

# County of Berks

## HOME Investment Partnerships Program

### Policies and Procedures

#### Introduction

Thank you for your interest in developing affordable housing in the County of Berks. Each year, the County receives an allocation of Home Investment Partnership (HOME) Program from the U.S. Department of Housing and Urban Development (HUD). The Redevelopment Authority of the County of Berks administers the HOME Program allocation to expand the supply of quality affordable housing.

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 Program funds are used to achieve the following objectives:

- To provide decent affordable housing to lower-income households.
- To expand the capacity of non-profit and authority housing providers.
- To strengthen the ability of 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).

**Purpose:** This document contains the basic program guidelines for the County's HOME Program. The purpose of this guide is to introduce you to the program, insure you understand the requirements of the Program, and instruct you on how to apply for and administer funding. Many new regulations governing the program were introduced in 2013, so please review the following information carefully. Please note that the information presented in these pages should not be construed as an exhaustive list of the regulations and requirements governing County of Berks financing for this program. Developers assume all risk of any predevelopment funds expended before funding is formally approved and are ultimately responsible for compliance

with all applicable regulations. This information should be taken only as a general guideline is not a substitute for a thorough understanding of the regulations. The County will make every effort in assisting developers and subrecipients with program compliance issues.

Upon filing an application, you acknowledge that once the grant has been accepted, you assume all risks of change in rules and regulations or policies concerning this program, together with any adverse effects upon you and any resulting costs thereof.

**How to Apply for Funds:**

**A. Get an Electronic Copy of the HOME Application**

Electronic and hard copies of the County’s HOME Program application may be obtained from the County website at <http://www.co.berks.pa.us/Dept/BerksRA>. Questions may be directed to the Berks County Redevelopment Authority, Kenneth Pick, Executive Director, (phone) 610-478-6325, or [kpick@countyofberks.com](mailto:kpick@countyofberks.com)

**B. Before Completing an Application**

1. Read through these Program Guidelines and the application materials
2. Talk with Ken to discuss your project’s eligibility and feasibility.
3. Review program information on the HUD web site at <http://www.hud.gov/offices/cpd/affordablehousing/programs/home/>

**C. Submit a Complete Application**

You must submit one original hard copy of your completed application AND an electronic version of the HOME Application. Applications and exhibits must be submitted to:

Berks County Redevelopment Authority  
Attn: Executive Director  
Services Center – 14<sup>th</sup> Floor  
633 Court Street  
Reading, PA 19601

**Distribution of Funding:**

The County of Berks distributes HOME Program funds geographically within its boundaries and among different categories of housing needs, according to the priorities of housing need identified in its approved joint consolidated plan.

The County of Berks only invests HOME Program funds in eligible projects within boroughs and townships or in joint projects with the City of Reading, which serve residents from both jurisdictions.

Applications for HOME Program funds are solicited once a year (subject to fund availability) and reviewed competitively. Before committing funds to a project, the County of Berks

underwrites and evaluates the project and will not invest any more HOME Program funds than is necessary to provide affordable housing in combination with other governmental assistance.

**Income:**

The County of Berks will use the definition of adjusted gross income, as defined for purposes of reporting under Internal Revenue Service Form 1040 series for individual Federal annual income tax purposes for all HOME Program funded activities. The following are the income limits effective May 1, 2014.

Household Size (persons)	100% AMI (Approximate)	80%AMI Income Limit
1		\$37,450
2		\$42,800
3		\$48,150
4	\$64,600	\$53,500
5		\$57,800
6		\$62,100
7		\$66,350
8		\$70,650

**Eligible Activities**

HOME Program funds may be used to develop and support affordable rental housing and homeownership affordability through:

- Acquisition (including assistance to homebuyers),
- New construction (includes adding additional units to an existing structure),
- Reconstruction, or rehabilitation of non-luxury housing with suitable amenities, including related costs such as:
  - Real property acquisition,
  - Site improvements,
  - Demolition, and
- Other eligible expenses including financing costs, relocation expenses of any displaced persons, families, businesses, or organizations, and
- Tenant-based rental assistance to eligible household(s), including security deposits.

**Eligible Properties:**

- 1-4 Single family unit homes
- Condominiums/Cooperatives
- Group Homes
- Transitional Housing & Single Room Occupancy Units
- Permanent Supportive Housing
- May be one or more buildings on a single site, but project must be assisted with HOME Program funds as a single undertaking.

**Method of Assistance:**

The County of Berks will provide HOME Program funds as either loans or grants.

**Eligible Costs**

HOME Program funds may be used to pay the following eligible costs:

- **Acquisition Costs** include costs of acquiring improved or unimproved real property. However, acquisition of vacant land or demolition can only be undertaken for particular housing project intended to provide affordable housing, and costs to make utility connections to an adjacent street or to make improvements to the project site.
- **Development Hard Costs** include the actual cost of constructing or rehabilitating housing, costs to meet the County's Construction Standards, cost of demolition of existing structures, utility connections including off-site connections from the property line to the adjacent street, improvements to the project site (only property owned by the project owner where the project is located) that are in keeping with improvements of surrounding standard project, and costs to construct or rehabilitate laundry and/or community facilities located in the same building as the housing for the use of project residents (only applicable to multi-unit rental housing). HOME Program funds may be used to purchase manufactured housing units or purchase the land upon which a manufactured housing unit is located. HOME Program funds shall not be used to rehabilitate manufactured housing units. Any manufactured housing unit purchased with HOME Program funds must, at the time of project completion, be connected to permanent utility hook-ups and be located on land that is owned by the manufactured housing unit owner or land for which the manufactured housing owner has a lease for a period at least equal to the applicable period of affordability.
- **Soft Costs** include other reasonable and necessary costs incurred by the owner and associated with the financing, or development (or both) of new construction or rehabilitation or acquisition of housing assisted with HOME Program funds. These costs include, but are not limited to: Architectural Services, Engineering Services, Preparation of plans, drawings, specifications, or work write-ups, Costs to process and settle the financing for a project, Private lender origination fees. Credit reports; Fees for title evidence; fees for recordation. Filing of legal documents, Building permits; Attorneys

fees; private appraisal fees, fees for an independent cost estimate, builders or developers fees; costs of a project audit, affirmative marketing and fair housing information to prospective homeowners and tenants, and project impact fees.

- **Tenant Based Rental Assistance Costs** include the rental assistance and security deposit payments made to provide tenant-based rental assistance for eligible households. Administration of tenant-based rental assistance is generally eligible only under administrative expenses.

## Rental Housing Development

The County of Berks will provide *loans* to developers of affordable rental projects to assist with cost that are in excess of construction, permanent, and/or other subsidy financing and equity resources. The amount of funds invested in a rental housing project will always reflect the minimum amount of public subsidy necessary to achieve the maximum public benefit. Before committing funds to a rental project, the County will evaluate the project and verify that the developer did not request or was not allocated any more HOME Program funds in combination with other governmental assistance than is necessary to provide the affordable housing.

### Deadlines for Completion and Rent-Up:

Within **4 years of contract execution** rental projects must be complete, meaning 100% of HOME Program funds must have been disbursed for the project and the County or Redevelopment Authority has entered project completion information in the disbursement and information system established by HUD.

The HOME-assisted units in a rental housing project must be occupied by households that are eligible as low-income families to qualify as affordable housing. If eligible tenants do not occupy the housing within **six months** following the date of project completion, the Developer/owner must submit marketing information and, if appropriate, a marketing plan. HOME Program 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 Berks, the Redevelopment Authority, or HUD.

### Property Management Policies:

The Developer/owner must use fair marketing practices when leasing HOME assisted units. The Redevelopment Authority will review and approve the 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”; “Protect Your Family from Lead in Your Home”; “Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards” must be signed by renters prior to their becoming obligated under a rental contract. The County requires that developers/owners obtain evidence of tenant receipt of any pamphlet distributed. Developers/Owners may create their own receipt of disclosure. The Developer/owner cannot refuse to lease HOME-assisted units to persons with a voucher for Section 8 Tenant-

Based Assistance. The Developer/owner must submit a list of rents each year for HOME assisted units (during the period of affordability) to the Redevelopment Authority for review and approval.

### **Rents:**

Every unit assisted with HOME Program funds is subject to annual updated rent limits. 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. The tenant can at no time be charged more than HOME rent limits, even in conjunction with another program. 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. If a project has five or more HOME assisted units, the HOME regulation says that at least 20% of the HOME assisted rental units must be occupied by household at 50% of median income or below, and they must occupy units at or below the Low HOME Rent. The Developer/owner must submit annual performance reports to the County or the Redevelopment Authority for review. If problems are identified, the County or the Redevelopment Authority may offer technical assistance and/or request additional documentation and corrective actions.

### **Lease Requirements:**

The lease between a tenant and an owner of rental housing assisted with HOME Program funds must be for not less than one year, unless by mutual agreement between the tenant and the owner. *Prohibited lease terms.* The lease may not contain any of the following provisions:

- 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;
- 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;
- 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;
- Waiver of notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
- 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;
- Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury;

- 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; and
- 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 court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs, if the tenant loses.
- Termination of tenancy. An owner may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted with HOME Program funds except for serious or repeated violation of the terms and conditions of the lease; for violation of applicable Federal, State, or local law; for completion of the tenancy period for transitional housing; or for other good cause. To terminate or refuse to renew tenancy, the owner must serve written notice upon the tenant specifying the grounds for the action, at least 30 days before the termination of tenancy.

## Homeownership Housing Development

The County of Berks will provide *grants* to developers of affordable homeownership projects to assist with cost that are in excess of construction, permanent, and/or other subsidy financing and equity resources. The amount of funds invested in a housing project will always reflect the minimum amount of public subsidy necessary to achieve the maximum public benefit.

Before committing funds to a housing project, the Redevelopment Authority will evaluate the project and verify that the developer did not request or was not allocated any more HOME Program funds in combination with other governmental assistance than is necessary to provide the affordable housing.

### **Eligible Beneficiaries:**

Eligible homebuyers must meet the following requirements:

1. Household must be at or below 80% of area median income at the time of application;
2. Household must reside in or be relocating to the County of Berks;
3. Household must not be an agent, consultant, officer, employee, and/or elected official of the County of Berks or the Redevelopment Authority of the County of Berks (household may still be able to receive assistance, IF a waiver is approved by HUD);
4. Household will use the dwelling unit as their principal residence;
5. Household will legally own the dwelling unit/property (as evidenced through a fee simple title, 99 year leasehold interest, or equivalent form of ownership approved by the Redevelopment Authority);
6. Household must meet all other requirements where applicable.

### **Eligible Activities:**

Activities allowed with the use of County's HOME Program funds are activities that support the development of affordable housing and address the needs identified in the Joint Consolidated Plan. The activities may include but are not limited to:

- Acquisition of land or of and existing structure(s) for rehabilitation of affordable homeownership housing;
- Rehabilitation of existing structure(s) of affordable homeownership housing;
- New construction of affordable homeownership housing.

### **Eligible Types of Projects:**

- Single family homes.
- 2 unit homes where the owner lives in one unit.
- May be one or more buildings on a single site, but project must be assisted with HOME Program funds as a single undertaking.

### **Eligible Costs:**

- Acquisition costs.
- Development hard cost for both new construction and rehabilitation.
- Developer fee limited to 10% of the sale price of the unit.
- Related soft costs such as architectural, engineering, and other professional services required.
- Operating and carrying costs directly related to carrying out the project.

### **Deadlines and Conversion of Units to Rental:**

All projects must be **complete** with units sold within **4 years of the commitment** of HOME Program funds. Any unit not sold within **9 months**, for projects of the date of the certificate of occupancy **must be converted to rental and meet all of the requirements for HOME Program rental housing**. HOME Program funds provided for any such unit that is not rented within 18 months of conversion must be repaid.

### **Property Management:**

1. The developer must use fair housing marketing practices when selling HOME Program funded units, as required by the Fair Housing Act (4.2 U.S.C. 3601-29). The Redevelopment Authority 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.

2. 100 percent of HOME Program funds must be invested in dwelling units that are occupied by households that qualify as low-income families (80% AMI and below).
3. If HOME Program funds are used to help a purchase/acquire one rental unit along with the homeownership unit, the HOME program rental affordability requirements apply to the rental unit.
4. All HOME Program funded projects shall be in compliance with Fair Housing Act and Section 504 of the Rehabilitation Act of 1973.
5. The ownership interest may be subject only to mortgages, deeds of trust or other debt instruments approved by the Redevelopment Authority or any other encumbrances or restrictions that do not impair the marketability of the ownership interest, other than the HOME Program restrictions on resale.

**Fiscal Policies:**

1. All cost must be in direct relation to the County's HOME Program assisted unit and supporting documentation of all expenditures is required for all costs being paid for with HOME Program funding.
2. With the exception of acquisition costs, HOME Program funds are available as reimbursement for eligible expenses.
3. Related soft costs must be necessary for the development of the HOME program units, and documentation must be provided for any cost reimbursement.
4. Funding will be limited to the amount necessary to facilitate completion of the project and will not exceed a proportionate share of costs in a project with multiple units. All projects will be underwritten according to the County's HOME Program underwriting guidelines. Individual homebuyers must also be underwritten per the guidelines.
5. Before monies are released, an agreement will be signed between the County and the recipient. The agreement will satisfy Federal requirements and establishes the terms under which the funding is being provided. The Redevelopment Authority will not execute the agreement until the developer has provided (1) a budget for the project, (2) commitments for all necessary financing other than the HOME Program funds, (3) a project schedule, (4) documentation of construction start within twelve (12) months of the date of the agreement, and (5) a study of the current market demand for the units in the neighborhood in which the units are located.

**Terms of Affordability:**

The County will provide financing in the form of a deferred loan or grant to affordable housing projects. Funding agreements will define the term of affordability according to the Federal regulations as follows:

- Less than \$15,000 – 5 years
- \$15,000 to \$40,000 – 10 years

- More than \$40,000 – 15 years

Affordability requirements shall be recorded on the property through a deed restriction, covenant running with the land, or a mortgage and note. \* *Loan default and subsequent foreclosure negates the principal residence limitation, but not the affordability restrictions.*

All homeowners must be provided pre-purchase counseling. All units must be sold at or below the HOME Program Unit Sale Limits of 95% of the median purchase price for the area for the specified housing type). 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 Program loan. Resale of the property will require full payment of the HOME Program loan.

**Property Standards:**

1. All properties constructed or rehabilitated with County HOME Program funds will meet the minimum local codes and standards once construction is completed and occupied.
2. All projects will be designed and constructed in compliance with the Construction Standards of the municipality in which the project is located.
3. Monitoring visits will be conducted by the County or its designated agent to ensure property and construction standards are being met before, during, and after construction.
4. All new construction housing developments with 5 or more units must design and construct 5 percent of the dwelling units, or at least one unit, whichever is greater, to be accessible for persons with mobility disabilities. These units must be constructed in accordance with the Uniform Federal Accessibility Standards (UFAS) or a standard that is equivalent or stricter.
5. All renovations of existing structures with 15 or more units (where the cost of the alterations is 75 percent or more of the replacement cost of the completed facility) must have 5 percent of the dwelling units to be accessible for persons with mobility disabilities. These units must be constructed in accordance with the Uniform Federal Accessibility Standards (UFAS) or a standard that is equivalent or stricter.
6. Regardless of project size, all multifamily housing projects shall, to the maximum extent feasible, be readily accessible to and usable by individuals with handicaps.

7. In projects with less than 15 units, HOME Program recipients are not required to take any action that would result in a fundamental alteration in the nature of its program or activity or in undue financial and administrative burdens.

## **Tenant-based Rental Assistance**

HOME Program funds may be used for tenant-based assistance in any participating jurisdiction. The following conditions apply for such use of funds: (i) The participating jurisdiction certifies that such assistance is an essential element of its annual housing strategy and specifies the local market conditions leading to this determination; and (ii) The tenant-based rental assistance is provided in accordance with written tenant selection policies and criteria that are consistent with the purposes of providing housing to very low- and low-income families and are reasonably related to the Federal preference rules. The Redevelopment Authority's monitoring of tenant-based rental assistance will cover the following areas:

1. **Program Design.** The design of any TBRA program must be consistent with the activities proposed in the Consolidated Plan.
2. **Outreach.** The TBRA program must be marketed in such a way that all eligible low-income households have the opportunity to apply for assistance and the program must undertake special outreach to eligible applicants who are determined to be "least likely to apply".
3. **Participant (Tenant) Selection.** Selection of applicants for participation in a TBRA Program must be done in a fair and equitable manner, complying with HOME Program eligibility requirements and mandatory federal preference rules.
4. **Unit Characteristics.** The HOME Program sets certain minimum guidelines about the quality of the housing that may be paid for with Program funds and imposes several additional restrictions on the housing that beneficiaries may select.
5. **Subsidy Administration.** The HOME Program places limitations on the amount of subsidy that may be paid on behalf of an eligible household and the amount of rent that may be charged by landlords.
6. **File Documentation.** The TBRA Program need not comply with HOME Program requirements, but must also be able to document performance with adequate records.
7. **Performance.** While the HOME Program does not specify a particular level of performance that must be achieved, an important objective of monitoring is ensuring that HOME Program funds are used effectively and efficiently. To achieve this objective, performance will be regularly monitored and, where needed, work done to increase performance. In reviewing performance, monitoring staff will examine program participation, impact and efficiency of administration

## Evaluation Criteria

Applicants will be evaluated under the following criteria. These are not stringent requirements, but fulfilling one or more may increase the likelihood that a project is funded and is ready to close promptly.

### **A. Readiness to Proceed**

Proposals will be evaluated on the overall status of the project and likeliness to proceed smoothly during the current construction season. Specific items that work in an applicant's favor include:

1. Firm funding commitments
2. Applications made in response to a current Request for Proposals
3. Clear title to property, if not publicly owned
4. Reasonable timeline showing that work can commence promptly upon receipt of award

### **B. High Quality Site Plans, Construction Drawings, and Specifications**

Applications with professionally-prepared design and construction documents will move more quickly through the design and construction review processes and will therefore be given preferential treatment.

### **C. Market Needs Assessment and Marketing Plan**

As of 2012, all HOME Program funded projects must submit a market needs assessment that evaluates demand for the proposed units, based on sales or rental data in that specific area and/or market category. See Exhibit B for the contents of the market assessment. Applicants may use the market assessment submitted as part of the low income housing tax credit (LIHTC) program administered by the Pennsylvania Housing Finance Agency (PHFA).

A marketing plan must be developed for the units that delineates how the marketing will be targeted and how underserved individuals will be encouraged to apply.

### **D. Developer Capacity**

The developer must demonstrate both the financial and technical capacity to successfully complete the proposed project. This can be accomplished through resumes demonstrating the accomplishments and successes of organization principals, projects completed by the development team, or the employment of professionals or consultants who possess the requisite skills and experience to ensure a successful project.

The developer also must demonstrate the financial capacity to complete the project through financial statements, analysis of project cash requirements and commitments for interim financing.

Prior to allocating funding for the project, new developers will be required to complete the capacity assessment. Documentation must be submitted and reviewed per the requirements in Exhibit A, attached.

## **E. Financial Feasibility**

Proposals will be measured by the extent to which the applicant has demonstrated the overall soundness of the financial assumptions and that the request from the County is limited to the minimum required gap funding/financing.

1. Leverage of other funding sources. Combining other public and/or private funds to minimize the amount requested from the County is encouraged.
2. Financial viability. A sources and uses, pro forma and construction budget will be submitted electronically and in hard copy. All costs and assumptions must be consistent with industry standards and standards outlined in the next section of this guide.
3. Funding sources are documented, indicating exact level of commitment, conditions and time frame for expending funds. This may also be evaluated based on experience of applicant(s) in obtaining these commitments.

## **F. Other Considerations**

1. Developments that create mixed-income housing environments.
2. Materials and construction standards exceeding Energy Star standards.
3. Projects developed in coordination with other targeted neighborhood investments

## **Monitoring**

For rental projects with 10 or more units financial statements prepared by an independent CPA (in the form of either a formal annual audit or CPA-compiled review) must be annually submitted to the County or the Redevelopment Authority for review All cost must be in direct relation to the County's HOME assisted unit and supporting documentation of all expenditures is required for all costs being paid for with HOME Program funding.

The purpose of this guidance is to define the duties and responsibilities of the County of Berks, the Redevelopment Authority, contractors, developers, owners, sponsors, and subrecipients, when implementing projects funded by the Federal Home Investment Partnerships (HOME) Program. It is also designed to establish the guidelines for the County to monitor those entities or activities.

Beginning with the commitment of funds after August 23, 2013, a \$250.00 fee will be charged to cover the cost of ongoing monitoring and physical inspection of HOME Program funds rental projects during the period of affordability. The amount of the fee is based upon an evaluation of average actual monitoring cost in recent years.

*Contractor* means a private or public business which that goods and services under contract.

*Developer* means a public agency, nonprofit organization or private concern which, regardless of ownership, has a contractual obligation to a property owner to either obtain financing for, rehabilitate or construct a project.

*Owner* means the entity that holds valid legal title to or has a long term lease (99 year minimum) leasehold interest in a property.

*Project* means a site or an entire building (including a manufactured housing unit), or two or more buildings, together with the site or (when permissible) sites on which the building or buildings are located, that are under common ownership, management and financing and are to be assisted with HOME Program funds, under a commitment by the owner, as a single undertaking. Project includes all the activities associated with the site and building. A project may include more than one site, only if the sites are within a four block area of each other or if the project is undertaken pursuant to subpart M (HOME Funds for Indian Tribes).

*Project Completion* means that all necessary title transfer requirements and construction work have been performed and the project in HUD's judgment complies with the requirements of this part (including the property standards adopted under §92.251); the final drawdown has been disbursed for the project; and a Project Completion Report has been submitted and processed in the Cash and Management Information System (§92.502) as prescribed by HUD. For tenant-based rental assistance, the final drawdown has been disbursed for the project and the final payment certification has been submitted and processed in the Cash and Management Information System as prescribed by HUD.

*Sponsor* means an entity that develops a project that it solely or partially owns and agrees to convey ownership to a second nonprofit organization at a predetermined time to or during development or upon completion or development of the project.

*Subrecipient* means a public agency or nonprofit organization selected by the County to administer all or a portion of the County's HOME Program. A public agency or nonprofit organization that receives HOME Program funds solely as a developer or owner of housing is not a subrecipient. The County has contracted with the Redevelopment Authority of the County of Berks for administration of its HOME Program. The selection of the Redevelopment Authority was not subject to the procurement procedures and requirements. The administration of a HOME Program funded project is the responsibility of all of the numerous parties. The County acts as the grantee recipient of HOME Program funds from the U.S. Department of Housing and Urban Development (HUD). As such, the County assumes overall responsibility for program management. As in most federal funding programs, there are numerous conditions, regulations and rules that govern the HOME Program, and these are legally imposed upon the County through the grant contract issued by HUD.

Once projects are identified, the County allocates HOME Program funds to other parties such as a public or private owner, developer or sponsor. In allocating these funds, the County advises the party that requests for payment will only be honored when proper file documentation has been received and approved by the Redevelopment Authority. Such documentation is required to support the expenditure of HOME Program funds. With this procedure, the party is compelled to

provide supportive documentation before a disbursement of HOME Program funds will be made. This procedure has been found to be an effective method of insuring the eligibility of every HOME Program funded action being implemented by the party. The responsibility for submitting project documentation and following acceptable authorization for payment procedures is explained in the Agreement executed between the Redevelopment Authority and the party.

In most cases, the Agreement authorizes the party to contract for HOME Program funded projects. The role of the County is to provide on-going advice and assistance to the party in meeting the requirements of the Agreement. Since the County is ultimately liable for the expenditure of HOME Program funds and the timeliness of project implementation, it is the County's intent to perform certain program management functions to insure the appropriate and timely expenditure of grant funds.

### CONTRACTORS

The Redevelopment Authority will use its agreement for services and goods or invoices to monitor the performance of its contractors. Not less than annually, the Authority will review the performance of each contractor.

### DEVELOPERS, OWNERS, SPONSORS

Because the type of activity administered by these varies in scope and level of sophistication, the level of monitoring will vary. The County has developed two procedures for the monitoring of developers, owners and sponsors of housing projects.

#### **Minimum Monitoring Requirements**

Since the County exercises a high degree of control over the activities of developers, owners and sponsors of housing, minimum monitoring procedures will be relatively informal and will consist of the following:

1. Day to day informal contact, either by telephone or in person. This involves informing, directing and answering questions on a routine basis, as a matter of expediting the project.
2. All project documentation will be maintained at the Redevelopment Authority office, thus insuring compliance with HOME Program regulatory requirements.
3. All parties will submit written documentation to the Authority, when seeking payment reimbursement. The Authority will insure that file documentation is in order, before allowing the disbursement of HOME Program funds by the parties.
4. Submission on a quarterly basis, of a written progress report detailing the status of the project

5. Based upon the parties' provision of file documentation, the Authority shall determine if more formalized monitoring is required.

### **Additional Monitoring Requirements for Certain Parties**

Since the activities administered by certain developers, owners or sponsors may be more complex or progress on a particular project or activity is unsatisfactory, a more formalized monitoring procedure will be followed. Formalized monitoring will be conducted as follows:

1. Day to day informal contact in person. This involves informing, directing and answering questions on a routine basis, as a matter of expediting the project.
2. Periodically, as the situation requires, correspondence will be required to document information flow, decisions or requests and responses to information and reporting needs.
3. Upon completion of the detailed monitoring evaluation, the Authority will make a determination as to the overall capacity of the entity. The determination will be based upon the following criteria:
  - a) progress toward achievement of completion of project and/or activities.
  - b) compliance with program requirements.
  - c) expenditures and budget balance in terms of their adequacy to complete the project and/or activities according to established goals.
  - d) staffing adequacy and quality of performance.
  - e) adjustments necessary (if any) to the program and/or activities.
  - f) adequacy of record keeping for the Authority's monitoring and audit purposes.

### **PROJECTS**

The Authority is responsible for monitoring the performance of all entities receiving HOME Program funds. This is to assure compliance with the requirements of the HOME Program, and for taking appropriate action, when performance problems arise. Not less than annually, the Authority will review the activities of owners of rental housing assisted with HOME Program funds. For multifamily housing containing more than twenty-six (26) or more HOME-assisted dwelling units, each review will include on-site inspection to determine compliance with housing codes and the project requirements of the HOME Program. For rental housing containing twenty-five (25) HOME-assisted dwelling units or less, an on-site inspection will be made once within each two (2) year period. The results of each review will be included in the Authority's

performance report and will be made available to the public. The Authority may use Section 8 Housing Quality Inspections to determine compliance with housing codes.

Occasionally, both the City of Reading and the County of Berks provide HOME Program funds to the same project. For these projects, the City and County will develop a joint monitoring schedule and share the monitoring responsibilities and the results of the monitoring.

The monitoring review will be based on the format of the documents entitled “Review of Project Records”. Copies of the documents are included in this Guide. The County’s review shall examine the following:

1. Certifications or annual re-certifications of tenant income
2. Rent and utility allowances
3. Compliance with Section 8 Housing Quality Standards during on-site inspections
4. Lease provisions, and
5. Compliance with the terms of the Agreement.

#### SUBRECIPIENTS

As stated in the Introduction, subrecipients may include: local units of government, nonprofit organizations or other quasi-governmental agencies such as the Redevelopment Authority, Housing Authority, Industrial Development Authority, Airport Authority, etc. These subrecipients may receive allocations of HOME Program or other federal funds to administer all or a portion of the County’s HOME Program. The subrecipient acts as the administrative agency for the County’s HOME Program, authorizes the disbursement of funds to meet contractual obligations and may reimburse from the County’s HOME Program for expended local funds.

In these case, the County may assume responsibility for most technical aspects of the HOME Program, including eligibility and fundability determinations, environmental reviews, labor compliance, financial management and the single audit requirements of the County. The County provides technical assistance to the subrecipient and its design professionals, in matters pertaining to the preparation of contract documents, procurement, contract administration and disbursement of funds. At least annually, the County will review the performance of each subrecipient.

Because the type of activity administered by subrecipients varies in scope and level of sophistication, the level of monitoring will vary. The County has developed two (2) procedures for the monitoring of subrecipients.

#### Minimum Monitoring Requirements

Since the County exercises a high degree of control over the programs and activities of subrecipients, minimum monitoring procedures will be relatively informal and will consist of the following:

1. Day to day informal contact, either by telephone or in person. This involves informing, directing and answering questions on a routine basis, as a matter of expediting the program.
2. All project documentation will be maintained at the Redevelopment Authority Office, thus insuring compliance with HOME Program regulatory requirements.
3. All subrecipients will submit written documentation to the Redevelopment Authority when seeking payment reimbursement. The Authority will insure that file documentation is in order before allowing the disbursement of HOME Program funds by the subrecipient.
4. Submission on a quarterly basis, of a written progress report detailing the status of the program.
5. Based upon the subrecipients's provision of file documentation, the Redevelopment Authority shall determine if more formalized monitoring is required.

#### Additional Monitoring Requirements for Certain Subrecipients

Since the programs and activities administered by certain subrecipients may be more complex or progress on a particular program or activity is unsatisfactory, a more formalized monitoring procedure will be followed. In addition, the County shall select a representative sample of projects from those completed for more formalized monitoring. Formalized monitoring will be conducted as follows:

1. Day to day informal contact in person. This involves informing, directing and answering questions on a routine basis, as a matter of expediting the program.
2. Periodically, as the situation requires, correspondence will be required to document information flow, decisions or requests and responses to information and reporting needs.
3. At least once a year, a formal monitoring evaluation will be conducted. The monitoring evaluation will be based on the format of the documents entitled "Review of Subrecipient Records" and "Subrecipient Interview Form".
4. Upon completion of the detailed monitoring evaluation, the County will make a determination as to the overall capacity of the subrecipient. The determination will be based upon the following criteria:
  - a) progress toward achievement of completion of project and/or activities
  - b) compliance with program requirements
  - c) expenditures and budget balance in terms of their adequacy to complete the project and/or activities according to established goals
  - d) staffing adequacy and quality of performance) adjustments necessary (if any) to the program and/or activities, and.

- f) adequacy of record keeping for the County's monitoring and audit purposes.
5. The County shall determine if more frequent formal monitoring of the Subrecipient is required.

## **Recordkeeping**

The County, the Redevelopment Authority, HUD, the Comptroller General of the United States or any of their authorized representatives, have 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 in the checklists provided by the County. The developer/owner will make any additional records requested available to the County, upon request.

## **Environmental Review**

The environmental effects of each activity carried out with HOME Program 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 24 CFR parts 50 and 58.

Any funds committed to a HOME Program 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. No HOME Program funds will be disbursed, without the establishment of an Environmental Review Record and the appropriate level of review completed.

## **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.

The Lead-Based Paint Poisoning Prevention Act applies to all units in a property assisted with HOME Program 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.

## **Davis Bacon Act**

Any contract for the construction of affordable housing with **12 or more HOME Program assisted units** will require that all laborers and mechanics who are employed to work on any project, or any contractor or construction work that is financed, in whole or in part, with assistance that is received under the Housing and Community Development Act of 1974 shall be paid wages at rates that 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.

## **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.), in accordance with the following objectives:

- To ensure that owners of real property to be acquired for Federal and federally assisted projects are treated fairly and consistently, to encourage and expedite acquisition by agreements with such owners, to minimize litigation and relieve congestion in the courts, and to promote public confidence in Federal and federally-assisted land acquisition programs;
- To ensure that persons displaced as a direct result of Federal or federally assisted projects are treated fairly, consistently, and equitably so that such persons will not suffer disproportionate injuries as a result of projects designed for the benefit of the public as a whole; and
- To ensure that Agencies implement these regulations in a manner that is efficient and cost effective.

## **Construction Standards**

Housing that is constructed or rehabilitated with HOME Program 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's HOME Construction Standards and must conform to any design plans and specifications provided as part of a developer or owner application. Newly constructed housing must meet the current edition of the Model Energy Code published by the Council of American Building Officials. All other HOME Program 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, the 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, 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.

## **Affirmative Marketing & Minority Outreach**

In accordance with the County of Berks' commitment of non-discrimination and equal opportunity in housing, the County has established procedures to affirmatively market units rehabilitated or assisted under the HOME Investment Partnerships Program for projects that contain 5 or more housing units. These procedures are intended to further the objectives of Title VIII of the Civil Rights Act of 1968, and Executive Order 11063.

The County 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, familial status, handicap or national origin. Individuals eligible for public housing

assistance or who have minor children should also have available a similar range of housing choices. The County will carry out this policy through affirmative marketing procedures designed for the HOME Investment Partnerships Program.

#### Responsibility for Informing the Public, Potential Tenants, and Owners about Federal Fair Housing Laws and Affirmative Marketing Policies

The County will inform the public, potential tenants, and owners about its fair housing and affirmative marketing policy in the following manner:

- Information regarding the policy will be included in all materials prepared by the County for program marketing, including press releases, advertising, program brochures, and application packages. The Equal Housing Opportunity logo type and slogan will be used in all printed information.
- The County or Redevelopment Authority may sponsor an “Owner’s Workshop” to discuss procedures and program requirements, including the affirmative marketing policy. Participating owners shall be advised orally and in writing of this policy.
- Provide information sheets to tenants of buildings to be rehabilitated through the HOME Program, including information on this policy and their rights under the Fair Housing Laws.

#### Requirements for Owners to Inform the General Public About Available Units Rehabilitated or Assisted Under the HOME Program

In order to carry out the County’s affirmative marketing policy, the owner shall certify that, to the extent there are vacant units in properties rehabilitated or assisted through the HOME Program, these units will be marketed in a good faith effort to attract tenants, regardless of sex, of all minority and majority groups. In marketing units, the owner shall agree to:

- At least 30 days prior to the date of expected vacancy (when possible) contact the Berks County Housing Authority and advise of the pending vacancy, in order to receive referrals for tenants qualified for Section 8 Certificates or Vouchers. For units rented to tenants receiving housing assistance provided by the Berks County Housing Authority, the owner shall be relieved of any additional responsibility under this policy.
- In advertising vacant units for rent, the following procedures shall be followed:
- The owner shall use media likely to reach persons of all minority and majority groups, including those persons identified as least likely to apply. (e.g. use of community organizations, churches, fair housing groups, or housing counseling agencies.)
- The owner shall use the equal housing opportunity logo, slogan (Equal Housing Opportunity) or statement in all advertising, including signs placed on property.
- The owner shall display a fair housing poster in the rental office.
- The owner shall comply with the requirements of Title VI and Title VIII of the

Civil Rights Acts of 1964 and 1968, respectively, which provide that (1) no person is to be excluded from participation in, be denied the benefit of, or be subjected to discrimination under any program or activity receiving financial assistance hereunder, and (2) no person shall discriminate in the sale or rental of housing, the financing of housing, or the provision of services, including in any way making unavailable or denying a dwelling to any person, because of race, color, religion, sex, handicap, or national origin.

- The owner shall not discriminate against any person because of their eligibility for housing assistance or because of the fact that they have minor children in the household.
- The owner shall maintain and provide to the County information on the racial, ethnic, and gender characteristics of:
  - a. Tenants occupying units before rehabilitation:
  - b. Tenants moving from and, initially after rehabilitation, to completed units; and
  - c. Applicants for tenancy within 90 days following completion of rehabilitation. Owner may, at his sole discretion, maintain this information on applicants following this initial 90 day period to demonstrate compliance with this policy.
- The owner shall maintain appropriate records to document his good faith effort to affirmatively market units as required by this policy, including, but not limited to, copies of advertisements, special notices, etc.

#### Assessment and Corrective Action

The effectiveness of the affirmative marketing will be assessed as follows:

- The County will review information required to be maintained by the owner in Part 6 and 7 above. If the required steps were taken, the County will determine that good faith efforts have been made.
- Where there is evidence that the owner has failed to take appropriate actions as called for above, including receipt of complaints by prospective tenants regarding discriminatory actions by the owner, the County will proceed to contact the owner to investigate the nature of the complaints, actions taken by the owner, and corrective actions to be taken by the owner in marketing the next available unit. The County reserves the right to require additional affirmative marketing procedures from those described above, if determined necessary to achieve a good faith effort by owner. Serious or repeated violations of this policy could result in the termination of the HOME Program Agreement by the County and the immediate repayment of the entire principal balance of financing provided herein.
- The County shall at least annually examine whether or not persons from a variety of racial and ethnic groups in the market area applied for or became tenants of units that were affirmatively marketed. If such groups are not represented at least proportionally to their presence in the market area, the County will review this policy to determine what changes, if any, will make the policy more effective in reaching these groups.

## **Housing Accessibility**

Federal laws define a person with a disability as "Any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such impairment." In general, a physical or mental impairment includes hearing, mobility and visual impairments, chronic alcoholism, chronic mental illness, AIDS, AIDS - Related Complex, and mental retardation that substantially limits one or more major life activities. Major life activities include walking, talking and hearing, seeing, breathing, learning, performing manual tasks, and caring for oneself. Disability Rights in Private and Public Housing regardless of whether you live in private or public housing, Federal laws provide the following rights to persons with disabilities:

- Prohibits discrimination against persons with disabilities. It is unlawful for a housing provider to refuse to rent or sell to a person simply because of a disability. A housing provider may not impose different application or qualification criteria, rental fees or sales prices, and rental or sales terms or conditions than those required of or provided to persons who are not disabled.
- Requires housing providers to make reasonable accommodations for persons with disabilities. A reasonable accommodation is a change in rules, policies, practices, or services so that a person with a disability will have an equal opportunity to use and enjoy a dwelling unit or common space. A housing provider should do everything they can to assist, but they are not required to make changes that would fundamentally alter the program or create an undue financial and administrative burden. Reasonable accommodations may be necessary at all stages of the housing process, including application, tenancy, or to prevent eviction.
- Requires housing providers to allow persons with disabilities to make reasonable modifications. A reasonable modification is a structural modification that is made to allow persons with disabilities the full enjoyment of the housing and related facilities.
- Reasonable modifications are usually made at the resident's expense.

## **Housing Accommodations**

New multifamily housing must be designed and constructed to be accessible. In covered multifamily housing consisting of 4 or more units with an elevator built for first occupancy after March 13, 1991, all units must comply with the following seven design and construction requirements of the Fair Housing Act: accessible entrance on an accessible route; accessible public and Common-Use Areas; Usable Doors; Accessible Route Into and Through the Dwelling Unit; Accessible Light Switches, Electrical Outlets, Thermostats and Environmental Controls; Reinforced Walls in Bathrooms; and Usable Kitchens and Bathrooms. In covered multifamily housing without an elevator that consists of 4 or more units built for first occupancy after March 13, 1991, all ground floor units must comply with the Fair Housing Act's seven design and construction requirements.

These requirements apply to most public and private housing. However, there are limited exemptions for owner-occupied buildings with no more than four units, single family housing sold or rented without the use of a broker, and housing operated by organizations and private clubs that limit occupancy to members.

## **People with Disabilities in Federally Assisted Housing**

Federal law makes it illegal for an otherwise qualified individual with a disability to be excluded, solely because of his or her disability, from programs receiving federal financial assistance. For more information on the rights of persons with disabilities in federally assisted Zoning and Land Use: It is unlawful for local governments to utilize land use and zoning policies to keep persons with disabilities from locating to their area. For more information, see the Joint Statement of DOJ and HUD on Group Homes, Local Land Use, and the Fair Housing Act. State and Local Laws: Many states and localities have fair housing laws that are substantially equivalent to the Federal Fair Housing Act. Some of these laws prohibit discrimination on additional bases, such as source of income or marital status. Some of these laws may impose more stringent design and construction standards for new multifamily housing.

## **Fees**

Developers/owners are prohibited from charging fees to tenants that are not reasonable or customary, such as a monthly fee for access to pay laundry facilities.

## **Conflict of Interest**

No person who is an employee, agent, consultant, officer, or elected official or appointed official of the County of Berks or recipient that are receiving HOME Program funds of this section, who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME Program funds, or who are in a position to participate in a decision making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. The conflict of interest provisions above apply to any person.

July 25, 2014

Revised October 24, 2014

**Exhibit A**  
**Assessment of Developer Capacity**

**1. Experience and Capability**

- a. Documentation required
  - i. Name of Organization, list of principals or owners, organizational chart and resumes of key staff members
  - ii. List of recent similar projects described in detail including budgets, scope of work and photos of project
  - iii. References with contact information for buyers, tenants and industry partners to verify experience, quality and integrity
  - iv. List of current project commitments
- b. Criteria reviewed
  - i. Resumes of principals must demonstrate successful experience with similar projects
  - ii. Recent projects will be reviewed to determine development quality, ability, integrity, and resolution of project challenges
  - iii. References will be checked and current commitments reviewed
  - iv. A vested interest in a property may be considered (i.e. ownership of an adjacent property)

**2. Financial Capacity**

- a. Documentation required
  - i. Balance sheet or statement of net worth
  - ii. Income and expense statements, cash flow projections or tax returns providing proof of income to cover ongoing costs
  - iii. Trade account and financial institution references
  - iv. Letter of credit or statement detailing sources of funds
- b. Criteria reviewed
  - i. Balance sheet must demonstrate liquidity to fund project(s) and maintain acceptable leverage ratios (Available cash or LoC 1.5x all pending project commitments; Debt to Equity ratio of 2 or less)
  - ii. Statement of cash flows or proof of income must demonstrate ability to handle ongoing costs and cover overhead and debt service (1.5 debt coverage ratio)
  - iii. Project value cannot exceed 20% of total net worth

**3. Compliance record**

- a. Documentation required
  - i. List of all properties owned in Berks County directly or through other entities

- ii. List of loans, grants or assistance received from the County of Berks and other government agencies
- b. Criteria reviewed
  - i. Current on all property taxes
  - ii. Current and compliant on all rental housing permits
  - iii. No delinquencies or compliance issues on County grants or loans
  - iv. Not owner of any properties previously certified as blighted

## **Exhibit B**

### **Market Analysis Requirements**

To comply with new 2012 HOME Program regulations, a market analysis must be conducted that answers the Key Questions below. The analysis must review/consider the Demand Indicators as outlined. As an alternative, for housing proposed within the City of Reading, developers may rely on the Market Value Analysis recently conducted by the Reading Redevelopment Authority.

#### **Key Market Analysis Questions**

- Has a need for the type and number of housing units been convincingly demonstrated?
- Will developer/program be able to sell the planned homebuyer units, prior to the six-month deadline?
- Will developer/program be able to lease-up the planned rental units as expected, e.g. within the time frame specified in the project pro-forma?
- Will the development adversely impact existing affordable housing developments?

#### **Housing Demand Indicators**

- Demographic trends
- Housing supply
- Construction trends
- Vacancy rates
- Market context
- Project area/neighborhood
- Metropolitan-wide
- County-wide
- Other broad market area