



## NOTICE OF FUNDING AVAILABILITY

# Maricopa Housing and Community Development HOME Affordable Rental/Home Ownership Opportunities

Program Year- 2021

Application Submission Requirements

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SUBMIT APPLICATIONS via email (Dropbox link is acceptable) to:

[Regina.Marette@Maricopa.gov](mailto:Regina.Marette@Maricopa.gov)

Phone: (602) 372-1533

TTY 1-800-367-8939 or Arizona Relay Service 711

Available online at: <https://www.maricopa.gov/3893/Notices-Documents>

Office Hours: Monday through Friday 8:00 a.m. – 5:00 p.m.

APPLICATION DEADLINE: Thursday, December 3, 2020 – 5:00 p.m.

**Purpose:** The purpose of this solicitation is to increase the affordable housing stock in the Urban County area of Maricopa County. Maricopa County Human Services Department (MCHSD) is seeking applications from for-profit or non-profit affordable housing developers which, when approved by the Maricopa County Board of Supervisors (BOS), will result in a development agreement to increase affordable housing units in the Urban County. MCHSD will use U.S. Department of Housing and Urban Development (HUD) HOME Investment Partnerships Program (HOME Program 24 CFR 92) funds.

**Eligible Activities:** The following are the eligible activities for this solicitation, subject to the provisions in the HOME regulations at 24 CFR 92:

1. Types of activities: All projects with 5 or less units
  - Property acquisition for the purpose of affordable rental units
  - Property acquisition for the purpose of affordable homeownership
  - Site improvements associated with property acquisition
  - New construction, which includes conversion and entails adding one or more units beyond the existing walls
  - Lease/purchase program
  - Demolition of substandard structures that have been vacant more than one year as part of a project that results in additional affordable housing units

Tenant-based rental assistance **is not** an eligible activity in this RFP.

2. The housing units must be for permanent rental or owner-occupied housing, including permanent housing for disabled homeless persons and single-room occupancy (SRO) housing. Temporary emergency shelter is not eligible.
3. The **eligible costs** are those allowed under the HOME regulations, including costs incurred in predevelopment, acquisition, construction, renovation, and other development costs.
4. The housing must meet HOME affordability requirements and be occupied by low-income households (80% or below) as required by HOME regulations. Low/moderate income persons must occupy 100% of units that are assisted with HOME funds. Each applicant will have to describe how it will limit participation in the funded program to households that meet the income eligibility requirement
5. Applications must address a priority need/goal of that jurisdiction or service area as identified in the Five-Year Consolidated Plan.
6. Financing an activity with HOME funds is a long-term commitment. All activities funded commit the applicant to a long-term responsibility of some type. Housing activities have an extensive period of affordability enforceable by liens on the property and may also require long-term monitoring eligibility of participants.

**Available Funding:** Funds are limited, and the funding process is competitive. The amount of HOME funds available through this competitive application process is approximately **\$700,000 - \$900,000**. Funding is limited to projects with 5 or less units. Funds will be reimbursed from the County for eligible housing related expenditures. Funds may be provided as a grant or loan to the applicant with favorable loan terms.

**Eligible Locations:** The activity must be located in the Maricopa Urban County. The Urban County is defined as the cities/towns of Buckeye, Cave Creek, El Mirage, Fountain Hills, Gila Bend, Guadalupe, Litchfield Park, Tolleson, Wickenburg, and Youngtown, and all unincorporated areas of Maricopa County. The site(s) must be identified at the time of application.

**Application Timeline:**

Application Released:	October 21, 2020
Pre-Application Meeting (Optional): <b>Teleconference: 1-855-378-8822</b> <b>Passcode 978-240-916</b>	October 29, 2020 3:00 pm
Deadline for Application Submittal: Via email (Dropbox link acceptable) to <a href="mailto:Regina.Marette@Maricopa.gov">Regina.Marette@Maricopa.gov</a>	December 3, 2020
Application Review and Award(s):	December – February 2021
Maricopa County 2021-22 Annual Action Plan submittal:	May 15, 2021
Maricopa County Board of Supervisors: Approval of Developer Agreement	July 2021

**Grant Conditions:**

1. The Maricopa County Board of Supervisors (BOS) will make all approvals and commitments for funding under this program. Such funding will be subject to the execution of agreements under which the selected applicants will accept all grant mandated pass-through obligations. These obligations include, but are not limited to, equal opportunity, Davis-Bacon Federal Labor Standards, Section 3, Federal Funding Accountability & Transparency Act (FFATA), lead-based paint hazards, radon hazards, accounting, procurement, performance reporting and all other applicable federal and County requirements and regulations required in the management of the HOME Investment Partnerships Program (24 CFR Part 92).
2. All funding commitments are conditioned on the activities obtaining environmental clearance before any funds are committed, including prior environmental clearance of every activity site by address. If an activity’s address changes, or if a property is added to a funded program after the environmental clearance is completed, it is the responsibility of the applicant to notify the County. In addition, the applicant is to refrain from making any expenditure on that site until a new environmental clearance has been completed. Failure to meet these conditions will mean that requested funds will not be disbursed for any expenditure on that property.
3. The enabling legislation for the HOME program establishes a 25% match requirement for any activity funded under this program. Refer to 24 CFR 92.220. To be considered eligible as match, a

contribution must be made from non-federal sources and must be a permanent contribution to a HOME activity or to HOME match-eligible housing. The applicant will be responsible for identifying and documenting the source of funds and the amount of matching funds available to the activity for which HOME funds are being requested. **A firm commitment from each match provider listing the amount of match, form of match, and specific source must be attached to the application. Applications with match commitments to be secured or identified at a later date will not be accepted.** The applicant will provide the required match each time a draw is requested for a funded activity.

Eligible forms of match are:

- Cash
- Foregone taxes, fees, or other charges
- Donated land or other real property
- On-site and off-site infrastructure
- Proceeds from affordable housing bonds
- Donated site preparation and construction materials
- Donated or voluntary labor and professional services
- Homeowner sweat equity
- Supportive services
- Homebuyer counseling services

Ineligible forms of match are:

- Contributions derived from federal funds
- Federal tax credits-including interest rate subsidies
- **Owner equity or investment in the activity, including loans to be repaid to the owner**
- Cash or assistance from HOME applicants or investors

4. **Affordability Standards:** All grantees must adhere to the HOME affordability standards, compliance monitoring for the period of affordability, and will be enforced in recorded security installments as described in the HOME Program Standards located at 24 CFR 92.252. Any units assisted or developed with HOME funding must remain available to households with incomes at or below 60% Area Median Income (AMI) for the duration of the affordability period.

**Required Minimum Affordability Periods**

Eligible Housing activity	Minimum period of affordability in years
Rehabilitation or acquisition of existing housing per unit amount of HOME funds: Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000 or rehabilitation involving refinancing	15
New construction or acquisition of newly constructed housing	20

5. **HOME Income Limits:** All HOME assisted units, must be at or below 80% of AMI as determined by HUD. The table below reflects current annual income limits. The applicant, if funded, is responsible for securing the most current limits for project implementation and will be provided by the County annually. Applicants proposing to use HOME funding for rental properties will also be required to ensure tenants are below the maximum income limits annually throughout the period of affordability.

**ADJUSTED HOME INCOME LIMITS**

			1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person*
Maricopa County		30%	\$ 16,350	\$ 18,700	\$ 21,050	\$ 23,350	\$ 25,250	\$ 27,100	\$ 29,000	\$ 30,850
Median Household	(Very Low)	50%	\$ 27,250	\$ 31,150	\$ 35,050	\$ 38,900	\$ 42,050	\$ 45,150	\$ 48,250	\$ 51,350
		60%	\$ 32,700	\$ 37,380	\$ 42,060	\$ 46,680	\$ 50,460	\$ 54,180	\$ 57,900	\$ 61,620
	(Low)	80%	\$ 43,600	\$ 49,800	\$ 56,050	\$ 62,250	\$ 67,250	\$ 72,250	\$ 77,200	\$ 82,200

Effective 07/01/20

6. **HOME Rent Limits:** HOME assisted units have maximum HOME rent limits which include utility assistance. The table below reflects the most recent rent limits. The applicant, if funded, is responsible for securing the most current rent limits for project implementation. The applicant will also be required to secure and adjust the rent limits annually throughout the period of affordability.

**HOME RENT LIMITS**

Maricopa County Rent Limits**	Efficiency	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
	\$ 681	\$ 730	\$ 876	\$ 1,011	\$ 1,128	\$ 1,245	\$ 1,361
	\$ 847	\$ 928	\$ 1,116	\$ 1,280	\$ 1,409	\$ 1,536	\$ 1,663
<i>For information only:</i>							
Fair Market Rent	\$ 847	\$ 958	\$ 1,173	\$ 1,676	\$ 1,916	\$ 2,203	\$ 2,491
50% Rent Limit	\$ 681	\$ 730	\$ 876	\$ 1,011	\$ 1,128	\$ 1,245	\$ 1,361
65% Rent Limit	\$ 865	\$ 928	\$ 1,116	\$ 1,280	\$ 1,409	\$ 1,536	\$ 1,663

Effective 07/01/2020

7. **HOME Maximum per unit subsidy:** The maximum amount of all subsidies per unit based on bedroom size.

Bedroom Size	HOME Maximum Per-Unit Subsidy Limits <i>Effective June 4, 2020</i>
0BR	\$ 153,314
1BR	\$ 175,752
2BR	\$ 213,718
3BR	\$ 276,482
4BR	\$ 303,490
5BR	\$ 303,490

8. **HOME Ownership Value Limits:** To be used for either homebuyer assistance or single-family new construction or rehabilitation projects. The initial purchase price or estimated value after rehabilitation must not exceed 95% of the median purchase price for the area.

HOME Homeownership Value Limits			
<i>Effective July 1, 2020</i>			
Existing and New Single-Family Homes			
1-Unit	2-Unit (Duplex)	3-Unit (Triplex)	4-Unit (Fourplex)
\$313,000	\$400,640	\$485,150	\$600,960

9. **Rental Management Plan (If Applicable):** An owner of HOME-assisted rental housing must adopt a management plan with the following components. Submit the following documentation with application.
- Financial Plan: Indicate how rents will be collected; and how the development’s financial operations will be managed.
  - Physical Management: Indicate how the project will be managed by describing planned and preventative maintenance activities, work order system response, ongoing unit inspections and maintenance of Uniform Physical Condition Standards (“UPCS”).
  - Occupancy Management: Describe how the units will be advertised/marketed, the intake and application process including certification and documentation of HOME eligibility, if and how a wait list will be maintained, how occupancy standards (i.e. house rules or standards of conduct) will be enforced and how re-certification and turnover will be managed.
10. **Rental Adoption of Tenant Selection Policies and Criteria (if applicable):** An owner of MCHSD-assisted rental housing must adopt written tenant selection policies and criteria. Submit the following documentation with application.
- Are consistent with the purpose of providing housing for low-income families.
  - Reasonably reflect HOME eligibility requirements and the owner’s ability to perform the obligations of the lease, including but not limited to:
    - Eligible tenants.
    - Tenant application procedures.
    - Tenant qualification process.
  - Provide for the selection of tenants from a written wait list in the chronological order of their application, insofar as is practical.
  - Give prompt written notification to any rejected applicant of the grounds for any rejection.
  - Include an acceptable Affirmative Marketing plan.
  - Non-profits must have governing body formally adopt Tenant Selection Policies and Criteria.

11. **Relocation:** Applications involving relocation of residents, due to rehab or property sale, shall include an anti- displacement/relocation plan in compliance with relocation laws. Developers are strongly encouraged to contract with a relocation consultant to manage the relocation process per the Uniform Acquisition and Relocation Act of 1970 (“URA”) as revised and Section 104(d) of the Housing and Community Development Act of 1974, as amended. Proposed relocation plans must budget for all tenant relocation and displacement costs, including costs for temporary relocation during construction or rehabilitation. Proposals utilizing Relocation Plans must also include a current rent roll and a tenant survey detailing family income, household characteristics, and current rent paid by each household in the proposed project. Prior to submittal of an application, proposers should notify tenants of their intention to purchase and/or rehabilitate a property using federal funds. Upon submission of the application, tenants must have received a written General Information Notice (GIN), notifying tenants of their rights under the Uniform Relocation Act, as revised. If the project requires acquisition, the applicant must send a Voluntary Acquisition Informational Notice to the property owner. All notices must be hand delivered or sent via U.S. Certified Mail. The developer must document the manner of delivery and provide proof of receipt.
- Occupied Building(s) & Relocation Information Form
  - If the project is an acquisition and rehabilitation project, the application must include a current rent roll and income levels of existing tenants. Provide a tenant survey and current vs. proposed rents for the project.
  - Provide a relocation plan and cost estimates with sources to cover expenses.
  - Voluntary Acquisition Notice

**Funding Recommendations:**

The Review Committee will consider the following guiding principles when making funding recommendations to the Maricopa County BOS:

- Positive audit history
- Project readiness
- Programmatic compliance
- Feasibility analysis score (see below)
- Market Study

**Application Feasibility Analysis:** It is anticipated that there will be more applications that meet the threshold requirements than there will be funding available for activities. This feasibility analysis will be used along with the guiding principles to evaluate applications.

Program Description (20 points maximum) Applicant provides a clear description of the scope of the project and details the specific tasks/activities to be accomplished; project is well-defined with an achievable implementation plan.	
Applicant Experience (30 points maximum) Prior experience of the applicant; past history of staff and management consultants in completing activities of a similar scale and nature.	
Budget Feasibility / Viability (30 points maximum) Budget feasibility; Loan/Grant terms requested; leveraged funds; funding commitments; completeness of budget and cost effectiveness of the program.	
Evidence of Market Need (20 points maximum) Market study shows demand for the requested project(s).	
<b>Total Score</b>	