

**INSTRUCTIONS for
Housing Acquisition**

INSTRUCTIONS FOR COMPLETING ACTIVITY FORMS

Note: If more than one project is being proposed, submit a separate Activity Form for each project. Only one program may be applied for.

A. ACTIVITY DESCRIPTION:

1. Please indicate the type of activity that is being proposed.
2. **Program Description.** Please provide a brief narrative description of the proposed program. Describe the feasibility of doing the activity in the community (e.g., sufficient eligible households that can use the program).
3. **Specific Project Description.** Please provide a brief narrative description of the proposed acquisition project. Give information about:
 - the use of CDBG funds,
 - what the total project will cost,
 - the number of units, and
 - a breakdown of the projected Targeted Income Group (TIG) and Lowest Targeted Income Group (LTIG) beneficiaries.

If the applicant is proposing a **combination of different uses of funds**:

- explain all aspects of these combinations, and
- break out costs where appropriate.

If the proposed CDBG activity is **part of a larger project**:

- describe the whole project, and
- describe how the CDBG-funded portion fits into that project.

Note: Remember that occupancy by the TIG/LTIG beneficiaries must occur by the CDBG contract expiration date.

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EXAMPLES

Single-Family Project:

The City of XYZ will use the \$400,000 to assist 15 homebuyers to purchase existing homes. It is anticipated that 12 of the homebuyers will be TIG and the remaining 3 will be LTIG households. It is anticipated that the average purchase price will be \$110,000 plus closing costs of \$3,000; the average CDBG loan will be \$25,000; the average downpayment will be \$3,500; and the average bank loan will be \$81,500. The CDBG funds will be used in conjunction with bank loans obtained individually by the homebuyers. A letter of interest from MNO Bank is attached to document the bank funds as leverage.

Multi-Family Project:

The County of PQR will use the \$500,000 to assist the NP Housing Development Corporation (NPHDC) to purchase a rental housing project consisting of 50 units, located in the rural Vista community in the Northwest area of the County. These units are currently occupied by 10 LTIG and 40 TIG households, and we expect this mix to be maintained. The balance of funding for this \$2,000,000 project will be provided by a CHFA loan in the amount of \$1,400,000 and a FHLB Affordable Housing Program grant of \$100,000. No rehabilitation funds are needed, as the project currently meets all code requirements.

4. Please check the box for the anticipated level of environmental clearance under the National Environmental Policy Act (NEPA).

Notes: If the applicant already has a NEPA environmental review record (ERR) for the proposed project that was prepared by or for another agency (e.g., USDA-RD), that ERR may or may not satisfy environmental review requirements for HUD purposes for this grant application. Please contact the CDBG representative for further guidance on avoiding ERR duplication.

Scheduling and budgeting should allow for sufficient time and funds to complete environmental clearances prior to commencement of activities.

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B. NEED FOR ACTIVITY:

1. Please enter the percentage of all renter households that are paying more than 25% of their income for housing.

Notes: Applicants **must** use 2000 Census data for this number. Overpayment data are available in the 2000 Census Summary File 3, Table DP-4 (see sample of this table in Appendices).

Applicants must attach the 2000 Census table and show the calculations. **Failure to do either one will result in no points being given under this category.**

2. Please enter the percentage of total households that are overcrowded.

Notes: Overcrowding means 1.01 or more persons per room.

Applicants **must** use 2000 Census data for this number. Overcrowding data are available in the 2000 Census Summary File 3, Table DP-4 (see sample of this table in Appendices).

Applicants must attach the 2000 Census table and show the calculations. **Failure to do either one will result in no points being given under this category.**

3. **Need for New Units.** Recent surveys (less than 5 years) or 2000 Census data are acceptable documentation. The data requested is for the entire jurisdiction.

Exception: For this activity, CDBG will allow the designation of a Target Area only for County applicants where the proposed project is in a geographically isolated area of the county.

a. Please:

- enter the percent(s) of **owner-occupied** units that are vacant in the entire jurisdiction, or a geographically isolated area of the county
- check the appropriate data source (2000 Census or local survey), and
- attach a copy of the Census table with the calculations and/or the results of the local survey (as applicable). **Failure to do either one will result in no points being given under this category.**

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Notes: If the applicant is using 2000 Census data, refer to the Census Summary File 1, Table DP-1 (see sample of this table in Appendices) for the jurisdiction-wide vacancy rates by tenure type.

If the applicant is using local survey data, please include a copy of the survey instrument, the survey methodology that was used, and the results of that survey with pertinent information highlighted.

4. Please state whether there is a project-specific waiting list or market study. If yes, applicants must attach a copy. **Failure to do so will result in no points being given under this category.**
5. Supplemental Information: If the Census data for Overpayment, Overcrowding, and/or Homeownership Rate do not accurately depict your community's need in those categories, please:
 1. Check which category(ies) are being rebutted:
 - ❖ Worsened Overpayment: Information rebutting or not captured in the 2000 Census.
 - ❖ Homeownership Rate: Information rebutting or not captured in the 2000 Census.
 - ❖ Housing Overcrowding: Information rebutting or not captured in the 2000 Census.
 - describe the community's worsened needs in those categories,
 - attach third-party documentation, if available, showing the community's worsened needs in those categories,
 - and identify the page number in the application where the third-party documentation can be found .

Notes: Such supplemental information **may not be older than five years** from this year's application filing date and **must be specific to the community.**

Vacancy rate data cannot be supplemented, as recent surveys are already allowed as noted above under "Need for New Units."

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C. TARGETED INCOME GROUP (TIG) BENEFIT

1. Enter the percentage of total project beneficiaries that would be TIG households.
2. If the answer to question #1 is **51% or greater**, enter the percentage and go to Section C.

If the answer to question #1 is **Between 20% and 50%**, answer questions 4.a-d below.

If the answer to question #1 is **less than 20%**, stop here. The project does not meet the TIG National Objective and is **ineligible**.

3. If the applicant proposes to assist a senior housing project, stop here. The project does not meet the TIG National Objective and is **ineligible**.
4. a. Enter the **total** development costs for this project (as shown on sources and uses).
4. b. Enter the dollar amount of CDBG funds requested for this project.
4. c. Divide the CDBG funds by the total development costs. Indicate this number as a percentage. (This is the percentage of CDBG dollars relevant to the total development costs.)
4. d. Is the percentage of TIG dollars **equal to or less than** the percentage of TIG households in the project shown in question number one above?

If the answer is "Yes," the project **meets** the TIG National Objective for this activity.

If the answer is "No," **STOP HERE**. The project **does not** meet the TIG National Objective and is **ineligible**.

NOTE: Compare the percent of benefit to TIG households with the percent of CDBG dollars relative to the total development cost (TDC). For example, a potential \$1,000,000 project may be designed to set aside 40 percent of the finished project units for TIG households. If the applicant is requesting \$400,000 of CDBG funds, which is 40 percent of the TDC, the application meets the test that the percent benefit to TIG households is equal to or greater than the percent of TDC that the CDBG dollars represent.

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D. SOURCES AND USES:

1. Sources and Uses Form.

Sources. The major funding sources are printed on the form.

The amounts and sources for local and private funding contributions should match the Information provided on the leverage charts in the application summary. In addition, make entries here for any State, federal, or other sources that will be used to finance the **entire project**.

For “other State” funds, if any are from another HCD program, please identify that State funding source on this chart.

Uses. Identify the cost categories applicable to the proposed project and enter the amount that is planned to be used. Allocate the amounts across the table to the funds are expected to be received from all the sources listed. This chart should include costs for the **entire project** (not just the CDBG portion). The applicant’s cost estimates can assist in calculating these entries.

- For the Construction cost categories, include a factor for Davis-Bacon wages when applicable. All construction costs should include a contingency established in the line item.
- The equipment category could include items such as outdoor playground equipment.
- Examples of fees that should be listed are commissions to brokers or closing costs for the acquisition of land or a building.

Please double-check the totals, in all rows and columns, for accuracy.

E. PROGRAM READINESS.

Of the 150 points available for capacity, the application may be awarded up to 50 of those points for documenting actions that make the proposed project or program ready to proceed. These actions must be directly related to the activity. They may include the completion of the special conditions and environmental review requirements, procuring an operator or subrecipient, and obtaining funding commitments.

A partial list of such actions are included the Program Readiness Chart. (This Chart is not a complete list of possible readiness actions). Applicants must submit documentation to support each readiness action. Failure to do so will result in no points being awarded for that readiness action.

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A. ACTIVITY DESCRIPTION:

1. Please indicate the ONE activity to be proposed and described with this set of forms. Each separate housing acquisition activity must have a separate set of forms submitted for it.

Homebuyer Assistance Program (units already built at time of application)

(Must be jurisdiction-wide. Target areas may be allowed for county applicants only)

Acquisition of Existing Multi-Family Housing Project

Acquisition of Existing Mobile Home Park Project

2. **Description of Homebuyer Assistance Program (see instructions):**

3. **Project Description (see instructions):**

4. **Environmental Clearance.** Please check the box for the anticipated level of environmental clearance under the National Environmental Policy Act (NEPA).

Environmental Assessment

Categorically Excluded, but Subject to 58.5...

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B. NEED FOR ACTIVITY:

Data Type	Instructions:	%	Data Source
1. <u>Overpayment</u>	Enter the percentage of all <u>renter</u> households who are paying more than 25% of income for housing. <i>You must show calculations on your attached Census table.</i>	___%	2000 Census Data
2. <u>Overcrowding</u>	Enter the percentage of total households who are overcrowded. <i>You must show calculations on your attached Census table.</i>	___%	2000 Census Data

3. Need for New Units:

Data Type	Instructions:	%	Data Source
			Below, specify if data is from 2000 Census OR local survey.
a. <u>Homeownership Vacancy Rate</u>	For Homeowner Acquisition Programs: Enter the percent(s) of <u>owner-occupied</u> units that are vacant in the entire jurisdiction. <i>Attach the Census tables and/or the results of the local survey, if applicable.</i>	___%	___ 2000 Census ___ Local Survey

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4. Documentation of Local Demand for Project:

Waiting List

Market Study

___ Yes. Attach a copy.

___ Yes. Attach a copy.

___ No.

___ No.

5. Supplemental Information:

This section is used to provide information being rebutted and/or not captured in the 2000 Census in regards to your community's worsened overpayment, overcrowding needs, and/or homeownership rate. Provide all information that is requested.

Check if the applicant is providing supplemental information for:

___ Worsened Overpayment

___ Worsened Housing Overcrowding

___ Homeownership Rate

Describe the worsened overpayment, overcrowding, and/or homeownership rate issue:

How is this issue specific to the community?:

List:

- third-party documentation (must be less than 5 years old) that is being submitted to support the issue, and
- the date of the documentation submitted, and
- the page numbers, in this application, where it can be found.

Description of Documentation:	Date of Doc.	Page #
1.		
2.		
3.		
4.		

C. TARGETED INCOME GROUP (TIG) BENEFIT

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All CDBG Housing Acquisition projects must meet the TIG National Objective in order to be eligible for funding. **Answer the questions and follow the prompts below to determine project eligibility.**

1.	What percentage of housing units benefiting from this proposed activity are TIG households? _____%	
	<ul style="list-style-type: none"> • If proposing assistance for development of individual-ownership housing, there must be <u>100% TIG benefit</u>. (Stop. GO to Section D.) • If proposing assistance for the development of rental housing, <i>CONTINUE with questions below.</i> 	
2.	<ul style="list-style-type: none"> • If the answer to question # 1 is 51% or greater, Stop. GO to Section D. • If the answer to question # 1 is between 20% and 50%, <i>CONTINUE with questions below.</i> 	
	<ul style="list-style-type: none"> • If the answer to question # 1 is less than 20%, ... 	STOP. Project does not meet the TIG National Objective and is ineligible .
3.	Does the applicant propose to assist a senior housing project?	___ YES STOP. Project does not meet the TIG National Objective and is ineligible ___ NO. CONTINUE.
4. a.	Enter the Total Development Costs (TDC) for this project.	\$ _____
4. b.	Enter the dollar amount of CDBG funds requested for this project.	\$ _____
4. c.	Divide CDBG funds (4. b.) <u>by</u> TDC (4. a.) = (percentage of CDBG funds relevant to TDC)	_____ %
4. d.	Is the percentage of CDBG funds equal to or less than the percentage of TIG households shown in #1 above?	___ YES Project meets the TIG National Objective for this activity. ___ NO. Project does not meet the TIG National Objective and is ineligible .

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D. SOURCES AND USES FORM. Show all funds that are budgeted for the entire project (CDBG funds requested and all other funding sources).

USES	SOURCES							
	State CDBG	Local Financial	Private Financial	Program Income	Federal	Other State Funds	Other: List	Totals:
Land Acquisition								\$
Building Acquisition								\$
Construction On-Site								\$
Construction Off-Site								\$
Equipment								\$
Final Plans & Specs.								\$
Fees								\$
Contingency								\$
Relocation								\$
Planning								\$
Other:								\$
Other:								\$
Other:								\$
Totals:	\$	\$	\$	\$	\$	\$	\$	\$

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E. READINESS CHART – Housing Acquisition

See Instructions for details of how to complete and provide proper documentation.

PROGRAM OPERATOR	INDICATE “Yes” OR “No”	DOCUMENTATION Submitted	PAGE NO.
In-House Administration			
Sub-recipient Agreement			
Consultant Hired			

ENVIRONMENTAL	INDICATE “Yes” OR “No”	DOCUMENTATION Submitted	PAGE NO.
Complete Environmental Review Record (ERR)			
Ready to Publish Public Notice			
Environmental Finding Form			
Form 58.6			

SPECIAL CONDITIONS	INDICATE “Yes” OR “No”	DOCUMENTATION Submitted	PAGE NO.
Site Control			
All financing in Place			
Timeline for completion			
Approved Program Guidelines			
Approved PI Reuse Plan			

READINESS	INDICATE “Yes” OR “No”	DOCUMENTATION Submitted	PAGE NO.
Waiting List – Eligible Participants			
List of Eligible Bidders			
Final Plans and Specs			
Bid Documents Completed			