the reason (s) for the current update, whether the update is based on the five-year review or due to significant changes in project or local demographics (See instructions for Part 9).

Block 2b- Respondents should identify all groups HUD has approved for occupancy in the subject project, in accordance with the contract, grant, etc.

Block 2c- Respondents should specify the date the project was/will be first occupied.

Block 2d- For new construction and substantial rehabilitation projects, advertising must begin at least 90 days prior to initial occupancy. In the case of existing projects, respondents should indicate whether the advertising will be used to fill existing vacancies, to place individuals on the project's waiting list, or to re-open a closed waiting list. Please indicate how many people are on the waiting list when advertising begins.

Part 3 Demographics and Marketing Area.

"Least likely to apply" means that there is an identifiable presence of a specific demographic group in the housing market area, but members of that group are not likely to apply for the housing without targeted outreach, including marketing materials in other languages for limited English proficient individuals, and alternative formats for persons with disabilities. Reasons for not applying may include, but are not limited to, insufficient information about housing opportunities, language barriers, or transportation impediments.

Block 3a - Using Worksheet 1, the respondent should indicate the demographic composition of the project's residents, current project applicant data, census tract, housing market area, and expanded housing market area. The applicable housing market area and expanded housing market area should be indicated in Block 1e. Compare groups within rows/across columns on Worksheet 1 to identify any under-represented group(s) relative to the surrounding housing market area and expanded housing market area, i.e., those group(s) "least likely to apply" for the housing without targeted outreach and marketing. If there is a particular group or subgroup with members of a protected class that has an identifiable presence in the housing market area, but is not included in Worksheet 1, please specify under "Other."

Respondents should use the most current demographic data from the U.S. Census or another official source such as a local government planning office. Please indicate the source of your data in Part 8 of this form.

Block 3b - Using the information from the completed Worksheet 1, respondents should identify the demographic group(s) least likely to apply for the housing without special outreach efforts by checking all that apply.

Part 4 - Marketing Program and Residency Preference (if any).

Block 4a - A residency preference is a preference for admission of persons who reside or work in a specified geographic area (see 24 CFR 5.655(c)(1)(ii)). Respondents should indicate whether a residency preference is being utilized, and if so, respondents should specify if it is new, revised, or continuing. If a respondent wishes to utilize a residency preference, it must state the preference area (and provide a map delineating the precise area) and state the reason for having such a preference. The respondent must ensure that the preference is in accordance with the non-discrimination and equal opportunity requirements in 24 CFR 5.105(a) (see 24 CFR 5.655(c)(1)).

Respondents should use Worksheet 2 to show how the percentage of the eligible population living or working in the residency preference area compares to that of residents of the project, project applicant data, census tract, housing market area, and expanded housing market area. The percentages would be the same as shown on completed Worksheet 1.

Block 4b - Using Worksheet 3, respondents should describe their use of community contacts to help market the project to those least likely to apply. This table should include the name of a contact person, his/her address, telephone number, previous experience working with the target population(s), the approximate date contact was/will be initiated, and the specific role the community contact will play in assisting with affirmative fair housing marketing or outreach.

Block 4c - Using Worksheet 4, respondents should describe their proposed method(s) of advertising to market to those least likely to apply. This table should identify each media option, the reason for choosing this media, and the language of the advertisement. Alternative format(s) that will be used to reach persons with disabilities, and logo(s) that will appear on the various materials (as well as their size) should be described.

Please attach a copy of the advertising or marketing material.

Part 5 – Availability of the Fair Housing Poster, AFHMP, and Project Site Sign.

Block 5a - The Fair Housing Poster must be prominently displayed in all offices in which sale or rental activity takes place (24 CFR 200.620(e)). Respondents should indicate all locations where the Fair Housing Poster will be displayed.

Block 5b -The AFHMP must be available for public inspection at the sales or rental office (24 CFR 200.625). Check all of the locations where the AFHMP will be available.

Block 5c -The Project Site Sign must display in a conspicuous position the HUD-approved Equal Housing Opportunity logo, slogan, or statement (24 CFR 200.620(f)). Respondents should indicate where the Project Site Sign will be displayed, as well as the size of the Sign and the size of the logo, slogan, or statement. **Please submit photographs of project site signs.**

Part 6 - Evaluation of Marketing Activities.

Respondents should explain the evaluation process to be used to determine if they have been successful in attracting those individuals identified as least likely to apply. Respondents should also explain how they will make decisions about future marketing activities based on the evaluations.

Part 7- Marketing Staff and Training.

Block 7a - Respondents should identify staff positions that are/will be responsible for affirmative marketing.

Block 7b - Respondents should indicate whether staff has been trained on the AFHMP and Fair Housing Act.

Please indicate who provides the training and how frequently. In addition, respondents should specify whether they periodically assess staff members' skills in using the AFHMP and in applying the Fair Housing Act. They should state how often they assess employee skills and how they conduct the assessment.

Block 7c - Respondents should indicate whether staff has been trained on tenant selection in accordance with the project's occupancy policy, including residency preferences (if any). Respondents should also identify those staff positions that are/will be responsible for tenant selection.

Block 7d - Respondents should include copies of any written materials related to staff training, and identify the dates of past and anticipated training.

Part 8 - Additional Considerations.

Respondents should describe their efforts not previously mentioned that were/are planned to attract those individuals least likely to apply for the subject housing.

Part 9 - Review and Update.

By signing the respondent assumes responsibility for implementing the AFHMP. Respondents must review their AFHMP every five years or when the local Community Development jurisdiction's Consolidated Plan is updated, or when there are significant changes in the demographics of the project or the local housing market area. When reviewing the plan, the respondent should consider the current demographics of the housing market area to determine if there have been demographic changes in the population in terms of race, color, national origin, religion, sex, familial status, or disability. The respondent will then determine if the population least likely to apply for the housing is still the population identified in the AFHMP, whether the advertising and publicity cited in the current AFHMP are still appropriate, or whether advertising sources should be modified or expanded. Even if the demographics of the housing market area have not changed, the respondent should determine if the outreach currently being performed is reaching those it is intended to reach as measured by project occupancy and applicant data. If not, the AFHMP should be updated. The revised AFHMP must be submitted to HUD for approval. HUD may review whether the affirmative marketing is actually being performed in accordance with the AFHMP. If based on their review, respondents determine the AFHMP does not need to be revised, they should maintain a file documenting what was reviewed, what was found as a result of the review, and why no changes were required. HUD may review this documentation.

Notification of Intent to Begin Marketing.

No later than 90 days prior to the initiation of rental marketing activities, the respondent must submit notification of intent to begin marketing. The notification is required by the AFHMP Compliance Regulations (24 CFR 108.15). The Notification is submitted to the Office of Housing in the HUD Office servicing the locality in which the proposed housing will be located. Upon receipt of the Notification of Intent to Begin Marketing from the applicant, the monitoring office will review any previously approved plan and may schedule a pre-occupancy conference. Such conference will be held prior to initiation of sales/rental marketing activities. At this conference, the previously approved AFHMP will be reviewed with the applicant to determine if the plan, and/or its proposed implementation, requires modification prior to initiation of marketing in order to achieve the objectives of the AFHM regulation and the plan.

OMB approval of the AFHMP includes approval of this notification procedure as part of the AFHMP. The burden hours for such notification are included in the total designated for this AFHMP form.

Worksheet 1: Determining Demographic Groups Least Likely to Apply for Housing Opportunities
(See AFHMP, Block 3b)

In the respective columns below, indicate the percentage of demographic groups among the project's residents, current project applicant data, census tract, housing market area, and expanded housing market area (See instructions to Block 1e). If you are a new construction or substantial rehabilitation project and do not have residents or project applicant data, only report information for census tract, housing market area, and expanded market area. The purpose of this information is to identify any under-representation of certain demographic groups in terms of race, color, national origin, religion, sex, familial status, or disability. If there is significant under-representation of any demographic group among project residents or current applicants in relation to the housing/expanded housing market area, then targeted outreach and marketing should be directed towards these individuals least likely to apply. Please indicate under-represented groups in Block 3b of the AFHMP. **Please attach maps showing both the housing market area and the expanded housing market area.**

Demographic Characteristics	Project's Residents	Project's Applicant Data	Census Tract	Housing Market Area	Expanded Housing Market Area
% White					
% Black or African American					
% Hispanic or Latino					
% Asian					
% American Indian or Alaskan Native					
% Native Hawaiian or Pacific Islander					
%Persons with Disabilities					
% Families with Children under the age of 18					
Other (specify)					

Worksheet 2: Establishing a Residency Preference Area (See AFHMP, Block 4a)

Complete this Worksheet if you wish to continue, revise, or add a residency preference, which is a preference for admission of persons who reside or work in a specified geographic area (see 24 CFR 5.655(c)(1)(ii)). If a residency preference is utilized, the preference must be in accordance with the non-discrimination and equal opportunity requirements contained in 24 CFR 5.105(a). This Worksheet will help show how the percentage of the population in the residency preference area compares to the demographics of the project's residents, applicant data, census tract, housing market area, and expanded housing market area. **Please attach a map clearly delineating the residency preference geographical area.**

Demographic Characteristics	Project's Residents (as determined in Worksheet 1)	Project's Applicant Data (as determined in Worksheet 1)	Census Tract (as determined in Worksheet 1)	Housing Market Area (as determined in Worksheet 1)	Expanded Housing Market Area (as determined in Worksheet 1)	Residency Preference Area (if applicable)
% White						
% Black or African American						
% Hispanic or Latino						
% Asian						
% American Indian or Alaskan Native						
% Native Hawaiian or Pacific Islander						
% Persons with Disabilities						
% Families with Children under the age of 18						
Other (specify)						

Worksheet 3: Proposed Marketing Activities –Community Contacts (See AFHMP, Block 4b)

For each targeted marketing population designated as least likely to apply in Block 3b, identify at least one community contact organization you will use to facilitate outreach to the particular population group. This could be a social service agency, religious body, advocacy group, community center, etc. State the names of contact persons, their addresses, their telephone numbers, their previous experience working with the target population, the approximate date contact was/will be initiated, and the specific role they will play in assisting with the affirmative fair housing marketing. Please attach additional pages if necessary.

Targeted Population(s)	Community Contact(s), including required information noted above.

Worksheet 4: Proposed Marketing Activities – Methods of Advertising (See AFHMP, Block 4c)

Complete the following table by identifying your targeted marketing population(s), as indicated in Block 3b, as well as the methods of advertising that will be used to market to that population. For each targeted population, state the means of advertising that you will use as applicable to that group and the reason for choosing this media. In each block, in addition to specifying the media that will be used (e.g., name of newspaper, television station, website, location of bulletin board, etc.) state any language(s) in which the material will be provided, identify any alternative format(s) to be used (e.g. Braille, large print, etc.), and specify the logo(s) (as well as size) that will appear on the various materials. Attach additional pages, if necessary, for further explanation. Please attach a copy of the advertising or marketing material.

Targeted Population(s)→ Methods of Advertising ↓	Targeted Population:	Targeted Population:	Targeted Population:
Newspaper(s)			
Radio Station(s)			
TV Station(s)			
Electronic Media			
Bulletin Boards			
Brochures, Notices, Flyers			
Other (specify)			

Affirmative Fair Housing Marketing (AFHM) Plan - Single Family Housing

U.S. Department of Housing and Urban Development
Office of Fair Housing and Equal Opportunity

OMB Approval No. 2529-0013
(exp. 12/31/2016)

1a. Applicant's Name, Address (including City, State & Zip code) & Phone Number	1c. Development Number	1d. Number of Units
	1e. Price Range From \$ To \$	1f. Type of Housing <input type="checkbox"/> Development <input type="checkbox"/> Scattered Site
	1g. Approximate Starting Dates (mm/dd/yyyy) Advertising Occupancy	

1b. Development's Name, Location (including City, State and Zip code)	1h. Housing Market Area	1i. Census Tract
	1j. Sales Agent's Name & Address (including City, State and Zip Code)	

2. Type of Affirmative Marketing Area (check all that apply) <input type="checkbox"/> White (non-minority) Area <input type="checkbox"/> Minority Area <input type="checkbox"/> Mixed Area (with _____ % minority residents)	3. Direction of Marketing Activity (Indicate which group(s) in the housing market area are least likely to apply for the housing because of its location and other factors without special outreach efforts) <input type="checkbox"/> White <input type="checkbox"/> American Indian or Alaskan Native <input type="checkbox"/> Asian <input type="checkbox"/> Black or African American <input type="checkbox"/> Native Hawaiian or Other Pacific Islander <input type="checkbox"/> Hispanic or Latino <input type="checkbox"/> Persons with Disabilities <input type="checkbox"/> Families with Children <input type="checkbox"/> Other _____ Specify _____ (e.g. specific ethnic group, religion, etc.)
--	--

4a. Marketing Program: Commercial Media (Check the type of media to be used to advertise the availability of this housing)

☐ Newspapers/Publications ☐ Radio ☐ TV ☐ Billboards ☐ Other (specify)

Name of Newspaper, Radio or TV Station	Group Identification of Readers/Audience	Size/Duration of Advertising

4b. Marketing Program: Brochures, Signs, and HUD's Fair Housing Poster

(1) Will brochures, letters, or handouts be used to advertise? ☐ Yes ☐ No If "Yes", attach a copy or submit when available.

(2) For development site sign, indicate sign size _____ x _____; Logo type size _____ x _____. Attach a photograph of sign or submit when available.

(3) HUD's Fair Housing Poster must be conspicuously displayed wherever sales/rentals and showings take place. Fair Housing Posters will be displayed in the ☐ Sales Office ☐ Real Estate Office ☐ Model Unit ☐ Other (specify)

4c. **Marketing Program: Community Contacts.** To further inform the group(s) least likely to apply about the availability of the housing, the applicant agrees to establish and maintain contact with the groups/organizations listed below which are located in the housing market area. If more space is needed, attach an additional sheet. Notify HUD-Housing of any changes in this list. Attach a copy of correspondence to be mailed to these groups/organizations. (Provide all requested information.)

Name of Group/Organization	Group Identification	Approximate Date (mm/dd/yyyy)	Person Contacted (or to be Contacted)
Address & Phone Number	Method of Contact		Indicate the specific function the Group/Organization will undertake in implementing the marketing program

5. **Reserved**

6. **Experience and Staff Instructions** (See instructions)

6a. Staff has affirmative marketing experience.
☐ No ☐ Yes

6b. On separate sheets, indicate training to be provided to staff on Federal, State and local fair housing laws and regulations, as well as this AFHM Plan. Attach a copy of the instructions to staff regarding fair housing.

7. **Additional Considerations** Attach additional sheets as needed.

8. **Compliance with AFHM Plan Regulations:** By signing this form, the applicant agrees to ensure compliance with HUD's Affirmative Fair Housing Marketing Regulations (24 CFR 200.620).

Signature of person submitting this Plan & Date of Submission (mm/dd/yyyy)

Name (type or print)

Title & Name of Company

For HUD-Office of Housing Use Only	For HUD-Office of Fair Housing and Equal Opportunity Use Only
Approved _____ Disapproved _____ (Check One)	
Signature & Date (mm/dd/yyyy)	Signature & Date (mm/dd/yyyy)
Name (type or print)	Name (type or print)
Title	Title

Public reporting burden for this collection of information is estimated to average 3 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid Office of Management and Budget (OMB) control number.

In General: The Affirmative Fair Housing Marketing (AFHM) Plan is used to ensure that Federal Housing Administration (FHA)-insured single family housing developers are taking necessary steps to eliminate discriminatory practices and to overcome the effects of past discrimination involving Federally insured housing. No application for any housing development insured under the Department of Housing and Urban Development's (HUD) housing programs, shall be funded without a HUD-approved AFHM Plan (See the "Applicability" section in the instructions below.) Single family housing developers complete the AFHM Plan only during the application process and the AFHM Plan is in effect until after initial occupancy. The responses are required to obtain or retain benefits under the Fair Housing Act, Section 808(e)(5) & (6) and 24 CFR Part 200, Subpart M. The form contains no questions of a confidential nature.

Applicability: Single family developers should answer the following two questions to determine if they need to complete an AFHM Plan or if they should complete block 11 on Form HUD-92541, Builder's Certification of Plans, Specifications, & Site. (See HUD Mortgagee Letter 1995-18 dated April 28, 1995 and 2001-09 dated April 2, 2001 for further instructions).

Question 1. (Check if applicable)

- ☐ a. Did you sell five (5) or more houses in the last twelve (12) months with HUD mortgage insurance?
- ☐ b. Do you intend to sell five (5) or more houses within the next twelve (12) months with HUD mortgage insurance?

If you did **not** check 1a or 1b, you do **not** have to complete an AFHM Plan. You should complete block 11 on the HUD-92541.

If you checked 1a and/or 1b, you must go to Question 2.

Question 2. (Check if applicable)

- ☐ a. I am a signatory in good standing to a Voluntary Affirmative Marketing Agreement (VAMA).
- ☐ b. I have an AFHM Plan that HUD approved.
- ☐ c. I have contracted with a company that has an AFHM Plan or who is a signatory to a VAMA to market my houses.
- ☐ d. I certify that I will comply with the following: (a) Carry out an affirmative marketing program to attract all minority and majority groups to the housing for initial sale. Such a program shall typically involve publicizing to minority persons the availability of housing opportunities regardless of race, color, religion, sex, disability, familial status or national origin, through the type of media customarily utilized by the applicants; (b) Maintain a nondiscriminatory hiring policy in recruiting from both minority and majority groups; (c) Instruct all employees and agents in writing and orally of the policy of nondiscrimination and fair housing; (d) Conspicuously display the Fair Housing Poster in all Sales Offices, include the Equal Housing Opportunity logo, slogan and statement in all printed material used in connection with sales, and post in a prominent position at the project site a sign that displays the Equal Opportunity logo, slogan or statement, as listed in 24 CFR 200.620 and appendix to subpart M to part 200. I understand that I am obliged to develop and maintain records on these activities, and make them available to HUD upon request.

If you checked "a, b, c, or d" in Question 2, you do **not** have to complete an AFHM Plan. You should complete block 11 on the HUD-92541.

If you did **not** check “a, b, c or d” in Question 2, you must complete an AFHM Plan.

Each applicant is required to carry out an affirmative program to attract prospective buyers of all minority and non-minority groups in the housing market area regardless of their race, color, religion, sex, national origin, disability or familial status (24 CFR 200.620). Racial groups include White, Black or African American, American Indian or Alaska Native, Asian, Native Hawaiian or Other Pacific Islander. Other groups in the housing market area who may be subject to housing discrimination include, but are not limited to, Hispanic or Latino, persons with disabilities, families with children, or persons of different religious affiliations. The applicant shall describe in the AFHM Plan the proposed activities to be carried out during advance marketing, where applicable, and the initial sales period. The affirmative marketing program also should ensure that any group(s) of persons ordinarily **not** likely to apply for this housing without special outreach (See Part 3), know about the housing, feel welcome to apply and have the opportunity to buy.

INSTRUCTIONS

Send completed form to: your local HUD Office
Attention: Director, Office of Housing

Part 1-Applicant and Project Identification.

Blocks 1a thru 1f-Self-Explanatory. Block 1g-the applicant should specify the approximate date for starting the marketing activities and the anticipated date of initial occupancy. Block 1h-the applicant should indicate the housing market area, in which the housing will be located. Block 1i - the applicant may obtain census tract location information from local planning agencies, public libraries and other sources of census data. Block 1j the applicant should complete only if a Sales Agent (the agent can not be the applicant) is implementing the AFHM Plan.

Part 2-Type of Affirmative Marketing Area:

The AFHM Plan should indicate the approximate racial composition of the housing market area in which the housing will be located by checking one of the three choices. Single family scattered site builder should submit an AFHM Plan that reflects the approximate racial composition of each housing market area in which the housing will be located. For example, if a builder plans to construct units in both minority and non-minority housing market areas, a separate AFHM Plan shall be submitted for each housing market area.

Part 3-Direction of Marketing Activity. Indicate which group(s) the applicant believes are least likely to apply for this housing without special outreach. Consider factors such as price or rental of

housing, sponsorship of housing, racial/ethnic characteristics of housing market area in which housing will be located, disability, familial status, or religious affiliation of eligible population, public transportation routes, etc.

Part 4-Marketing Program. The applicant shall describe the marketing program to be used to attract all segments of the eligible population, especially those groups designated in Part 3 of this AFHM Plan present in the housing marketing area that are least likely to apply. The applicant shall state: the type of media to be used, the names of newspaper/call letters of radio or TV stations; the identity of the circulation or audience of the media identified in the AFHM Plan (e.g., White, Black or African American, American Indian or Alaska Native, Asian, Native Hawaiian or Other Pacific Islander, Hispanic or Latino, persons with disabilities, families with children, and religious affiliation), and the size or duration of newspaper advertising or length and frequency of broadcast advertising. Community contacts include individuals or organizations that are well known in the housing market area or the locality that can influence persons within groups considered least likely to apply. Such contacts may include, but need not be limited to: neighborhood, minority and women’s organizations, grass roots faith-based or other community based organizations, labor unions, employers, public and private agencies, disability advocates, schools and individuals who are connected with these organizations and/or are well-known in the community. Applicants should notify their local HUD–Office of Housing of any changes to the list in Part 4c of this AFHM Plan.

Part 5-Reserved

Part 6-Experience and Staff Instructions.

- 6a. The applicant should indicate whether he/she has had previous experience in marketing housing to group(s) identified as least likely to apply for the housing.
- 6b. Describe the instructions and training provided or to be provided to sales staff. This guidance to staff must include information regarding Federal, State and local fair housing laws and this AFHM Plan.

Copies of any written materials should be submitted with the AFHM Plan, if such materials are available.

Part 7-Additional Considerations. In this section describe other efforts not previously mentioned which are planned to attract persons least likely to apply for the housing.

Part 8-Compliance with AFHM Plan Regulation.

By signing, the applicant assumes full responsibility for implementing the AFHM Plan. HUD may monitor the implementation of this AFHM Plan at any time and request modification in its format or content, where deemed necessary.

Notice of Intent to Begin Marketing. No later than 90 days prior to the initiation of sales marketing activities, the applicant with an approved AFHM Plan shall submit notice of intent to begin marketing. The notification is required by the Affirmative Fair Housing Marketing Plan Compliance Regulations (24 CFR Part 108.15). It is submitted either orally or in writing to the Office of Housing in the appropriate HUD Office servicing the locality in which the proposed housing will be located.

OMB approval of the Affirmative Fair Housing Plan includes approval of this notification procedure as part of the AFHM Plan. The burden hours for such notification are included in the total designated for this AFHM Plan form.

Appendix 10: CHDO Application

Hudson County
Division of Housing and
Community Development



**HOME Investment Partnerships
Program**

**Community Housing Development
Organization (CHDO)
Certification Application**



I. INTRODUCTION

The National Affordable Housing Act of 1990 (the “Act”) created the HOME Investment Partnerships Program (HOME). The Act’s objectives include (1) promoting partnerships among states, local governments and nonprofit organizations; (2) increasing the capacity of nonprofit organizations to develop and manage affordable housing.

To help achieve these objectives the Act requires that Participating Jurisdictions (PJs) set aside at least 15% of their HOME funds for housing that is developed, owned or sponsored by Community Housing Development Organizations (CHDOs). An additional 5% of HOME funds, or maximum \$50,000 (or 50% of CHDO’s operating budget, whichever is lower) may be set aside for operating expenses.

The purpose for the 15% set-aside is to:

- Provide reasonable supplemental operating funds to CHDOs with the purpose of expanding their ability to produce housing units. This funding is not intended to serve as a primary source of funding for the organization. The CHDO should demonstrate the ability to leverage other sources of funds for future operations and to grow into self-sufficiency.
- Increase the organizational capacity of the recipient to allow the organization to develop HOME Program CHDO-eligible activities such as; transitional housing, permanent supportive housing, rental housing, and homebuyer activities, within 24 months of receiving the award.

A CHDO is a specific kind of not-for-profit organization, as defined at 24 CFR 92.2. The CHDO qualifying criteria refers to an organization’s legal status, organizational structure, capacity, and experience. The following application materials are to be used by entities that believe they meet the criteria for consideration as a CHDO, and by those that have previously been certified by the Division as a CHDO and are now seeking certification for a new project. Note that the 2013 HOME Final Rule amended the previous definition of a CHDO and the new requirements are incorporated in the application that follows.

Any nonprofit organization is eligible to apply for funding under the HOME Program. Only those nonprofit organizations that receive certification as a CHDO are eligible to apply for funds from the Division’s CHDO set-aside.

The Hudson County Division of Housing and Community Development (the “Division”) recognizes the important role CHDOs play in Hudson County. CHDOs provide safe, decent and affordable housing to low and moderate income families in Hudson County and have increased access to certain funding sources including Home Investments Partnerships (HOME) Program funds, provided by the U.S. Department of Housing and Urban Development (HUD).

II. CERTIFICATION/REVIEW PROCESS

- A. The Division will accept CHDO certification applications throughout the year. The Division will only review completed application packets and applicable documentation. Applicants will be notified by the Division, if their application has been approved, denied, or what additional information and documentation is necessary to make a determination.

The Division is required to certify an organization as a CHDO each time it commits funds to an organization. Therefore, organizations that have previously been certified by the Division must complete this application for each new project.

B. Each application will be reviewed by evaluating the following:

- Completeness - All required exhibits and attachments are included and the application was received on or before the due date.
- The application meets the required thresholds (serves the eligible populations, has requested funding for the appropriate uses, etc.).
- The organization has shown enhanced capabilities including, but not limited to; employees have specialized skills, the organization has long-term partnerships with for-profit entities, and has shown an advanced ability to leverage additional funding, etc.

III. DEFINITION OF A CHDO

The HOME Program definition of a CHDO can be found at 24 CFR 92.2 (See Attachment A of this Application)

The definition outlines the criteria that an organization must meet to qualify as a CHDO. The criteria focus on the:

- legal status of the organization;
- capacity and experience;
- organizational structure;
- and relationship of the CHDO to for-profit entities

The CHDO checklist outlines these criteria in detail. The following is a summary of some of the key criteria necessary to qualify as a CHDO.

A. Legal Status:

- 1) The CHDO must be organized under state law
- 2) One of the purposes of the organization must be the provision of decent housing that is affordable to low-income and moderate-income persons. This statement of purpose may be evidenced in the organization's charter, articles of incorporation, by-laws, or board resolutions.
- 3) The CHDO must be have nonprofit status under §501(c)(3) or(4) of the Internal Revenue Code of 1986.
- 4) The organization must have a clearly defined geographic area that is smaller than the entire state.

B. Capacity and Experience:

- 1) The CHDO must have at least one year of experience serving the community. This can be satisfied by a statement that documents at least one year of experience in serving the community, or for a newly created organization formed by local churches, service or community organizations, a statement that documents that its parent organization has at

least one year of experience in serving the community. This service can include developing new housing, rehabilitating housing, managing housing, or delivering non-housing services to the community such as counseling, food services, or child care facilities.

- 2) The organization must have paid employees with housing development experience who will work on projects assisted with HOME funds. (**for its first year of funding as a CHDO, an organization may satisfy this requirement through a contract with a consultant who has housing development experience to train appropriate key staff of the organization*).
- 3) The CHDO must have financial management systems that meet the federal standards outlined in 24 CFR 84.21. The most recent version of OMB Circulars A-110 (24 CFR 84) A-133 may be obtained at <http://www.whitehouse.gov/omb/circulars>

C. Organizational Structure

- 1) At least one-third of the organization's board of directors must be representatives of the low-income community served by the CHDO; no more than one-third may be representatives of the public sector, including employees of the PJ.
- 2) The CHDO must also provide a formal process for low-income HOME Program beneficiaries to advise the organization in all of its decisions regarding the design, development, and management of all HOME Program assisted affordable housing projects. This provision for accountability to the low-income community, entails, at a minimum, a written procedure adopted by the board for obtaining input from the community regarding the delivery of housing whenever HOME Program funds are used.

D. Relationship to For-Profit Entities

The CHDO cannot be controlled by for-profit organizations or individuals.

IV. ACCESSING CHDO HOME FUNDS

Once an organization has been approved and receives CHDO status from the Division, it may apply for CHDO funds. Certification as a CHDO does not guarantee that an organization will receive funding from the HOME Program. Whether a CHDO is successful in accessing funds will be a function of the merits of its proposed project, project feasibility, ability to proceed, and the strength of its partnership in and with the PJ. The strength of the partnership between the Division and the CHDO has a great deal to do with communication and compliance. Any organization seeking CHDO status may meet with the Division before proceeding down the CHDO path. The Division has the ability to provide and/or obtain free technical assistance for the CHDO. Accessing this technical assistance requires CHDO designation from the Division.

V. ELIGIBLE CHDO SET-ASIDE ACTIVITIES

A. Only certain types of activities count toward the 15% set-aside.

The eligible activities are:

- 1) Acquisition and/or rehabilitation of rental housing
- 2) Construction of new rental housing
- 3) Acquisition and/or rehabilitation of properties for home ownership
- 4) New construction for home ownership

The following activities are not eligible for CHDO set-aside:

- 1) Tenant-based rental assistance
- 2) Rehabilitation of owner-occupied properties
- 3) Direct home buyer assistance for existing housing (not developed, owned, or sponsored by a CHDO)

VI. CHDO ROLES

The 15% set-aside can only be used for projects in which a CHDO is the developer, owner or sponsor.

A. **CHDO as "Developer"** – A CHDO is a "developer" when it either owns property and develops a project.

- 1) **Rental Housing:** A CHDO that is a "developer" of rental housing is defined at §92.300(a)(3). The CHDO is the owner (in fee simple absolute or long-term ground lease) and developer of the project and must be in sole charge of all aspects of the development process, including obtaining zoning, securing non-HOME funds, selecting contractors, overseeing the progress of work, and determining reasonableness of costs. The CHDO must own the HOME-assisted housing during the development process and throughout the period of affordability.
- 2) **Home ownership:** For HOME-assisted homebuyer projects, the housing is "developed" by the CHDO if it is the owner (in fee simple absolute) and developer of new housing that will be constructed or existing substandard housing that is owned or will be acquired by the CHDO and rehabilitated for sale to low-income families, in accordance with §92.254. To be the "developer," the CHDO must arrange financing for the project and be in sole charge of construction. As part of its set-aside funds, the CHDO can provide direct down payment assistance to a buyer of the housing it has developed with HOME funds in an amount not to exceed 10 percent of the amount of HOME development funds.

- B. CHDO as "Owner"** –A CHDO that is an "owner" of rental housing is defined at §92.300(a)(2). The CHDO is required to own (in fee simple absolute or long-term ground lease) multifamily or single family housing that is rented to low-income families, in accordance with §92.252. The CHDO must own the HOME project during development and throughout the period of affordability, and is required to hire and oversee all aspects of the development process. At a minimum, the CHDO can own the property and hire a project manager or contract with a development contractor to oversee all aspects of the development – including, obtaining zoning, securing non-HOME financing, selecting a developer, or general contractor, overseeing the progress of the work and determining the reasonableness of costs.
- C. CHDO as "Sponsor"** – The Final HOME Rule provides two definitions of a "sponsor" of HOME-assisted rental housing:
1. §92.300(a)(4) clarifies the requirement for CHDOs to maintain effective project control when acting as "sponsor" of rental housing: A CHDO "sponsors" rental housing when the property is "owned" or "developed" by:
 - A subsidiary of the CHDO (in which case the subsidiary, which may be a for-profit or nonprofit organization, must be wholly owned by the CHDO);
 - A limited partnership (in which the CHDO or its wholly owned subsidiary must be the sole general partner); or
 - A limited liability company (in which the CHDO or its wholly owned subsidiary must be the sole managing member). If the limited partnership or limited liability company agreement permits the CHDO to be removed as sole general partner or sole managing member, respectively, the agreement must require that the removal be "for cause" and that the CHDO must be replaced by another CHDO. In addition, HOME funds must be provided to the entity that owns the project.
 2. §92.300 (a)(5) codifies the pre-2013 Rule definition of "sponsor." It states that a CHDO "sponsors" HOME-assisted rental housing in situations in which the CHDO owns and develops the housing and agrees to convey the housing to a private nonprofit organization (that does not need to be a CHDO but cannot be created by a governmental entity) at a predetermined time after completion of the project development. Such arrangements typically occur when a CHDO has development expertise and the nonprofit organization has the capacity to own and operate the housing. The CHDO is required to own the property before the development phase of the project and is required to select the nonprofit organization before entering into an agreement with the PJ that commits HOME funds to the project. The nonprofit organization assumes the CHDO's HOME obligation (including any repayment of loans) for the project. If the property is not transferred to the nonprofit organization, the CHDO sponsor remains liable for the HOME assistance and the HOME project.

VII. APPLICATION

This application has been developed to assist the Division to certify CHDOs under HOME Program guidelines. Please complete the applicable sections of the application based on your current organizational status.

Completed applications may be submitted to:

Randi Moore
Division Chief
Division of Housing and Community Development
Hudson County Plaza
257 Cornelison Avenue, 2nd fl.
Jersey City, NJ 07302

Community Housing Development Organization (CHDO) Profile**Organization Name:** _____**Contact Person:** _____**Contact Phone:** () - **Contact E-mail:** _____**Organizational Mailing Address:** _____**Federal Tax ID #:** _____**Date of most recent certification:** _____**1. Legal Status (check applicable)**

- a. The non-profit organization is organized under State or local laws as evidenced by;

_____ A Charter, OR
 _____ Articles of Incorporation

- b. No part of its net earnings inure to the benefit of any member, founder, contributor, or individual, as evidenced by:

_____ A Charter, OR
 _____ Articles of Incorporation

- c.
- ☐
- Has a tax exemption ruling from the Internal Revenue Service (IRS) under 501 (c) (3) or (4) of the Internal Revenue Code of 1986, (26 CFR 1.501 (c)(3)-1 or 1.501 (c)(4)-1)) as evidenced by:

_____ Letter from IRS

OR

- ☐
- Is classified as a subordinate of a central organization non-profit under section 905 of the Internal Revenue Code of 1986 as evidenced by:

_____ A group exemption letter from the IRS that includes the CHDO

OR

- ☐
- The private nonprofit organization is a wholly owned entity that is disregarded as an entity separate from its owner for tax purposes (e.g., a single member limited liability company that is wholly owned by an organization that qualifies as tax-exempt), the owner organization has a tax exemption ruling from the Internal Revenue Service under section 501 (c) (3) or (4) of the Internal Revenue Code of 1986 and meets the definition of "community housing development organization" as evidence by:

_____ Letter form the IRS

- d. Has among its purposes the provision of decent housing that is affordable to low- and moderate-income people, as evidenced by a statement in the organization's:

_____ Charter	_____ By-Laws
_____ Resolutions	_____ Articles of Incorporation

2. Capacity (check applicable)

- a. Conforms to financial accountability standards of 24 CFR 84.21, "Standards for Financial Management Systems", as evidenced by:

_____ A notarized statement by the president or chief financial officer of the organization;
 _____ A certification from a certified Public Accountant, OR
 _____ A HUD approved audit summary

- b. Has a demonstrated capacity for carrying out activities assisted with HOME Program funds, as evidenced by:

_____ Resumes and/or statements that describe the experience of key staff members who have successfully completed projects similar to those to be assisted with HOME funds, OR

If this is the first year of funding as a CHDO, an organization may satisfy this requirement through a contract with a consultant who has housing development experience to train appropriate key staff of the organization.

_____ Contract(s) with consultant firms or individuals who have housing experience similar to projects to be assisted with HOME funds, to train appropriate key staff of the organization

An organization that will own housing must demonstrate capacity to act as **owner** of a project and meet the requirements of 24 CFR 92.300(a)(2) as evidenced by:

_____ Resumes and/or statements that describe the experience of key staff members who have successfully completed projects similar to those to be assisted with HOME funds, OR

- c. Has a history of serving the community within which housing to be assisted with HOME Program funds is to be assisted with HOME funds is to be located, as evidenced by:

_____ A statement that documents at least one year of experience in serving the community*, OR
 _____ For newly created organizations formed by local churches, service or community organizations, a statement that documents that its parent organization has at least one year of experience in serving the community*.

** The CHDO or its parent organization must be able to show one year of serving the community prior to the date the participating jurisdiction provides HOME Program funds to the organization. In the statement, the organization must describe its history (or its parent organization's history) of serving the community by describing activities which it provided (or its parent organization provided), such as, developing new housing, rehabilitating existing stock and managing housing stock, or delivering non-housing services that have had lasting benefits for the community, such as counseling, food relief, or childcare facilities. The statement must be signed by the president or other official of the organization and notarized. Statements should be written on a separate sheet of paper and attached to the application as an addendum labeled, (3.C Statement).*

3. Organizational Structure (check applicable)

- a. Maintains at least one-third of its governing board's membership for residents of low-income community residents, or elected representatives of low-income neighborhood organizations as evidenced by the organization's:

_____ By-laws,
 _____ Charter, OR
 _____ Articles of Incorporation

NOTE: Under the HOME Program, for urban areas, the term "community" is defined as one or several neighborhoods, a city, county, or metropolitan area.

- B. Provides a formal process for low-income, program beneficiaries to advise the organization in all of its decisions regarding the design, siting, development, and management of affordable housing projects, as evidenced by:

_____ The organization's By-laws
 _____ Resolutions, OR
 _____ A written statement of operating procedures approved by the governing body

- C. A CHDO may be chartered by a State or local government, but the following restrictions apply: (1) the State or local government may not appoint more than one-third of the membership of the organization's governing body; (2) the board members appointed by the State or local government may not, in turn, appoint the remaining two-thirds of the board members; (3) no more than one-third of the governing board members are public officials (including any employees of the PJ); and (4) the officers or employees of a governmental entity may not be officers or employees of a CHDO, as evidenced by the organizations:

_____ By-laws,
 _____ Charter, OR
 _____ Articles of Incorporation

- D. If the CHDO is sponsored or created by a for-profit entity the following restrictions apply: (1) the for-profit entity may not appoint more than one-third of the membership of the CHDO's governing body, (2) the board members appointed by the for-profit entity may not, in turn, appoint the remaining two-thirds of the board members and (3) (4) the officers or employees of the for-profit entity may not be officers or employees of a CHDO as evidenced by:

_____ By-laws,
 _____ Charter, OR
 _____ Articles of Incorporation

4. Relationship with For-Profit Entities (check applicable)

- A. The CHDO is not controlled, nor receives directions from individuals, or entities seeking profit from the organization, as evidenced by:

_____ the organization's By-laws, OR
 _____ a Memorandum of Understanding (MOU).

- B. A Community Housing Development Organization may be sponsored by a for-profit entity, however;

- (1) the for-profit entity's primary purpose does not include the development or management of housing, such as a builder, developer, or real-estate firm, as evidenced:
 _____ in the for-profit organization's By-laws;
- (2) the CHDO is free to contract for goods and services from vendor(s) of its own choosing, as evidenced in the CHDO's:
 _____ By-laws,
 _____ Charter, OR
 _____ Articles of Incorporation
- (3) The for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing board. Board members appointed by the for-profit entity may not appoint the remaining two-thirds of the board members, as evidenced for-profit entity's
 _____ By-Laws
- (4) The officers and employees of the for-profit entity may not be officers or employees of the CHDO, as evidenced by the CHDO's and the for-profit entity's
 _____ written list of officers and employees.

5. Current CHDO Board Members – Attachment B

A CHDO must be accountable to the low-income residents of its service area by maintaining at least one-third of its governing body members as low-income community representatives. A governing body member can be qualified as a low-income community representative in any one of the following three ways:

1. Being a member of a low-income household;
2. Residing in a low-income census tract or block group;
3. Appointment to the governing body through election by members of another organization consisting exclusively of residents of a low-income neighborhood.

_____ Complete the Chart in Attachment B for the entire CHDO Board

_____ Complete Certification in Attachment B for each CHDO Board Member qualified as a low-income community representative.

6. Organizational Changes

This section only to be completed by organizations that were previously certified for prior projects

Have there been any major changes in organizational capacity affecting HOME Program assisted housing that have occurred since the last CHDO certification (change in key staff, board, organizational structure, etc.)

OFFICERS'S WARRANTY:

By my signature below, I warrant that I am a duly qualified officer of _____, that the formation provided on all current board members of _____ is true and correct to the best of my knowledge, and I have reviewed written documentation in the organization's files that support the information provided.

Signature

Date

Name

Title

Required Backup Documentation

Requirement:	Evidenced by:	Submitted (check)
Non-Profit Organization	Charter, or Articles of Incorporation	
Tax Exemption Ruling	501(c)(3) or (4) certification from the state, or Group exemption letter under Section 905 from the IRS that include the CHDO	
CHDO has as a purpose, the provision of housing to low and moderate income persons	Charter, or Articles of Incorporation, or By-laws, or Resolutions	
Certificate of Good Standing	Certificate of Good Standing from the Secretary of State Other documents from the Secretary of State	
CHDO Service Area	Map of Service Area Consistent with activities	
Strategic Plan	Copy of Strategic Plan specifying plan for housing development.	
Board Members	Completed table provided in application and completed certifications	
Board Skills	Provide resumes of Board Members with professional skills	
Control of CHDO; does not receive directions from individuals or entities seeking profit from the organization	Organizational By-laws, or A Memorandum of Understanding	
If sponsored/created by a for-profit entity, the CHDO is free to contract for goods and services from vendors of its choosing, the for-profit entity is not a builder, does not have the right to appoint more than a certain percentage of the organization's governing body, and may not serve as officers or employees of the CHDO.	By-Laws, or Charter, or Articles of Incorporation	
If sponsored/created by a religious organization, the CHDO is a separate secular entity.	By-Laws, or Charter, or Articles of Incorporation	
Organization has a history of serving the community where HOME funded housing will be located.	Documentation of one year experience serving the community. Documentation that its parent organization has been serving the community for at least one year.	
Organization provides a formal process for low-income, program beneficiaries to provide input into organizational decision making.	By-Laws, or Charter, or Articles of Incorporation	
Organization conforms with financial accountability standards of 24 CFR 84.21, "Standards for Financial Management Systems.	Notarized Statement by the president or CFO A certification from a CPA, or A HUD approved audit summary	
Does the organization have an annual audit?	Copy of most recent audit, or Copy of most recent tax filing	

Attachment A CHDO Definition

24 C.F.R. § 92.2
§ 92.2 Definitions.

Effective: August 23, 2013

Community housing development organization means a private nonprofit organization that:

- (1) Is organized under State or local laws;
- (2) Has no part of its net earnings inuring to the benefit of any member, founder, contributor, or individual;
- (3) Is neither controlled by, nor under the direction of, individuals or entities seeking to derive profit or gain from the organization. A community housing development organization may be sponsored or created by a for-profit entity, but:
 - (i) The for-profit entity may not be an entity whose primary purpose is the development or management of housing, such as a builder, developer, or real estate management firm.
 - (ii) The for-profit entity may not have the right to appoint more than one-third of the membership of the organization's governing body. Board members appointed by the for-profit entity may not appoint the remaining two-thirds of the board members;
 - (iii) The community housing development organization must be free to contract for goods and services from vendors of its own choosing; and
 - (iv) The officers and employees of the for-profit entity may not be officers or employees of the community housing development organization.
- (4) Has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 (26 CFR 1.501(c)(3)-1 or 1.501(c)(4)-1), is classified as a subordinate of a central organization non-profit under section 905 of the Internal Revenue Code of 1986, or if the private nonprofit organization is an wholly owned entity that is disregarded as an entity separate from its owner for tax purposes (e.g., a single member limited liability company that is wholly owned by an organization that qualifies as tax-exempt), the owner organization has a tax exemption ruling from the Internal Revenue Service under section 501(c)(3) or (4) of the Internal Revenue Code of 1986 and meets the definition of "community housing development organization;"
- (5) Is not a governmental entity (including the participating jurisdiction, other jurisdiction, Indian tribe, public housing authority, Indian housing authority, housing finance agency, or redevelopment authority) and is not controlled by a governmental entity. An organization that is created by a governmental entity may qualify as a community housing development organization; however, the governmental entity may not have the right to appoint more than one-third of the membership of the organization's governing body and no more than one-third of the board members may be public officials or employees of governmental entity. Board members appointed by a governmental entity may not appoint the remaining two-thirds of the board members. The officers or employees of a governmental entity may not be officers or employees of a community housing development organization;
- (6) Has standards of financial accountability that conform to 24 CFR 84.21, "Standards for Financial Management Systems;"
- (7) Has among its purposes the provision of decent housing that is affordable to low-income and moderate-income persons, as evidenced in its charter, articles of incorporation, resolutions or by-laws;
- (8) Maintains accountability to low-income community residents by:
 - (i) Maintaining at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representative of low-income neighborhood organizations. For urban areas, "community" may be a neighborhood or neighborhoods, city, county or metropolitan area; for rural areas, it may be a neighborhood or neighborhoods, town, village, county, or multi-county area (but not the entire State); and

(ii) Providing a formal process for low-income program beneficiaries to advise the organization in its decisions regarding the design, siting, development, and management of affordable housing;

(9) Has a demonstrated capacity for carrying out housing projects assisted with HOME funds. A designated organization undertaking development activities as a developer or sponsor must satisfy this requirement by having paid employees with housing development experience who will work on projects assisted with HOME funds. For its first year of funding as a community housing development organization, an organization may satisfy this requirement through a contract with a consultant who has housing development experience to train appropriate key staff of the organization. An organization that will own housing must demonstrate capacity to act as owner of a project and meet the requirements of § 92.300(a)(2). A nonprofit organization does not meet the test of demonstrated capacity based on any person who is a volunteer or whose services are donated by another organization; and

(10) Has a history of serving the community within which housing to be assisted with HOME funds is to be located. In general, an organization must be able to show one year of serving the community before HOME funds are reserved for the organization. However, a newly created organization formed by local churches, service organizations or neighborhood organizations may meet this requirement by demonstrating that its parent organization has at least a year of serving the community.

Attachment B

CHDO Board Documents

	Board Member Name	County of Residence	Most Recent Appointment (date)	Public Official (Y/N)	Member of Low-Income Household (Y/N)	Representative of Low-Income Area (Y/N)
1.						
2.						
3.						
4.						
5.						
6.						
7.						
8.						
9.						
10.						
11.						
12.						
13.						
14.						
15.						
	TOTAL					

[Attach additional sheets if necessary]

- Public representatives **cannot** be qualified as low-income representatives, even if they meet the qualifying criteria.
- Public representatives include individuals elected, appointed, or employed by the State or an instrumentality of the State.
- No more than 1/3 of the Board Members may be Public Officials (including employees of the PJ)

**COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO)
BOARD MEMBER CERTIFICATION OF LOW-INCOME REPRESENTATION**

Each board member representing the interests of low-income families in the Applicant's target community must complete this certification. Please maintain a copy of this certification in your files and send in a copy to the Division.

Select Only One

☐ Member of Low-Income Household

I am a member of a household that has a combined total expected income, which is less than 80% of the area median income for a household of this size.

☐ Resident of Low Income Area

I reside in census tract/block group number, which has at least 51% of its households with incomes less than 80% of the area median income.

The census tract/block: _____

☐ Elected Representative of Low-Income Group

I am elected by the membership of an organization whose membership is open to all residents of a defined neighborhood which shows that more than 50% of the households have incomes less than 80% of the area median income, and my position on our governing body is primarily as a representative of that neighborhood group.

The name of the group is: _____

Census Tract/Blk Group numbers served by the neighborhood group are: _____

☐ Not a Low Income Representative

Select only one:

☐ Public Official or Employee

I currently hold a publicly elected office; am employed by a state or an instrumentality of the state; or serve on any commission, board or other regulatory body by appointment of an elected official or other political body.

☐ Not a Public Official or Employee

Signature: _____ **Date:** _____

Printed Name: _____

Title: _____