

RENTAL HOUSING DEVELOPMENT ASSISTANCE (RHDA)

Application for Rental Development Financing

PLEASE NOTE: AHFC Reserves the right to fund projects at a lower amount than requested, and the right to deny applications that do not coincide with the City's FY ~~2011-12~~2012-13 Action Plan goals and policy direction from the Austin City Council.

Project Name: _____

Project Address: _____ **Zip Code** _____

Total # units in project/property: _____
Total # units to be assisted with RHDA Funding: _____

Project type: Acquisition Rehabilitation New construction Refinance Rent Buy-Down

Amount of funds requested: _____ **Terms Requested:** _____

Role of applicant in Project (check all that apply): Owner Developer Sponsor

1. Applicant Information (If applicant is not acting as the developer, please provide all of the information below for the developer as well as for the applicant. If the developer involves multiple entities, is a partnership or joint venture, please provide duplicative information for each, and identify the entity that will serve as the "lead" organization).

Name

Street Address

City **State, Zip** **Telephone #**

Contact Person **Contact Telephone #** **E-mail address**

Federal Tax ID Number or SS#

The applicant/developer certifies that the data included in this application and the exhibits attached hereto are true and correct. Unsigned/undated submissions will not be considered.

Legal Name of Developer/Entity

Signature of Authorized Officer

Date

Title

2. **A. For ~~n~~Non-profit applicants/developers only, include attached copies of the following:**

1. A "certificate of status" issued by the Texas Secretary of State.
 - a. ~~Articles of Incorporation~~
 - b. ~~Certificate of Incorporation filed with the State of Texas~~
2. ~~e. Federal IRS certification granting non-profit tax-exempt status.~~
3. ~~e. Names, addresses and phone numbers of current board members~~
3. e. Certified financial audit for most recent year which include the auditor's opinion and management letters.
4. ~~f. Board resolution approving the proposed project and authorizing the request for funding~~

B. For-profit applicants/developers, attach copies of the following:

1. For Corporations, Limited Partnerships, and Limited Liability Companies, a copy of a "certificate of status" issued by the Texas Secretary of State.
2. A current financial statement
3. Proof of sufficient reserves or a line of credit available, if necessary, in order to complete the proposed project.

3. **Project Type (Please check any that apply.)** This project is considered:

- Traditional Rental Housing** (serving low-income households, and resident services may or may not be provided)
- Transitional Housing** (case management services provided and residency limited to a certain length of time, usually no more than 24 months)
- Permanent Supportive Housing** (Considered long-term rental housing for very low-income families and individuals who are among the hardest to serve and who are most vulnerable to homelessness. This type of housing provides case management services to residents as needed).

If you checked Permanent Supportive Housing, please complete the information below.

A. Types of proposed PSH Units: Multi-family _____ Single-family ~~(1-4 units)~~ _____

B. Numbers of proposed PSH Units:

- _____ Total Number of Units in project
- _____ Total Number of RHDA-assisted Units Proposed (include PSH units and non-PSH units)
- _____ Total Number of Permanent Supportive Housing (PSH) Units Proposed

C. Check the population or sub-population(s) proposed to be served and indicate the number of units dedicated to that population or sub-population.

Individuals or families headed by individuals that are:

1. _____ **Chronically homeless** as established in the HEARTH Act (Homeless Emergency and Rapid Transition to Housing Act of 2009) found at 24 CFR Part 577.
NUMBER OF UNITS _____
2. _____ Households that would otherwise meet the HUD definition of chronically homeless per the HEARTH Act, but **have been in an institution for over 90 days**, including a jail, prison, substance abuse facility, mental health treatment facility, hospital or other similar facility.
NUMBER OF UNITS _____
3. _____ Unaccompanied youth or families with children **defined as homeless under other federal statutes** who:
 - a. have experienced a long-term period without living independently in permanent housing;
 - b. have experienced persistent instability as measured by frequent moves over such period; and
 - c. can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance

addiction, histories of domestic violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.

NUMBER OF UNITS _____

4. _____ A single adult or household led by an adult **'aging out' of state custody of the foster care or juvenile probation system**, where the head of household is homeless or at-risk of homelessness.

NUMBER OF UNITS _____

5. _____ Any other population **not defined above** but who would otherwise be eligible for or need permanent supportive housing services.

NUMBER OF UNITS _____

NOTE: APPLICANTS CHECKING C.1, C.2, C.3, or C.4 ABOVE MUST COLLECT AND REPORT INFORMATION INTO THE HOMELESS MANAGEMENT INFORMATION SERVICE (HMIS)

4. Project Description. Provide a brief project description that addresses items "A" through "L" below.

- a. Describe the tenant population, income levels, and services, if any, to be provided to or made available to residents.
- b. _____ Include the type of structure (multi-family or single-family), number and size of units in square feet.
- c. Indicate whether the property is occupied at the time this application is being submitted.
- d. Indicate whether the project meets the requirements of the City's Vertical Mixed-Use (VMU) Ordinance, or is in a Planned-Unit Development (PUD) or Transit Oriented Development (TOD).
- e. Indicate whether the project will preserve existing affordable rental units.
- f. If there are existing structures, provide documentation from the taxing authority or another third-party source indicating the year the structure was built.
- g. Indicate the number of units reserved for Housing Choice Voucher holders (Section 8).
- h. Indicate the number of units that are or will be made accessible and adaptable for persons with mobility, sight or hearing disabilities.
- i. Demonstrate the Project's compatibility with current Neighborhood Plan (if applicable).
- j. ~~In addition to providing an Itemized Development Budget through your response to Question 12 below,~~ Summarize the key financials of the project, clearly indicating the total project cost, the amount and intended use of AHFC funds being requested, and the amount(s) and provider(s) of other funding and the stage of those funding commitments.

Please attach the following to the description of the above items:

- k. A map (8 1/2" x 11") indicating the property location and the distance to the nearest Capital Metro Transit Stop to which residents will have access.
- l. Locate on the "Opportunity Map of Austin" the census tract in which the property lies. The map is attached to the Program Guidelines.

5. Site Control and Demonstration of Value

Include evidence of site control such as a warranty deed or an current earnest money contract, and provide a real estate appraisal or current tax documentation that substantiates the value of the project.

6. Zoning

Include a letter from the City of Austin's Planning and Development Review Department (PDRD) verifying that the current zoning of the site for the proposed project is compatible with the anticipated use, or include documentation verifying that a request to change current zoning has been submitted to PDRD. Should the project be approved for funding, the appropriate zoning must be in place prior to execution of loan documents.

- 7. S.M.A.R.T. Housing™.** Include a copy of the letter that indicates the project has been reviewed and meets S.M.A.R.T. Housing™ requirements.

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8. Development Team and Capacity. Identify below the persons or entities anticipated to be involved in the project, such as lenders, attorneys, accountants, architects, engineers, general contractor, sub-contractors, property managers and consultants. Also, indicate if any person or entity involved is certified by the City of Austin as a minority or women-owned business enterprise (MBE/WBE), or if any of the entities are also non-profit organizations.

Please also provide narrative information about the skills you or your development team members have in the following areas:

- a. project management,
- b. market analysis,
- c. site selection and control,
- d. planning and construction,
- e. design, architecture and engineering,
- f. legal and accounting,
- g. federal funding rules and
- h. other funding source rules (e.g. Low Income Housing Tax Credits).

Also, indicate if any person or entity involved is certified by the City of Austin as a minority or women-owned business enterprise (MBE/WBE), or if any of the entities are also non-profit organizations.

	Name(s) and Contact Information & Any Comments on Role	MBE? (Mark X if Yes)	WBE? (Mark X if Yes)	Non-profit? (Mark X if Yes)
Owner				
Developer				
Architect				
Engineer				
Construction Lender				
Other Lenders				
Attorney				
Accountant				
General Contractor				
Consultant (if Applicable)				
Property Management Provider				
Other:				

9. Development Schedule. Complete the grid below. You may re-order the steps according to the appropriate sequence for your project and to add in any other significant steps integral to your project's development. If the multiple properties are involved, provide a development schedule for each property.

	DATE(S)
Acquisition and/or holding	
Environmental and/or historic review (AHFC)	
Securing and packaging project financing	
Construction Specifications and Cost estimates	
Construction Bids	
Construction Start	
Anticipated Draws (list all)	
End Construction	
Start of Rent-up	
Completion & Operation	

10. **Accessible and Adaptable Units.** Indicate the number of units proposed to be **accessible and adaptable** for persons with mobility, sight and hearing disabilities as required by RHDA Program Guidelines.

- _____ Units adaptable for persons with mobility disabilities
- _____ Units accessible for persons with mobility disabilities
- _____ Units adaptable for persons with sight and hearing disabilities
- _____ Units accessible for persons with sight and hearing disabilities

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11. Experience and Qualifications — Rental Development and Property Management Developer Capacity. Provide narrative information on recent, similar, and successful experience in affordable housing development. Include experience using multiple fund sources, managing affordable rental developments, and previous working history with the Austin Housing Finance Corporation.

a. Is this the developer's first housing project? Yes No

b. Completed projects (please list below):

COMPLETED PROJECTS				
Address	Number of Units	New or Rehab	Type of Property (apartments, SF units, etc.)	Year Completed

c. Describe the **experience and qualifications** and the developer's ability and capacity to implement the proposed project.

d. Indicate who will provide **property management** services. Provide documentation to demonstrate the entity's level of experience and track record in operating properties of similar size, particularly income-restricted properties.

12. Detailed Project Budget. Use the following table, or comparable format, to provide a complete project budget. Add line-items as necessary. If this project has already received funding from AHFC, indicate by line item the amounts from the prior award.

DETAILED PROJECT BUDGET				
	Cost	Prior award of RHDA Funds (if any)	RHDA Funds Requested	Description or Comments
PREDEVELOPMENT				
Appraisal				
Environmental Review				
Engineering				
Survey				
Architectural				
TOTAL PREDEVELOPMENT				
ACQUISITION				
Site and/or Land				
Structures				
Other (specify)				
TOTAL ACQUISITION				
CONSTRUCTION				
Infrastructure				
Site work				
Demolition				

Concrete				
Masonry				
Rough carpentry				
Finish carpentry				
Waterproofing & Insulation				
Roofing & Sheet Metal				
Plumbing/Hot Water				
HVAC				
Electrical				
Doors/Windows/Glass				
Lath & Plaster/ Drywall & Acoustical				
Tile work				
Soft & Hard Floor				
Paint/Decorating/Blinds/Shades				
Specialties/Special Equipment				
Cabinetry/Appliances				
Carpet				
Other (Please specify)				
Construction Contingency				
TOTAL CONSTRUCTION				
SOFT & CARRYING COSTS				
Legal				
Audit/Accounting				
Title/Recording				
Architectural (Inspections)				
Construction Interest				
Construction Period Insurance				
Construction Period Taxes				
Relocation				
Marketing				
Davis-Bacon Monitoring				
Other: (Specify)				
TOTAL PROJECT BUDGET				

13. Funds Proposal. Provide the following information to facilitate financial review of the proposed project:

- a. **Sources and Uses of Funds** - Complete **Tables A (below) & B (on the following page)**, identifying all sources and uses of funds to implement project and include evidence of funds anticipated (financial statements, commitment letters, etc.).

TABLE A: SOURCES OF FUNDS SUMMARY					Intended Use of Funds (Predevelopment, Acquisition, Construction, Soft Costs)
	Term	Interest Rate	Amount	Evidence (Deed, Sales Contract)	
Owner Equity					
Private Financing (List Lenders)					
Other Sources (List Below)					

Proposed RHDA Funds					
TOTAL					

TABLE B: USES OF FUNDS SUMMARY		
	Total Cost	Cost/Unit
Predevelopment		
Acquisition Acquisition		
Hard Costs		
Soft & Carrying Costs		
Other Costs		
Total Project Costs		

b. **Leveraging** - Complete **Table C (below)**. Include evidence of other funds leveraged by AHFC funds to implement the project such as owner equity and commitments from private and/or other public resources.

TABLE C: LEVERAGE SUMMARY	
TOTAL RHDA FUNDS	
TOTAL OTHER FUNDS	
LEVERAGE (%)	

c. **Operating Proforma** - In a format comparable to Table D below, prepare a minimum twenty (20) year financial Operating Proforma which realistically reflects the operation of the project relative to current and anticipated revenues, expenses and debt. The Proforma must indicate the anticipated debt coverage ratio (DCR) calculated as follows: net operating income (NOI)/debt service (DS) = DCR. For projects that will not carry debt, use the number "1" as the denominator in the equation.

TABLE D: OPERATING PROFORMA			
Unit Size (BR/BA)	Number of Units	Monthly Rental Income	Annual Rental Income
FULL OCCUPANCY ANNUAL INCOME			
Less Vacancy Loss (Indicate % and Amount of Loss)			
GROSS ANNUAL INCOME			

Inflation Factor - Income	
Inflation Factor - Expense	

	Year 1	Year 2	Year 3	Year 4	Year 5
Gross Annual Income					

EXPENSES					
Utilities					
Insurance					
Maintenance/Repair					
Property Taxes					
Management					
Marketing					
Maintenance Reserve					
Other (specify)					
Other (specify)					
TOTAL EXPENSES					
NET OPERATING INCOME (NOI)					
Sources of Funds & Debt Service					
TOTAL ANNUAL Debt Service (DS)					
Cash-flow after Debt Serv (CF = NOI - DS)					
Debt Coverage Ratio (DCR = NOI/DS)					

14. Community Engagement Strategy or Efforts. Please provide a description of your organization’s efforts or plans to engage neighborhood associations and other stakeholders in the area surrounding the proposed development. If no neighborhood association exists, provide an alternative plan to engage area residents, businesses and faith-based organization, for example.

15. Description of Supportive Services. If supportive services are NOT to be provided, please stop here. For all other projects, if supportive services are to be provided to residents, provide a description of the services that includes the following information:

- a. A description of the supportive services to be provided to residents and/or clients.
- b. The number and types of residents/clients expected to be served annually.
- c. Describe the developer’s experience and qualifications in providing the services to be offered.
- d. If services are not provided by the developer of the project, include a description of the organization(s) providing the services and a memorandum of understanding or some other type of agreement that indicates the relationship between the developer and service provider.
- d. Provide resumes of key personnel who will be actively involved in the delivery of services. Resumes should include information about certifications, licenses, years of experience, and education.
- f. Demonstrate financial capacity to provide support services and/or operate a supportive services program by providing the following information:

1. Sources of Funds: Identify sources and amounts of funds that will be or are expected to be utilized to provide supportive services.
2. Budget: Include a supportive services budget which reflects current and anticipated funding and expenses associated with the provision of services for three (3) years.

ATTENTION:

Please submit with the Application a completed “self-evaluation” using the following Scoring Criteria.

**RHDA PROGRAM
SCORING CRITERIA**

Applications received will be reviewed and evaluated according to the following criteria:

REQUIRED INFORMATION:

1. Applicant Information _____	109. Accessible/Adaptable Units _____
2a. Non-profit List of Items _____	1011. Experience/Qualifications _____
OR	12. Project Budget _____
2b. For-profit List of Items _____	13. Funds Proposal: _____
3. Project Description _____	11. Project Budget _____ a.
Sources _____	b. Uses _____ 12. Funds _____
4. Site Control/Value _____	c. Leveraging _____ a. Sources _____
5. Zoning _____	d. Operating Proforma _____
6. S.M.A.R.T. Housing _____	14. Community Engagement _____ c. Leveraging _____
b. Uses _____	Strategy or Efforts _____ d. _____
7. Development Team _____	9. _____ Developer Capacity _____
8. Development Schedule _____	13. Community Engagement _____
Operating Proforma _____	Strategy or Efforts _____

EVALUATION CRITERIA:

Applications for proposed projects will be reviewed and scored on a competitive basis per the evaluation criteria below. Applications must receive a minimum score of **150** points out of a maximum score of **225** points. PLEASE NOTE: A score above the minimum score does not guarantee funding.

1. DEVELOPER EXPERIENCE AND QUALIFICATIONS (maximum 15 points)

- ~~15 points:~~ Developer has recent, similar, and successful completion of a development similar in size and scope with income-restricted units.
- ~~10 points:~~ Developer has recent, similar, and successful completion of a development **smaller** in size and scope with income-restricted units.
- ~~8 points:~~ Consultant directly involved who has successfully completed a development similar in size and scope with income-restricted units.
- ~~5 points:~~ Developer has recent, similar, and successful completion of a development similar in size and scope **without** income-restricted units

~~**EXPERIENCE AND QUALIFICATIONS (maximum 15 points)**~~

- ~~15 points:~~ Developer has successfully completed project similar in size and scope.
- ~~10 points:~~ Completed similar project but smaller in size and scope.
- ~~8 points:~~ Consultant directly involved who has completed project similar in size and scope.
- ~~3 points:~~ Owns or manages income-restricted rental property.

2. SOURCES & USES OF FUNDS (maximum 10 points)

10 points: All sources and uses of funds are clearly indicated and sufficient evidence of funding availability and/or commitments are included.

5 points: All sources and uses of fund are clearly indicated, but evidence of funding availability or commitments are incomplete.

3. **DEBT COVERAGE RATIO** (maximum 10 points)

- 10 points:** DCR of 1.25 or greater
- 6 points:** DCR between 1.21 - 1.24
- 4 points:** DCR between 1.15 - 1.20

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4. **LEVERAGE** (maximum 10 points)

RHDA Program funding (prior and current) relative to Total Project Costs equals:

- 10 points:** 25% or less
- 8 points:** 26% - 30%
- 6 points:** 31% - 35%
- 4 points:** 36% - 50%
- 0 points:** 51% or greater

5. **AFFORDABLE UNITS** (maximum 25 points)

If development has a mix of 30%, 40%, and/or 50% MFI units, add the results for the percentage of units in each income category up to the maximum of 25 points. If the project has a percentage of units in a given income category that is not an exact multiple of ten as shown in the chart, please round up to the next multiple of 10 and use that point value.

% of G.O. Bond-assisted Units in Total Project										
% MFI	10%	20%	30%	40%	50%	60%	70%	80%	90%	100%
50%	3	5	7	9	11	13	15	17	19	25
40%	5	7	9	11	13	15	17	19	21	25
30%	7	9	11	13	15	17	19	23	24	25

6. **RHDA COST PER UNIT** in \$1,000s (maximum 10 points)

	<u>Multi-Unit Structures Acquisition</u>	<u>Single-Unit Structures Refinance</u>	<u>Rehabilitation</u>	<u>For-Profit New Construction</u>	<u>Non-Profit New Construction</u>
10 points	<\$40/unit <\$45/unit	<\$40/unit <\$30/unit	<\$30/eff.	<\$40/unit	<\$60/unit
8 points	<\$45/unit <\$55/unit	<\$50/unit <\$40/unit	<\$35/1-bd	<\$50/unit	<\$70/unit
6 points	<\$50/unit <\$65/unit	<\$60/unit <\$50/unit	<\$40/2-bd	<\$60/unit	<\$80/unit
4 points	<\$55/unit <\$75/unit	<\$70/unit <\$60/unit	<\$45/3-bd+	<\$70/unit	<\$90/unit
2 points	<\$60/unit	<\$80/unit			

7. **TRANSITIONAL HOUSING** (10 points)

10 points: Project will be developed and operated as transitional housing.

8. **PERMANENT SUPPORTIVE HOUSING (PSH)** (maximum 20 points)

20 points: Project will reserve units for PSH for the following populations:

- Chronically Homeless as established in the HEARTH Act (24 CFR Part 577)
- Have been in an institution for over 90 days
- Unaccompanied youth or families with children defined as homeless under other federal statutes
- Youth "aging out" of state custody or the foster care or the juvenile probation system

10 points: Project will reserve units for PSH for populations other than those listed above.

9. **GEOGRAPHIC DISPERSION** (maximum 25 points)

Project is located in an area identified according to the Kirwan Institute's Opportunity Map of Austin (Map #2) as having greater opportunity for low-income households.

- 25 points:** Very High priority area
- 20 points:** High priority area
- 15 points:** Moderate priority area
- 10 points:** Low priority area
- 5 points:** Very Low priority area

10. **PRIORITY LOCATION** (10 points) _____

10 points: Project is located in a Vertical Mixed-Use (VMU) Corridor, or is a Planned-Unit Development (PUD) or Transit Oriented Development (TOD).

11. **PRESERVATION OF AFFORDABLE UNITS** (10 points) _____

10 points: Project is the rehabilitation and preservation of existing affordable housing units, or new units are being constructed to replace existing affordable units at the same location on a one-to-one replacement basis or a greater than one-to-one replacement basis.

12. **AFFORDABILITY PERIOD** (25 points) _____

25 points: Affordability of project is for 99-years.

13. **PROJECT READINESS** (maximum 10 points) _____

New construction

2 points each; maximum 10 points

- _____ The project meets the normal eligibility requirements under the existing program guidelines.
- _____ The property is already owned by the developer.
- _____ The project has completed all necessary design work and received site plan approval.
- _____ All environmental reviews have been completed.
- _____ The project has firm commitments from all financing sources.

Acquisition and Rehab

2 points each; maximum 10 points

- _____ The project meets the normal eligibility requirements under the existing program guidelines
- _____ All environmental reviews have been completed.
- _____ The project has firm commitments from all financing sources.
- _____ A General Contractor has been selected.
- _____ Closing on the acquisition of the property can be achieved in less than 30 days.

Acquisition of Completed Units

2.5 points each; maximum 10 points (A total score of 2.5 points will be rounded to 3; a total score of 7.5 points will be rounded to 8.)

- _____ The project meets the normal eligibility requirements under the existing program guidelines
- _____ All environmental reviews have been completed.
- _____ The project has firm commitments from all financing sources.
- _____ Closing on the acquisition of the property can be achieved in less than 30 days.

14. **PROPERTY MANAGEMENT** (maximum 10 points) _____

10 points: Designated Property Management Entity has documented track record of success managing income-restricted properties of similar size and/or similar unit counts, and has the capacity to take on management of the proposed project.

8 points: Designated Property Management Entity has a documented track record of success managing income- restricted properties of smaller size and/or fewer units, and has the capacity to take on management of the proposed project.

4 points: Designated Property Management Entity has a documented track record of successful property management experience and has the capacity to take on management of the proposed project, but has not managed an income-restricted property.

15. **SUPPORTIVE SERVICES** (maximum 15 points) _____

15 points:

- a. The developer has secured written agreements with organizations that will provide resident services, or has experienced and qualified staff (7 or more years of experience) able to provide the same services.
- b. Funds have been secured-identified for the operation of resident services programs.
- c. A 3-year operating budget for the operation of the resident services programs is provided.

10 points:

- a. The developer has secured letters of intent from organizations that intend to provide resident services, or has experienced and qualified staff (3 to 6 years of experience) able to provide the same services.
- b. Funds have been secured-identified for the operation of the resident services programs.
- c. A 3-year operating budget for the operation of the resident services programs is provided.

5 points:

- a. The developer has experienced and qualified staff (1 to 2 years of experience) able to provide the same resident services.
- b. Funds have been secured-identified for the operation of the resident services programs.
- c. A 3-year operating budget for the operation of the resident services programs is provided.

2 points:

- ~~a. The developer has arrangements with organizations to provide services, or has experienced and qualified staff able to provide the same resident services.~~
- ~~b. Funds have been not been secured for the operation of the resident services programs.~~

16. **MBE/WBE PROJECT PARTICIPATION** (5 points) _____

5 points: Development Team includes registered City of Austin minority- or women-owned business enterprises (M/WBE).

17. **PARTNERSHIP WITH OTHER NON-PROFIT ENTITIES** (5 points) _____

5 points: Applicant provides evidence of commitment from another certified non-profit organization to partner on the project in some way.

TOTAL SCORE _____

AUSTIN HOUSING FINANCE CORPORATION

**RENTAL HOUSING DEVELOPMENT ASSISTANCE (RHDA)
PROGRAM**

Program Guidelines for
General Obligation (GO) Bond Funding,
HOME Funds, CDBG, and Housing Trust Funds

Updated 9-27-2011

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ATTACHMENTS:

- ~~1— Tenant Income and Rent Limits~~
- ~~2— Utility Allowances~~
- ~~3— Tenant Information and Income Certification~~
- ~~4— Lease Addendum~~
- ~~5— Opportunity Map of Austin~~

I. PURPOSE

The purpose of the Rental Housing Development Assistance (RHDA) Program (the "Program") is to:

- A. ~~to~~ increase or maintain the community's supply of affordable rental housing for low-income households; and
- B. increase the availability of transitional housing—and permanent supportive housing for low-income households and persons with special needs as categorized by the City of Austin's Continuum of Housing Services; and
- C. ~~The Program is designed to~~ assist the City of Austin in meeting its stated affordable housing goals and objectives.

II. DISCLAIMERS

- A. The Austin Housing Finance Corporation (AHFC) reserves the right to fund projects at a lower amount than requested, and the right to deny applications that do not coincide with the City's FY 2012-13 Action Plan goals and policy direction from the Austin City Council. The Program is under no obligation to consider or fund any proposed project that does not meet program requirements and assist in meeting the City's affordable housing policy goals and/or objectives.
- B. The City of Austin/AHFC reserves the right to determine project eligibility and the fund source to be used for any proposed project. Funding decisions will be based on a variety of factors, not just application scores. Other factors considered are:
 1. the applicant's current workload;
 2. financial capacity;
 3. the project's potential for transformative impact on residents and the surrounding community,
 4. repayment of funds borrowed from AHFC; and
 5. whether the request for funding is for a project that has previously or is currently receiving RHDA funds.

Additional consideration is given to how the RHDA Program can best maximize the effect of RHDA funding and leverages other funds.
- C. These RHDA Program Guidelines are not intended to address every circumstance that may be encountered in the development process, nor are they intended to be a verbatim restatement of all regulatory requirements. Omission of any federal or local regulatory requirements in these RHDA Program Guidelines does not relieve the City of Austin, AHFC, or the recipient of RHDA Program funds from their respective obligations as may be required by the funding source involved.
- D. RHDA Program guideline changes required as the result of federal, state or local regulatory or legal requirements may be implemented immediately by the NHCD Director/AHFC Treasurer.

III. DEFINITIONS

The following definitions are utilized throughout these Program guidelines:

- "Accessible" means an individual dwelling unit, facility or a portion of a facility, when designed and constructed, can be approached, entered and/or used by individuals with physical disabilities.
- "Adaptable" means certain elements of a dwelling unit or facility can be added to, raised, lowered or altered to accommodate the needs of individuals with disabilities, or to accommodate the needs of persons with different types or degrees of disability.
- "Affordable Rent" or "Eligible Rent" means that the rent plus utilities paid by the tenant does not exceed rent limits as published by the Texas Department of Housing and Community Affairs (TDHCA) for the Austin-Round Rock-San Marcos, TX Metropolitan Statistical Area (MSA) according to household and unit size.
- "AHFC" means Austin Housing Finance Corporation, a Texas, public non-profit corporation organized and operated under Chapter 394, Texas Local Government Code.
- "CHDOs" or "Community Housing Development Organizations" means a type of non-profit, community-based service organization that has, as part of its mission, the development of affordable housing for low- to moderate-income households. The U. S. Department of Housing and Urban Development (HUD) requires that the organization meet certain requirements pertaining to its legal status, organizational structure, and relationship to other entities, capacity and experience. Further definition can be found at 24 CFR 92.300

- **“Debt Coverage Ratio (DCR)”** means the ratio of net operating income (NOI) to total debt service (DS) during a given time period (DCR = NOI ÷ DS). Developments where financing is structured so as not to have debt on the property will not have a debt coverage ratio that can be calculated.
- **“Economic Feasibility”** for a for-profit developer is defined as a project’s ability to generate a minimum 10% return on equity to the investor(s) after all expenses and debt service have been paid; and **“Economic Feasibility”** for a non-profit organization is defined as a project in which projected returns are sufficient to reimburse actual expenses.
- **“Eligible Costs”** means project costs that can be paid with RHDA Program funds. Eligible costs include, but are not limited to, the costs or partial costs of acquisition and/or verifiable hard construction costs, reasonable soft costs, architectural and engineering fees, surveys, market studies and legal fees.
- **“Eligible Household”** means a household with a yearly income at or below 50% of the median family income (MFI) as published by TDHCA for the Austin-Round Rock-San Marcos, TX MSA.
- **“Geographic Dispersion”** means locations or areas that provide greater opportunity for families in terms of education, economic, mobility and transportation, health and environment, and neighborhood quality as described in *“Geography of Opportunity: Austin Region”* by the Kirwan Institute for the Study of Race and Ethnicity, Ohio State University, 2007. (Map #2, <http://4909e99d35cada63e7f757471b7243be73e53e14.gripelements.com/pdfs/AustinOpportunityMappingMarch2007.pdf>)
- **“Median Family Income (MFI)”** means, for a given locality, the dollar amount separating ½ of the households with higher incomes from ½ of the households with lower incomes. In other words, at the median income level, there is an equal amount of households earning more than the median income and an equal number earning less the median income. The median income is adjusted based on the number of persons in a household.
- **“Net Operating Income”** means rent revenues or other income generated by the property(ies) with the exception of any project proceeds resulting from the long-term lease or sale of the property(ies).
- **“NOFA”** means Notice Of Funding Availability. A NOFA refers to a process that informs the public that funding is available and may be requested for a specific purpose.
- **“Non-profit Organization”** means a not-for-profit non-sectarian organization that is certified by the Internal Revenue Service (IRS) as either a 501(c)(3) or a 501(c)(4) entity established for the purpose of benefiting low- and moderate-income individuals.
- **“Permanent Supportive Housing”** means housing for individuals or families headed by individuals that are:
 1. Chronically homeless as established in the HEARTH Act (Homeless Emergency Assistance and Rapid Transition to Housing Act (24 CFR, Part 577)
 2. Households that would otherwise meet the HUD definition of chronically homeless as above, but have been in an institution for over 90 days, including a jail, prison, substance abuse facility, mental health treatment facility, hospital or other similar facility,
 3. Unaccompanied youth or families with children defined as homeless under other federal statutes who:
 - a. have experienced a long term period without living independently in permanent housing;
 - b. have experienced persistent instability as measured by frequent moves over such period; and
 - c. can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.
 4. A single adult or household led by an adult ‘aging out’ of state custody of the foster care or juvenile probation system, where the head of household is homeless or at-risk of homelessness.
- **“Program Income”** means the gross income received by the grantee (City of Austin) or subgrantee (Austin Housing Finance Corporation) directly generated by a grant-supported activity, or earned only as a result of the grant agreement during the grant period. To be considered program income, the grantee or a subgrantee must receive the income.
- **“Project Proceeds”** means proceeds resulting from the long-term lease or sale of the property.
- **“Rent Buy-Down Assistance”** means financial assistance to facilitate occupancy of up to 10% of the total units in a high cost or “high-end” project by households with yearly incomes at or below 50% of MFI. The amount of assistance is determined by calculating the difference in the anticipated rent revenue generated by units occupied by households with yearly incomes at or below 80% of MFI to the total rent revenue anticipated from units occupied by households with yearly incomes at or below 50% of MFI, according to the number of units for a required period.

In other words:

**80% MFI Monthly Rent limit minus 50% MFI Monthly Rent limit;
multiplied by the Number of Units to be Assisted [no more than 10% of total
units];
multiplied by 12 Months;
multiplied by the Number of Years rents will be “bought down”;**

= Rent Buy-Down Assistance Amount

- “Supportive Services” means services provided to persons with special needs which enable individuals to achieve a greater level of independence and/or self-sufficiency such as health services, housing counseling, employment counseling and referral, and other services as defined in federal regulations 24 CFR §882.802.
- “Transitional Housing Project” means a housing project that provides housing for up to 24 months and includes supportive services as defined above.
- “Very Low-Income Household” means a household whose gross income is at or below 50% of the MFI according to family size as published by TDHCA.

~~Subject to the requirements and limitations of General Obligation Affordable Housing Bond (GO Bond) issuances authorized in November 2006, the Program is expected to provide financing to for-profit and non-profit developers (applicants), including Community Housing Development Organizations (CHDOs) for the acquisition, rehabilitation, new construction, debt relief, or rent buy-down for affordable rental housing projects that would otherwise be financially infeasible. Projects must create or facilitate the retention of rental units affordable to low-income households or low-income persons with special needs.~~

~~Through the Program, developers are provided increased financial capacity to meet necessary project development costs. For the purpose of these Program Guidelines, yearly household income and rent limits may not exceed those published by the Texas Department of Housing and Community Affairs for the Austin Round Rock Metropolitan Statistical Area (MSA) according to household and unit size. Rental units developed with GO Bond assistance must serve households with annual incomes of no more than 50% of the Austin Round Rock MSA’s median family income (MFI) as indicated in Attachment 1 to these Program Guidelines.~~

IV. FUNDING

~~Subject to the requirements and limitations of RHDA Program funding sources, including General Obligation Affordable Housing Bond (GO Bond) issuances authorized by Austin voters in November 2012, the Program is expected to provide financing for the acquisition, rehabilitation, new construction, debt relief, or rent “buy-downs” for affordable rental housing projects. Financing is provided to both for-profit and non-profit developers, including CHDOs. The RHDA Program is administered on behalf of the City of Austin by the Austin Housing Finance Corporation (AHFC) using a variety of funding sources, including:~~

A. FEDERAL FUNDS

1. HOME (Home Investment Partnership Program);
2. CDBG (Community Development Block Grants);
3. NSP (Neighborhood Stabilization Program); and
4. HOME or CDBG Program Income.

B. NON-FEDERAL or LOCAL FUNDS

1. General Fund;
2. Housing Trust Fund;
3. Program Income, and Proceeds from GO Bonds.

~~proceeds from GO Bonds. to fund the development of affordable rental housing units. In the event of a conflict between competing funding sources, requirements and regulations of the more restrictive source will apply.~~

~~**V. ELIGIBILITY**These Rental Housing Development Assistance Program Guidelines are not intended to address every circumstance that may be encountered in the development process, nor are they intended to be a verbatim restatement of all regulatory requirements. Omission of any federal or local regulatory requirements in these Rental Housing Development Assistance Program Guidelines does not relieve the City of Austin, the Austin Housing Finance Corporation, or the recipient of Rental Housing Development Assistance Program funds from their respective obligations as may be required by the funding source involved.~~

III. HOUSING CONTINUUM – RENTAL

~~The Continuum of Housing Services was locally developed by the City of Austin to organize and describe the varying levels of housing needs. The Continuum serves as a local framework for public and private sector~~

investment to coordinate housing programs and services through the community and to assist income eligible residents in improving their housing needs and opportunities. The Continuum extends across eight locally designated affordable housing categories:

The Program serves three of the eight housing continuum categories; transitional housing, assisted housing and rental housing. Although the Continuum is used locally to describe and approve applicable housing projects and services for RHDA, it is recognized that different definitions/classifications of rental housing projects may exist for federal or other fund source reporting purposes. The Program may approve and provide its services as described through the local Continuum description, but will ensure applicable classification and reporting requirements are used when necessary to report to the federal government or other applicable fund sources.

IV. DEFINITIONS

The following definitions are utilized throughout the Program guidelines:

- **“Accessible”** means an individual dwelling unit, facility or a portion of a facility, when designed and constructed, can be approached, entered and/or used by individuals with physical disabilities.
- **“Adaptable”** means certain elements of a dwelling unit or facility can be added to, raised, lowered or altered to accommodate the needs of individuals with disabilities, or to accommodate the needs of persons with different types or degrees of disability.
- **“Affordable Rent”** means the rent plus utilities paid by the tenant does not exceed rent limits as published by the Texas Department of Housing and Community Affairs (TDHCA) for the Austin-Round Rock Metropolitan Statistical Area (MSA) according to household and unit size.
- **“Continuum of Housing Services”** means the locally determined classification of housing needs and services.
- **“Debt Coverage Ratio (DCR)”** means the ratio of net operating income (NOI) to total debt service (DS) during a given time period ($DCR = NOI \div DS$).
- **“Economic Feasibility”** for a for-profit developer is defined as a project’s ability to generate a minimum 10% return on equity to the investor(s) after all expenses and debt service; and **“Economic Feasibility”** for a non-profit organization is defined as a project in which projected returns are sufficient to reimburse actual expenses.
- **“Eligible Costs”** means project costs that can be paid with RHDA Program funds incurred subsequent to the date of the RHDA loan closing. Eligible costs are limited to the costs or partial costs of acquisition and/or verifiable hard construction costs, reasonable construction related fees, and architectural and engineering fees, surveys, market studies and legal fees.
- **“Eligible Rent”** means the rent plus utilities paid by the tenant does not exceed rent limits as published by the TDHCA for the Austin-Round Rock MSA according to household and unit size.
- **“Eligible Household”** means a household with a yearly income of no more than 50% of the median family income (MFI) as published by TDHCA for the Austin-Round Rock MSA.
- **“Geographic Dispersion”** means locations or areas that provide greater opportunity for families in terms of education, economic, mobility and transportation, health and environment, and neighborhood quality as described in *“Geography of Opportunity: Austin Region”* by the Kirwan Institute for the Study of Race and Ethnicity, Ohio State University, 2007. (Map #2, <http://4909e99d35cada63c7f757471b7243be73e53e14.gripelements.com/pdfs/AustinOpportunityMappingMarch2007.pdf>)
- **“GO Bond restrictions”** means the additional rules and regulations that the Applicant is required to meet in order to ensure compliance with all City of Austin general obligation bond covenants.
- **“Low Income Household”** means a household whose gross income does not exceed 50% of the MFI according to family size as published by TDHCA.

- ~~“Median Family Income (MFI)” means the gross family income of households according to family size and locality as published by TDHCA.~~
- ~~“Net Operating Income” means rent revenues or other income generated by the property(ies) with the exception of any project proceeds resulting from the long-term lease or sale of the property(ies).~~
- ~~“NOFA” means Notice Of Funding Availability. A NOFA refers to a process that informs the public that funding is available and may be requested for a specific purpose.~~
- ~~“Non-profit Organization” means a not-for-profit non-sectarian organization that is certified by the Internal Revenue Service (IRS) as either a 501(c)(3) or a 501(c)(4) entity established for the purpose of benefiting low- and moderate-income individuals.~~
- ~~“Permanent Supportive Housing” means housing for individuals or families headed by individuals that are:

 1. ~~Chronically homeless as established in the HEARTH Act (Homeless Emergency Assistance and Rapid Transition to Housing Act (24 CFR, Part 577)~~
 2. ~~Households that would otherwise meet the HUD definition of chronically homeless as above, but have been in an institution for over 90 days, including a jail, prison, substance abuse facility, mental health treatment facility, hospital or other similar facility,~~
 3. ~~Unaccompanied youth or families with children defined as homeless under other federal statutes who:

 - a. ~~have experienced a long-term period without living independently in permanent housing;~~
 - b. ~~have experienced persistent instability as measured by frequent moves over such period; and~~
 - c. ~~can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.~~~~
 4. ~~A single adult or household led by an adult ‘aging out’ of state custody of the foster care or juvenile probation system, where the head of household is homeless or at-risk of homelessness.~~~~
- ~~“Project Proceeds” means proceeds resulting from the long-term lease or sale of the property.~~
- ~~“Rent Buy-Down Assistance” means financial assistance to facilitate up to 10% of the total units in a project located in a “high-opportunity” area for households with yearly incomes of no more than 50% of MFI. The amount of assistance is determined by calculating the difference in the anticipated rent revenue generated by units occupied by households with yearly incomes of no more than 80% of MFI to the total rent revenue anticipated from units occupied by households with yearly incomes of no more than 50% of MFI, according to the number of units for a required period.~~
- ~~“Supportive Services” means services provided to persons with special needs which enable individuals to achieve a greater level of independence and/or self-sufficiency such as health services, housing counseling, employment counseling and referral, and other services as defined in federal regulations 24 CFR §882.802.~~
- ~~“Transitional Housing Project” means a housing project that provides long-term temporary housing for up to 24 months and includes supportive services as defined above.~~

~~V. NON-PROFIT HOUSING ORGANIZATIONS~~

~~A Non-profit Organization eligible to receive GO Bond assistance is a not-for-profit, non-sectarian organization which is certified by the Internal Revenue Service (IRS) as a 501(c)(3) or a 501(c)(4) entity established for the purpose of benefiting low- and moderate-income individuals.~~

~~A. CHDO Certification~~

~~A Community Housing Development Organization (CHDO) is a special type of private nonprofit, community-based service organization that has obtained or intends to obtain staff with the capacity to~~

~~develop affordable housing for the community it serves. In order to become a certified CHDO, the U. S. Department of Housing and Urban Development (HUD) requires that the organization meet certain requirements pertaining to its legal status, organizational structure, relationship to other entities, capacity and experience level. See **CHDO Certification Guidelines**.~~

VI. ELIGIBILITY

~~The Program reserves the right to determine project eligibility and fund source use for any proposed project. Determinations will be based on how the Program can best maximize and leverage available funds, create the greatest number of affordable units, meet applicable federal and/or local requirements as well as what is in the best interest of the City/AHFC. The Program is under no obligation to consider or fund any proposed project that does not meet program requirements and assist in meeting the City's affordable housing policy goals and/or objectives.~~

A. Organization in Good Standing

~~An eligible organization must be in good standing to ensure that the City of Austin and the AHFC receives just compensation and compliance for services provided for funds expended.~~ An organization in good standing is a for-profit or non-profit organization under one or more contracts or agreements with the City or AHFC which has in the past met or currently is in compliance with meeting minimum contractual and performance requirements. An organization must be considered in good standing as a condition for consideration for future or additional funding or to amend existing contractual conditions. To be considered in good standing, an organization must meet the following conditions on all City/AHFC contracts:

1. Not being in contractual default or currently owe funds to the City/AHFC because of disallowed or ineligible ~~costs~~ ~~s~~ associated with past or current contracts or agreements, and
2. Be within 30 days current of all contractual performance measures and schedules, and
3. Be within 30 days current of all required program and financial reporting, and
4. Not have any outstanding or unresolved audit or monitoring findings from past contracts or agreements, and
5. Be compliant within 30 days in responding to or resolving any current monitoring findings, and
6. Meet all good standing organization conditions prior to execution of any current or future contracts or amendments.

Because of extenuating circumstances, a non-performing organization (not in good standing) may request consideration from the AHFC to provide a temporary good standing designation in order to allow the organization to receive further funding considerations or amend existing contract conditions. At its sole discretion, the AHFC may consider a temporary good standing designation for the organization to provide time until the compliance issues have been adequately and timely resolved by the organization. The AHFC may consider providing this temporary designation, if the non-performing organization provides documentation of the following:

1. Demonstrate the outstanding compliance issues are beyond reasonable expectations for immediate resolution, and
2. Demonstrate the lack of needed funding or contractual actions would be significantly detrimental to the organization, and
3. Provide an acceptable date specific action plan that delineates organization activities designed to resolve all outstanding
4. ~~documented~~ performance, financial or monitoring compliance issues.

Should the non-performing organization provide sufficient just cause as identified above, the AHFC may provide a temporary good standing designation. The AHFC, at its discretion, may withdraw the temporary designation if the organization fails to perform in accordance with the terms and/or timeframes agreed upon. A non-performing organization designation will eliminate the organization from any current or future consideration for funding or contract extensions. The AHFC is under no obligation to provide or extend temporary organization in good standing designations in which the contractor has consistently demonstrated its lack of adequate responsiveness to the outstanding compliance issues.

B. Eligible Projects

Eligible projects may include acquisition, rehabilitation, construction, debt relief, or "rent buy-down" projects for the development of affordable rental housing. For rehabilitation projects, funds may be used to make essential repairs or improvements to meet local code or federal housing quality standards (HQS), come into compliance with federal requirements of Section 504 or the Americans with Disabilities Act, abatement of lead based paint, abatement of asbestos, essential energy-

related repairs or improvements, and repair or replacement of major housing systems in danger of failure. Facilities considered to be homeless shelters are not eligible.

Projects assisted must be operated and maintained on a long-term basis in accordance with these program guidelines and contractual requirements ~~based on relative to~~ applicable federal and local regulations.

~~PLEASE NOTE: AHFC Reserves the right to fund projects at a lower amount than requested, and the right to deny applications that do not coincide with the City of Austin's current year Action Plan goals and policy direction from the Austin City Council.~~

Minimum requirements for projects are as follows:

- ~~1. 1. —~~ Located within the corporate City-limits of Austin.
- ~~2. 2. —~~ Projects ~~must~~ consist of one (1) or more residential dwelling units.
- ~~3. 3. —~~ Units must be used for residential purposes only.
- ~~4. 4. —~~ New construction projects must be certified for and meet the City of Austin's S.M.A.R.T. Housing™ requirements.
- ~~5. 5. —~~ Rehabilitation projects must have a minimum of one (1) condition that violates either the City's Housing Code or federal ~~—~~ Housing Quality Standards (HQS), under the Housing Choice Voucher Program (Section 8) administered by the Housing Authority of the City of Austin (HACA).
- ~~6. 6. —~~ As determined applicable by the AHFC, assisted units must be made available to households with Housing Choice Vouchers from the Housing Authority of the City of Austin.
- ~~7. 7. —~~ The project must be owned, developed or sponsored by a for-profit or non-profit organization in good standing with the City of Austin/AHFC.
- ~~8. 8. —~~ If applicable, projects must meet HUD Environmental Review requirements.
- ~~9. 9. —~~ Loan Agreements of \$100,000 or more using RHDA funds must comply with HUD Section 3 Requirements throughout the development of the project.

~~The following project types or characteristics are preferred~~ Preferences will be given to projects as follows:

- ~~1. 1. —~~ Permanent Supportive Housing Projects or Transitional Housing Projects as defined above ~~in these Guidelines.~~
- ~~2. 2. —~~ Projects that address "Geographic Dispersion of affordable housing," as defined above in these Guidelines, particularly those in Very High Opportunity areas or High Opportunity Areas according to the Opportunity Map.
- ~~3. 3. —~~ Projects that meet the requirements of the City's Vertical Mixed-Use (VMU) Ordinance, or ~~is~~ are in a Planned-Unit Development (PUD) or a Transit-Oriented Development (TOD).
- ~~4. 4. —~~ Rehabilitation projects that preserve existing affordable rental units as ~~addressed~~ described by the City's *"Preserving Affordable Housing in Austin: A Platform for Action"* completed in April 2008.
- ~~5. 5. —~~ Projects that include a minimum of 25% of all units assisted with GO Bond funds are reserved for households earning 30% or less than the MFI.

C. Eligible Costs

Through the Program, applicants may receive ~~project-based~~ financing for acquisition, rehabilitation or new construction of rental housing projects. ~~GO Bond proceeds may be used to pay for:~~ Funding may be used for:

- 1. Hard Costs such as purchase or buy-down of rental units, acquisition of land for a specific project, ~~and~~ acquisition of existing structures, site preparations or improvement including demolition, securing buildings, and construction materials and labor.
- 2. Soft Costs such as architectural and engineering fees (including specification and job progress inspections), financing costs, credit reports, title insurance, recording costs, transaction taxes, appraisals, environmental reviews, builders' or developers' fees, marketing costs, and management fees.

~~The applicant must provide an accounting of expenditures made with funds, a source of which may be GO Bond proceeds, on such periodic basis as shall be determined by the AHFC/City to ensure that the expenditures are consistent with the provisions of Section XII and Section XIV below, and to ensure that the expenditures are made in satisfaction of the purposes approved in the November 2006 election.~~

D. Ineligible Costs

~~While the following list of ineligible items is not intended to be all inclusive, GO Bond proceeds~~ RHDA funding may not be used for the repair or construction of:

wet bars; barbecue pits; bathhouses; burglar bars; carpeting for kitchen, bathrooms, or patios; window treatments (e.g. draperies, shades, curtains, mini blinds); driveways and parking lots (except repairs to existing); dumbwaiters; fireplaces (except repairs to existing); flower boxes; garage door openers; greenhouses; hot tubs or Jacuzzis; mobile homes; outdoor fireplaces or hearths; patios or decks (except repairs of existing); photo murals; swimming pools or swimming pool decks; television antennae; tennis courts; and permanently affixed kitchen appliances (~~appliances designed to be ranges and refrigerator which are designed and manufactured to be freestanding are acceptable uses of funds~~).

~~Generally speaking, luxury items will be found ineligible, and~~ AHFC reserves the right to disallow other project costs deemed non-essential to furthering the purpose of the project.

VII. LIMITS OF ASSISTANCE

A. Acquisition, Rehabilitation, New Construction, Debt Relief, and Rent Buy-down

~~Assistance is available in the amount of \$2,500,000 per project and the per-unit limits stated below, or other such amounts as the AHFC Board may authorize, for:~~

~~1. Acquisition of land for the development of affordable housing.~~

~~a. Acquisitions must include existing units or vacant land that will facilitate the new construction of units. Assistance can be provided for the acquisition of land or existing rental properties, only if the acquisition price is equal to or less than the fair market value of the property. The applicant must demonstrate the fair market value of the property by supplying one of the following:~~

- ~~i. a pre-construction appraisal on the property to be acquired, conducted less than six months prior to receipt by AHFC;~~
- ~~ii. an appraisal for comparable properties within the same neighborhood, or~~
- ~~iii. a tax assessment (less than one year old) for the property or for comparable properties within the same neighborhood.~~

~~2. Acquisition of property to be rehabilitated and used for affordable housing.~~

~~a. Property acquisition is described in the preceding Subsection VI.A.1. Rehabilitation costs for affordable rental units are limited to \$60,000 per unit which is inclusive of the \$2,500,000 total project assistance limit in Section VI.A. above.~~

~~b. For rehabilitation projects, funds may be used to make repairs or improvements to the property such that the property will:~~

- ~~i. meet local code or federal housing quality standards (HQS);~~
- ~~ii. come into compliance with federal requirements of Section 504 of the Rehabilitation Act of 1974, as amended,~~
- ~~iii. comply with the Americans with Disabilities Act,~~
- ~~iv. have been treated for identified lead-based paint hazards in properties constructed prior to 1978;~~
- ~~v. have had asbestos handled appropriately;~~
- ~~vi. have energy-saving repairs or improvements made and major housing systems repaired or replaced.~~

~~3. New construction of affordable housing.~~

~~a. Hard and Soft Costs as defined previously will be limited to:~~

- ~~i. \$60,000 per unit in multi-unit structures, and~~
- ~~ii. \$80,000 per unit in single-unit structures.~~

~~b. Each of these amounts is inclusive of the \$2,500,000 total project assistance limit in Section VI.A. above.~~

~~4. Debt Relief.~~

~~is available to for-profit and non-profit and/or CHDO developers in the amounts as follow:~~

- ~~1. For-profit developers are eligible for up to the lesser of 50% of total project costs or \$1,000,000 per project, or such amounts as the AHFC Board may authorize; and~~
- ~~2. Non-profit or CHDO developers are eligible for up to \$2,000,000 per project, or such amounts as the AHFC Board may authorize.~~

~~Acquisitions must include existing units or will facilitate the new construction of units. Total project costs include the cost of land and improvements. Assistance can be provided for the acquisition of land or existing rental properties, only if the~~

acquisition price is equal to or less than the fair market value of the property. The applicant must demonstrate the fair market value of the property by supplying one of the following:

- a pre-construction appraisal on the property to be acquired, conducted less than six months prior to receipt by AHFC;
- an appraisal for comparable properties within the same neighborhood, or
- a tax assessment (less than one year old) for the property or for comparable properties within the same neighborhood.

B. Fast-Track Acquisition for Non-Profit Organizations and CHDO Developers

As funding is available, non-profit organizations and CHDO developers may submit an application accompanied with an Earnest Money or Purchase/Sales Contract for the acquisition of land and property. The maximum amount per project application(s) is \$100,000. This process is not subject to the competitive NOFA process; however, all applications must meet threshold criteria, project feasibility and evaluation, and project underwriting review by staff.

C. Rehabilitation

Rental rehabilitation assistance for hard construction costs is limited to the lesser of the following average per unit limits; or \$1,000,000 per project for for-profit developers and up to \$2,000,000 per project for non-profit and CHDO developers, or such amounts as the AHFC Board may authorize:

- \$30,000 per efficiency unit;
- \$35,000 per 1 bedroom unit;
- \$40,000 per 2 bedroom unit;
- \$45,000 per 3 bedroom unit or larger.

For rehabilitation projects, funds may be used to make essential repairs or improvements to meet local code or federal housing quality standards (HQS), come into compliance with federal requirements of Section 504 of the Rehabilitation Act of 1974, as amended, or the Americans with Disabilities Act, appropriate treatment of lead based paint, appropriate handling of asbestos, energy-related repairs or improvements, and repair or replacement of major housing systems.

D. New Construction – For-Profit Developers

Assistance for new construction projects is limited to the lesser of 50% of total project costs, or \$40,000 per unit in multi-unit structures and/or \$70,000 per unit in single-family structures in a single project, or \$1,000,000 per project, or such amounts as the AHFC Board may authorize. Projects assisted must be operated and maintained on a long-term basis in accordance with these program guidelines and contractual requirements relative to applicable federal and local regulations.

E. New Construction – Non-Profit Organizations and CHDO Developers

Assistance for new construction projects is limited to the lesser of \$60,000 per unit in multi-unit structures and/or \$90,000 per unit in single-family structures in a single project, or \$2,000,000 per project, or such amounts as the AHFC Board may authorize. Projects assisted must be operated and maintained on a long-term basis in accordance with these program guidelines and contractual requirements relative to applicable federal and local regulations.

F. Debt Relief

- In accordance with federal and state law requirements, debt relief may be provided subject to the following:
 - a.
 - i. Financing for debt relief is limited to the lesser of \$6650,000 per unit.
 - or \$2,000,000 per project, or such amounts as the AHFC Board may authorize.
 - Debt relief assistance will be limited to projects in which AHFC, or one of its subsidiary corporations, anticipates having shall have an equity ownership and/or superior lien position, the terms of which are will be negotiated prior to the approval of financing.
 - ii. Debt relief must facilitate the development or replacement of new or existing affordable rental housing units as determined necessary and feasible by the City/AHFC.
 - iii.
 - b. This amount is inclusive of the \$2,500,000 total project assistance limit in Section VI.A above.

5. G. Rent Buy-Down Assistance for Market-Rate Projects.

- a. Assistance is available to facilitate occupancy of up to 10% of the total units by households with yearly incomes at or below 50% of MFI in a high-cost or “high end” project located in an area of High Opportunity or Very High Opportunity, according to the Kirwan Opportunity Map.
- b. The amount of assistance is determined by making the following calculation:
 - i. the difference between the anticipated annual rent revenue generated by units occupied by households with yearly incomes at or below 80% MFI and the anticipated annual rent revenue from units occupied by households with yearly incomes at or below 50% of MFI.
 - ii. multiply that result by the number of units to be assisted [no greater than 10% of total units in the development]
 - iii. multiply that result by the number of years of affordability required.
- c. This amount is inclusive of the \$2,500,000 total project assistance limit in Section VI.A above.

— Assistance is available to buy-down rents for up to 10% of the total units in a project located in a “high opportunity” area for households with yearly incomes of no more than 50% of MFI. Rent buy-down assistance may not exceed \$40,000 per unit or \$1,000,000 for for-profit developers, or \$60,000 per unit or \$2,000,000 for non-profit or CHDO developers, or such amounts as the AHFC Board may authorize. The amount of assistance is determined by calculating the difference in the anticipated rent revenue generated by units occupied by households with yearly incomes of no more than 80% of MFI to the total rent revenue anticipated from units occupied by households with yearly incomes of no more than 50% of MFI, according to the number of units for a required period.

B.H. Developer Fee. A Developer Fee is compensation to the developer for the time and risk involved to develop the project. It is typically based on the size of the project, the total development cost and the risk associated with the project. The maximum developer fee allowed by AHFC is 15% of total project costs. AHFC may require a lower percentage for the developer fee if the developer also holds an ownership stake in the project or stands to profit from managing the property.

AHFC will determine the amount of a reasonable developer or project management fee in an amount not to exceed 15% of total project costs.

VIII. AFFORDABILITY REQUIREMENTS

A. Assisted Units

Projects may have a mix of ~~GO Bond~~RHDA-assisted and non-assisted units. The distinction between assisted and non-assisted units allows funds to be expended on mixed-income projects while targeting assistance to income-eligible households. ~~The minimum number of assisted units in a project is determined based on the GO Bond pro-rata share of funds relative to total project cost, or the per unit limits.~~ At least 10% of all units in the project must be designated as ~~GO Bond~~RHDA-assisted. ~~Preferences will be given to projects where a minimum of 25% of all GO Bond-assisted units are reserved for households earning no more than 30% of MFI.~~ The applicant must designate in its project application the minimum number or “floor” of ~~GO Bond~~RHDA-assisted units reserved for income-eligible households at required rent levels. Assisted units may be fixed or floating units.

B. Affordability Period

When ~~GO Bond~~RHDA proceeds/funds are used to assist rental projects, income and rent restrictions apply to the ~~GO Bond~~RHDA-assisted units for a defined ~~period of time term~~ called the “affordability period.” ~~A project’s affordability period is enforced using a legally binding document, a “Restrictive Covenant Running with the Land” that will be filed for record in the Official Public Records of Travis County, Texas.~~

An Affordability Period will be established for ~~each~~ rental projects assisted with ~~GO Bond~~RHDA proceeds/funding based on the following criteria:~~for~~

1. ~~-GO Bond Funds in any amount:~~ a period not less than 40 ~~years.~~ years.
2. ~~Federal or Non-Federal Funds other than GO Bond, depending on the amount of subsidy per RHDA-assisted unit:~~
 - a. \$1,000 to \$15,000 per unit – a period not less than 5 years
 - b. \$15,001 to \$40,000 per unit – a period not less than 10 years
 - c. More than \$40,000 per unit – a period of not less than 15 years
 - d. New Construction of Rental Housing using any amount per unit – a period of not less than 20 years.

~~AHFC, at its discretion, may require a project to utilize a longer affordability period than those stated above. Affordability requirements and restrictions will remain in force throughout the Affordability Period regardless of transfer of ownership unless ownership of the property is transferred through foreclosure proceedings.~~

C. Income and Occupancy Requirements

Throughout the established Affordability Period, ~~GO Bond~~RHDA-assisted units in projects must be occupied by households with annual incomes as follows:

- ~~All GO Bond~~RHDA-assisted units must be occupied by households earning no more than 50% of the MFI for the Austin-Round Rock MSA.
- ~~Preference will be given to projects where a minimum of 25% of all units assisted with GO Bond funds are occupied by households earning 30% or less than the MFI.~~

1. Income Determination Method

The Applicant shall determine income eligibility ~~of each household~~ using the ~~method established in 24 CFR Part 5, commonly referred to as the "Section 8" annual gross income~~ method of income determination. ~~Guidance on determining whose income to count, what type of income must be included or is excluded, and the calculation of imputed income from assets is found in HUD's, as outlined in the publication, Technical Guide to Determining Income and Allowances for the HOME Program, available from the AHFC or in PDF format from HUD's website, currently located at: <http://www.hud.gov/offices/cpd/affordablehousing/library/modelguides/2005/1780.pdf>.~~

2. Income Recertification Schedule

Borrower shall adopt a schedule for annual recertification, a copy of which shall be provided to the AHFC/City, of tenant income either by recertifying income on the anniversary of the original income evaluation, at lease renewal, or on an annual schedule whereby all tenants are recertified during the same month. Borrower shall recertify income eligibility either by collecting source documentation as with the initial eligibility determination or by obtaining from each household a completed Tenant Information and Income Certification in the form of Attachment 3 to this Exhibit. ~~If the latter method is used, Borrower shall collect original source documentation for each tenant every sixth year during the Affordability Period.~~

3. Restrictive Covenant

~~A project's tenant income requirements for RHDA-assisted units will be AHFC will enforced the tenant income requirements by placing on the property using the a~~ Restrictive Covenant Running with the Land.

D. Rent Limitations

Rents are to be strictly controlled during the Affordability Period. The owner is responsible for ~~annually~~ obtaining ~~the Affordable Rent TDHCA and Income from TDHCA schedules for rent and income limits~~. If the tenant pays any utilities, the maximum allowable rents must be reduced by the amount of the applicable utility allowance established annually by HUD for the Austin area. ~~The current TDHCA-published income and rent limits, and utility allowances are included as Attachments 1 & 2, respectively.~~

1. Temporary Exceptions: Two temporary periods of noncompliance with the above occupancy and rent restrictions are acceptable. The exceptions are based on the principle that tenants should not be displaced if their income rises to a level higher than the eligible household income during the lease term. The temporary periods of acceptable noncompliance are as follows:

- If the project is occupied at the time the ~~GO bond~~RHDA-assistance is awarded to the project, existing tenants who earn more than 50% MFI must pay no more than 30% of their adjusted income in rent. Similarly, an existing tenant in the designated 50% MFI unit whose income rises to more than 50% MFI must pay no more than 30% of their adjusted income in rent, and only when the tenant chooses to leave or not renew the lease, the unit must then be rented to a new tenant who earns no more than the 50% MFI limit.
- All new tenants must earn no more than 50% of MFI at initial certification. In the event that a tenant's household income increases above the 50% of MFI limit after initial occupancy, the rent must be adjusted at the annual recertification, to an amount ~~of no more than~~ at or below 30% of their adjusted income in rent and utilities.

E. Accessible and Adaptable Units

Assistance may not be used for the purpose of building or acquiring rental units that will not allow an AHFC determined portion of the units to be made accessible to persons with disabilities (townhouses, walk-ups, structures on impractical sites, etc.). Projects must contribute to increasing the number of accessible and/or adaptable units available to persons with disabilities through the following minimum requirements:

1. Rehabilitation Projects

- The greater of one (1) unit or 10% of all units rehabilitated must be made accessible for persons with mobility disabilities.
- In addition, the greater of one (1) unit or 2% of all units rehabilitated must also be made adaptable for persons with hearing and/or visual disabilities.

2. New Construction Projects

- The greater of one (1) unit or 10% of all new units constructed must be accessible to persons with mobility disabilities, and all other ground floor units constructed must be adaptable to accommodate the needs of persons with mobility disabilities.
- In addition, the greater of one (1) unit or 2% of all new units constructed must also be accessible to accommodate the needs of persons with hearing and/or visual disabilities.
- All projects receiving assistance must comply with accessibility design standards established by the City's S.M.A.R.T. Housing™ Initiative Ordinance.

3. Distribution of Accessible Dwelling Units

To the greatest extent possible, accessible dwelling units should be distributed on ground-floor units throughout the project and should be available in a sufficient range of sizes and amenities so that:

- -an individual with disabilities' choice of dwelling units is comparable to that of other prospective tenants; and
- - accessible dwelling units are not concentrated in one area of the property.-

This ~~statement~~ should not be construed as a requirement to install to require an elevator for the sole purpose of allowing accessible units to be located above the ground floor.

4. Occupancy of Accessible Dwelling Units

Owners/managers of multifamily projects that have accessible units should ensure that information regarding the availability of accessible units reaches individuals with disabilities. In addition, owners/managers of multifamily projects that have accessible units should take non-discriminatory steps to maximize the utilization of accessible units by qualified individuals with disabilities whose disability requires the accessibility features of a particular unit. This can be done by maintaining a waiting list for accessible units and offering vacant accessible units to applicants in the following order:

- First, to a current occupant of another unit in the same property, or other comparable property within the owner's/manager's control, who has a disability requiring the accessibility features of the vacant unit and who currently occupies a unit that does not have those features.
- Second, to a qualified applicant on the waiting list who has a disability requiring the accessibility features of the vacant unit.
- ~~Third, to a qualified applicant who does not have a disability requiring the accessibility features of the unit; however, the owner/manager may incorporate language in the lease that require the applicant will to agree to move to a non-accessible unit when one becomes available. Language to that effect can be incorporated into the lease agreement.~~

~~Owners/managers shall provide the AHFC/City with a copy of any such waiting lists on a basis that is consistent with Sections XII and XIV below.~~

VIII. PROJECT UNDERWRITING, DEVELOPER CAPACITY, FISCAL SOUNDNESS, AND ASSESSMENT OF MARKET NEED-PROJECT FEASIBILITY/UNDERWRITING

A. Projects considered eligible for assistance must meet the following underwriting criteria:

- ~~It must be demonstrated that the project is not "economically feasible" without Program assistance.~~
 - ~~Applicant must provide evidence of financial ability to implement the project.~~
 - ~~Applicant must have the organizational capacity to implement the project.~~
 - ~~If applicable, operating projections must generally meet HOME Subsidy Layering parameters outlined in HUD-CPD Notice 98-01.~~

Upon project completion, it is preferable that a minimum of 65% of net operating income (NOI) be available for debt service (DS); and/or the operation of the project result in a minimum debt coverage ratio (DCR) of 1.15 on an annual basis calculated as follows: $NOI/DS=DCR$. The Debt Coverage Ratio (DCR) is used to indicate whether or not a project is self-sustaining over time. Applicants requesting RHDA G.O. Bond Assistance for proposed projects must indicate a DCR in the application's Operating Proforma. For "Transitional Housing" and "Permanent Supportive Housing" projects that are anticipated to have no yearly debt service, the DCR may be calculated by using the value of "1" as the denominator in the equation.

- A. Project Underwriting.** A project feasibility, underwriting, and compliance evaluation will be performed on each proposal as part of the initial application review process. If applicable, operating projections must generally meet HOME Subsidy Layering parameters outlined in HUD-CPD Notice 98-01.
- B. Developer Capacity.** The developer must have the organizational capacity to implement the project. Developer capacity will be evaluated based on information demonstrating experience and skills as provided in the AHFC funding application.
1. Experience. Factors to be considered include, but may not be limited to, the following types of experience:
 - a. Recent, Similar, and Successful experience;
 - b. Similar project location, size & scope;
 - c. Years of experience developing affordable (i.e., income-restricted) housing;
 - d. Managing affordable rental projects;
 - e. Using multiple funding sources;
 - f. Staffing; and
 - g. Previous working history with AHFC.
 2. Skills. Factors to be considered include, but may not be limited to, the following skills of the developer and the development team:
 - a. Project Management
 - b. Market Analysis
 - c. Site Selection & Control
 - d. Property Management
 - e. Planning and Construction
 - f. Design, Architecture, Engineering
 - g. Legal & Accounting
 - h. HOME funding rules
 - i. Other funding source rules (e.g. Low Income Housing Tax Credits)
- C. Fiscal Soundness.** The Applicant will be asked to provide evidence of financial ability to implement the project. Applicants will be required to provide current financial statements and proof of sufficient reserves or a Line of Credit available, if necessary, to complete the project.
- D. Market Need.** An analysis of the need for the type of proposed housing and the number of units being proposed in a project will be assessed by using one of the following methods:
1. an assessment will be conducted "in-house" using available economic data from a variety of sources;
 2. AHFC may elect to contract with a professional or a company specializing in marketing analysis; or
 3. AHFC may elect to review and verify a market analysis performed by others, such as a developer, development partner, or other funder (public or private).

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B. Threshold Requirements for all GO Bond-Assisted Projects:

- ~~The project must be owned, developed or sponsored by a for-profit or non-profit organization in good standing with the AHFC.~~
- ~~The project must be an Eligible Project as outlined above located in the city limits of Austin.~~
- ~~Units assisted must be used for residential purposes only.~~
- ~~If applicable, projects must meet HUD Environmental Review and other environmental review requirements.~~
- ~~Loan Agreements of \$200,000 or more for transacted with GO Bond proceeds must comply with HUD Section 3 Requirements throughout the development of the project.~~

X. FINANCING

A. General

~~Assistance through the RHDA Program is provided through loans made to the Applicant/Borrower. All loans are secured by a Deed of Trust or other acceptable collateral. Assistance generally will be non-recourse with recovery rights limited to the encumbered collateral and any income therefrom. Applications will be reviewed and underwritten and recommendations will be made as to eligibility, funding, terms and conditions. The amount of assistance will be determined on a case-by-case basis. Under no circumstances shall financing be used for any reason or cost other than for direct costs associated with and approved by the program. Construction activities shall be governed by the specifications based on the approved application.~~

~~At its sole discretion, the AHFC may consider renegotiation of loan terms and conditions if by doing so increases the creation of the number of affordable rental housing units, and/or achieves a more favorable interest rate on any superior loan. Under no circumstances will the Program consider a request to renegotiate loan terms and conditions if equity is anticipated to be taken from the project that will not be used directly in the project itself or places AHFC in a lesser lien position without resulting in a reasonable and direct affordable housing benefit~~

B. Liens

~~A lien will be placed. AHFC shall place a lien on the property for which a loan has been made. The lien shall remain in effect until all loan terms and conditions have been fulfilled. A release of lien will be issued upon full repayment of the loan and/or fulfillment of all contractual terms. A Release of Lien shall not be provided in the event of the failure of the borrower/developer fails to comply with the to initiate or complete the project in accordance with the terms and conditions of the Loan Agreement.~~

~~As a condition of providing construction financing (as an example), a lender providing construction financing may require that AHFC subordinate its lien position until the construction loan is paid off. With few exceptions, AHFC will agree to subordinate its lien position through the use of a Subordination Agreement executed by the Borrower, the Senior Lender/Lienholder, and AHFC.~~

C. Loans

1. Amortized Loans

The loan is fully-amortizing and requires repayment over terms up to forty (40) years or more at interest rates ranging from 0% per annum to ~~rates that will typically be lower than market lending rates the current prime lending rate~~ in effect at the time the loan is made, plus allowable fees. ~~Interest R~~ates and terms ~~on RHDA loans~~ are determined by cash flow projections for projects ~~and can be relative-negotiated within the parameters of RHDA to the underwriting criteria. above.~~

2. Deferred Payment Loans and Forgivable Deferred Payment Loans (DPLs)

Deferred payment loans (DPLs) and forgivable DPLs are available to applicants if the project is not “economically feasible” with financing that requires full or partial repayment while the applicant owns and operates the project. Subject to ~~GO Bond~~RHDA restrictions, DPLs are provided at interest rates ranging from 0% per annum to ~~rates that will typically be lower than market lending rates the current prime lending rate~~ in effect at the time the loan is made, plus allowable fees. ~~The loan term may vary based on the funding source(s) used for the project, but typically will be for a period of twenty (20) years, forty (40) years, or ninety-nine (99) years. -for terms up to forty (40) years or more.~~ DPLs and forgivable DPLs are contingent upon

compliance with the terms and conditions of the loan agreement and deed restrictions for the required period. Should the property cease to be used as affordable housing during the loan term (or Affordability Period) as required under the Loan Agreement, usage of the property change during the required period, the Note will remain in place until the sale, refinance, or other disposition of the property, at which time the principal, ~~and~~ fees and any accrued interest will be due and payable.

~~All loans are secured by a Deed of Trust or other acceptable collateral. The AHFC Deed of Trust may be subordinated to private or other financing if determined necessary for project implementation. Assistance generally will be non-recourse with recovery rights limited to the encumbered collateral and any income there from. Terms of financing are based on the economic feasibility of the project including anticipated rates of return to the developer. Anticipated rates of return of approximately 10% yearly are considered reasonable. Excessive returns may result in the reduction or denial of financing, or financing terms that are less favorable for the developer. At its sole discretion, the AHFC may consider renegotiation of loan terms and conditions if by doing so increases the creation of the number of affordable rental housing units, and/or achieves a more favorable interest rate on any superior loan. Under no circumstances will the Program consider a request to renegotiate loan terms and conditions if equity is anticipated to be taken from the project that will not be used directly in the project itself or places the Program in a lesser lien position without resulting in a reasonable and direct affordable housing benefit.~~

D. Project Proceeds

If Borrower sells any portion of the subject property during the Affordability Period or acts as Lessor on a long-term lease for a GO BondRHDA-assisted property, a portion of the net proceeds on the sale or long-term lease would be considered Project Proceeds and must be tracked and handled according to the Project Proceeds requirements AHFC has established for the project. Net operating income generated from rent revenues or other income, with the exception of any project proceeds resulting from the long-term lease or sale of the property, is not considered Project Proceeds.

The AHFC Program Administrator may determine on a project-by-project basis whether the Borrower will be allowed to retain Project Proceeds on a given GO BondRHDA-assisted project. Any Project Proceeds that AHFC allows a Borrower to retain must be used for eligible or other housing activities to benefit families earning 50% or less than the adjusted MFI in effect for the Austin-Round Rock, San Marcos, TX MSA. Affordable housing activities may include: ~~for example,~~ emergency repairs, project operating costs and reserves, operating expenses, and homebuyer counseling. Borrowers are subject to Project Proceed Reporting and Annual Risk Analysis to determine audit requirements for Project Proceeds.

XI. APPLICATION PROCESS

Program assistance is made available through the review and evaluation of information outlined in the GO BondRHDA Project Proposal Application submitted to the AHFC as indicated in **Attachment 5**. Projects are evaluated on a competitive basis according to the application evaluation criteria and established AHFC procurement policies and procedures in place at the time of Application. Subject to available funds, projects determined to be the most responsive in regard to the purpose of Austin City Council policy directives, the current fiscal year's HUD Action Plan, and which meet other RHDA Program criteria may be selected and approved to receive for assistance.

~~Program guideline changes required as a result of federal, state or local regulatory or legal requirements may be implemented immediately by the AHFC without the written approval of the AHFC Manager, Real Estate and Finance Development Manager or Community Development Officer.~~

XII. REVIEW PROCESS

The Program will notify the applicant in writing of a decision to approve or disapprove any application. Unless provided in writing by the Program, no person or organization shall construe any discussions held with Program staff or written information provided to constitute an acceptable application or an obligation or commitment for funding.

A. AHFC Staff Review

Applications are given an initial review by a Single Point of Contact (SPOC) Program staff for completeness and to ensure the minimum threshold requirements are met. Applications must meet a minimum score in order to be considered further. However, submission of an application that meets or exceeds the minimum score is not a guarantee that the proposed project will be funded. Incomplete applications may be returned to the Applicant with deficiencies noted. In addition, the RHDA Program reserves the right to accept or reject in part or in whole any complete application.

Applications that meet the minimum threshold requirements are scored by a panel of at least three management level AHFC staff members knowledgeable in the development process. The panel is convened by the SPOC and uses the GO BondRHDA Scoring Criteria developed for the Program. ~~Applications must meet a minimum score in order to be considered further.~~

~~However, submission of an application that meets or exceeds the minimum score is not a guarantee that the proposed project will be funded.~~

Applications that are likely to be recommended for funding will receive further consideration by ~~a cross-departmental~~ Project Review Team composed of NHCD and AHFC ~~executive staff team and other key staff~~. The Project Review Team will discuss programmatic, regulatory, and administrative aspects of a proposed project before a final recommendation is made.

~~The Program~~It may take up to 60 days from the date a complete application is accepted to determine whether the project may be recommended for funding or denied. ~~Although not all inclusive, the Program may not provide any obligation or commitment for funding to any proposed project unless the project meets the following minimum consideration criteria and those stated in other sections of these guidelines:~~

- ~~• All other required project financing must be in place or have evidence of funding obligation and/or commitment.~~
- ~~• All requested documentation and/or information by the Program has been provided.~~

The Housing Bond Review Committee will review staff recommendations for projects recommended for funding with GO Bond funds in amounts greater than \$100,000.

~~Projects that are recommended for funding by AHFC Staff will be presented to the Housing Bond Review Committee.~~

B. Housing Bond Review Committee (HBRC)

The HBRC is the body appointed to review ~~staff recommendations for and recommend those projects expected to be funded with~~ GO Bond ~~-funded proposals in excess of \$100,000~~. Projects recommended for funding by the HBRC will be presented to the AHFC Board for consideration. ~~The Program~~NHCD/AHFC shall set forth Housing Bond Review Committee Process & Procedures. **It should be noted that the HBRC is not a Council-appointed committee, and as such, is not governed by Chapter 2-1 of the City of Austin Code of Ordinances.**

1. HBRC Membership

The Committee shall consist of five members: two members shall be representatives from the Community Development Commission (CDC). ~~The Chair~~A member of the CDC Housing Subcommittee and one at-large appointment from the CDC shall comprise the CDC Membership; three community members shall be representatives from real estate finance and development community. All Committee Members must reside within the City limits of Austin, Texas. The City Manager, or designee thereof, shall appoint the three community members. A quorum shall consist of ~~four~~ three (3) members.

2. Role

- ~~• Provide expertise in affordable housing finance, development and construction as represented by community membership and City benefit as accorded by representation from the CDC.~~
- ~~• Review staff scoring of applications and staff recommendations for funding, using the scoring criteria currently in effect in the Application and Scoring Criteria document.~~
- ~~• Action is based on majority vote.~~
- ~~• Committee may reject applications, request additional information, or suggest alternative financial structures.~~
- ~~• Approval or rejection is included in all staff recommendations to AHFC Board of Directors; however, the Housing Review Committee's role is advisory only. The City of Austin and the AHFC is not bound by the Housing Review Committee's recommendations.~~
- ~~• The City and AHFC, in sole discretion, may accept, in part or whole, or reject, in part or whole, any recommendation of the Committee.~~

23. Conflicts of Interest

The City of Austin Conflict of Interest Rules, and all other applicable state and federal laws, shall apply. In addition, due to conflicts of interest, persons appointed to the Committee may not be the recipient or actively pursuing City housing funds. People who are indirectly involved in development of affordable housing in Austin may serve but must recuse themselves from acting on applications where they have direct influence/benefit.

43. Term

The term of membership service for community members shall be until resignation. The term of membership for CDC members shall coincide with their service on the CDC.

4. Removal

~~A Housing Bond Review Committee Member may be removed by the NHCD Community Development Officer for more than two unexcused absences annually.~~

5. Meetings

~~Meetings shall be held in public and shall be held quarterly on an as-needed basis when there are applications to be reviewed. Notice to the public will be given, based on funding availability and applications prepared for review. The Committee may call special meetings from time to time. In the event a member is unable physically to attend a meeting, as an alternative, the member may participate by speakerphones. The alternative attendance does not void the member's right to vote or otherwise participate in the proceedings of the meeting.~~

6. 4. Removal

~~A Housing Bond Review Committee Member may be removed by the NHCD Community Development Officer for more than two unexcused absences annually.~~

Role

- ~~• Provide expertise in affordable housing finance, development and construction as represented by community membership and City benefit as accorded by representation from the CDC.~~
- ~~• Make recommendation regarding approval for applications.~~
- ~~• Action is based on majority vote.~~
- ~~• Committee may reject applications, request additional information, or suggest alternative financial structures.~~
- ~~• Committee must use the award criteria outlined in the Project Evaluation Criteria.~~
- ~~• Approval/rejection is included in all staff recommendations to AHFC Board of Directors; however, the Housing Review Committee's role is advisory only. The City of Austin is not bound by the Housing Review Committee's recommendations.~~
- ~~• The City, in its sole discretion, may accept, in part or whole, or reject, in part or whole, any recommendation of the Committee.~~

XIII. PAYMENTS

~~Payments will be made to Developers/Owners request payments for eligible project costs according to the conditions described in the AHFC Loan Agreement, not more often than once monthly, unless otherwise authorized by AHFC, stating the cost of any professional service necessary to design the project, the cost of any labor and materials purchased for the project, and any prorated cost of contractor's overhead less the aggregate of previous payments. Eligible project costs must be documented with each request for payment for the purpose of supporting the amount requested. AHFC will verify the work completed and determine the eligible amount to be paid, of funds to be released with each request for payment. AHFC will disburse the funds reasonably in proportion to the progress of the project with the right of retaining a portion of such funds pending final completion of the project, in accord with the Loan Agreement. AHFC will disburse payments of any amounts retained under the Loan Agreement, less such amounts retained by AHFC pending final completion of any work required under the Loan Agreement. AHFC will disburse a final payment of any retained amounts remaining per the conditions described in the Loan Agreement.~~

The AHFC retains the right to withhold or temporarily suspend payments **if the Borrower:**

- ~~A. to any existing project that has failed to perform on any existing loan (whether one or more) from AHFC in accordance with the terms and conditions of the Loan Agreement(s);~~
- ~~B. is behind in submitting required, timely or incomplete reports, documents or information required or reasonably requested by the AHFC,~~
- ~~C. fails to comply with any GO Bond/RHDA loan agreement covenants; or~~
- ~~D. has not resolved any outstanding monitoring findings or concerns identified by the AHFC within a specified time period within the timeframes identified.~~

~~At such time that the Borrower has adequately addressed the identified deficiencies, and in AHFC's sole discretion, AHFC may resume project payments.~~

~~The list above is not intended to be all-inclusive, and the terms and conditions of the Loan Agreement shall further describe penalties for non-performance or non-compliance by the Borrower. At such time that the project has adequately addressed the identified requirements and in AHFC's sole discretion, AHFC may proceed with any and all pending project payments.~~

XIV. REPORTING/RECORD KEEPING

~~With respect to the project, developers/owners-Borrowers~~ must maintain full-complete and accurate books of account and other records reflecting the results of the development of the property and shall furnish, or cause to be furnished, to AHFC:

- ~~A. (i)~~ immediate notice of any material adverse change in the property's financial condition or business prospects or any lapse of coverage with respect to the Insurance Requirement;
- ~~B. (ii)~~ all reports required by the AHFC Loan Agreement and Statement of Work; and
- ~~C. (iii)~~ upon request of monitors, and at developer's expense, such other operating, financial, insurance coverage and credit information as may be reasonably requested with respect to the property.

The status of applications and, ~~recommendations will be updated regularly, and appeals and/or grievances filed by developers/owners will be reported monthly on~~ the AHFC website, and quarterly through reports made to the ~~GO Bond Housing Review Committee and the Community Development Commission.~~

XIV. INITIAL OCCUPANCY

~~RHDA projects are not considered complete when construction is completed or a certificate of occupancy (CO) is issued.~~ The ~~project-Borrower~~ must provide the necessary documentation to support-demonstrate that all applicable initial occupancy requirements have been met. The documentation will be submitted in a form as prescribed by the Program Loan Agreement. Initial occupancy documentation must support and include, but may not be limited to the following:

- A. Designation of floating or fixed units.
- B. Income determination of all tenants in accordable with Part 5 requirements and/or S.M.A.R.T. HousingTM requirementsTM requirements (depending on use of HOME or CDBG funding).
- C. Submission of tenant roster.
- D. Identification of current Fair Market Rents and rents charged to occupying tenants.
- E. Identification and contact information of property manager or owner responsible for providing initial occupancy information and annual documentation submission.

XVI. LONG TERM COMPLIANCE - ON-GOING MONITORING

RHDA assisted projects require long-term commitments by the owner/developer. Annual reporting to demonstrate compliance with the terms of the loan agreement will include: ~~who must submit annual, or as specified in the project Loan Agreement, support documentation to confirm adherence to applicable project requirements. Long-term project compliance requirements include, but are not limited to:~~

- A. Federal Housing Quality Standards (HQS) inspection reports.
- B. Income determinations for applicable tenants prior to lease up;
- C. Appropriate /applicable rents charged under existing lease agreements; and
- D. Total ~~number of designated affordable units are~~ number of designated affordable units is being properly operated/managed.

The ~~project legal documents~~ Loan Documents will identify the specific annual submission requirements and the timeframe for submission. It is the responsibility of the ~~project owner/developer~~ Borrower to ensure that all long-term compliance submissions are complete and submitted in a timely manner, within the identified timeframe. ~~In its sole discretion, the AHFC may provide notice in advance of the required submission date as a reminder. However, failure of the AHFC to notify the project-Borrower in advance of the a submission date does not relieve the Borrower negate in any way of the long-term compliance responsibilities of the applicant (project owner/developer).~~ Should the project-Borrower fail to produce the required long-term compliance documentation in a timely manner or as prescribed in the Loan Agreement, the AHFC may consider this an Event of Default as described in the Loan Agreement and may avail itself of the remedies as described in the Loan Agreement by the project. The AHFC may take action against the project that may include, but not be limited to, calling the Program Note due and payable, and requiring the project to repay the full amount of the GO Bond RHDA investment. During the project term and as may be necessary, the AHFC may make direct on-site visits to the project to confirm compliance related issues. The AHFC will provide reasonable prior notice to the project of the on-site visit.

XVII. TENANT PROTECTIONS

A. Tenant Selection and Leases

1. Required Lease Provisions. Property owners must use HUD-required provisions in tenant leases.

- a. ~~Property owners must use HUD-allowable provisions in tenant leases.~~ Property owners must offer a lease term of at least 1 year, unless tenant and owner mutually agree to a shorter lease lesser term.

- b. ~~An owner may not terminate the tenancy or refuse to renew the lease of a tenant of rental housing assisted except for:~~
- ~~i. serious or repeated violation of the terms of the lease;~~
 - ~~ii. for violation of applicable federal, state or local laws; and~~
 - ~~iii. for violations of the tenant lease agreement.~~

Any termination or refusal to renew must be preceded by not less than 30 days written notice from the owner specifying the grounds for action.

2. Prohibited Lease Provisions. Certain lease terms are prohibited, including the following:

~~Certain lease terms are prohibited including the following:~~

- ~~a. Agreement to be sued. Agreement by the tenantTenant to be sued, to admit guilt, or agreement to a judgment in favor of the ownerLandlord in a lawsuit brought in connection with the lease.~~
 - ~~b. Treatment of Property. Agreement by the tenantTenant that the ownerLandlord may take, hold, or sell personal property of household members without notice to the tenantTenant. This prohibition does not apply to an agreement by the tenantTenant concerning disposition of personal property remaining in the housing unit after the tenantTenant has moved from/vacated the unit. The ownerLandlord may dispose of this personal property in accordance with State law.~~
 - ~~c. Excusing the ownerLandlord from responsibility. Agreement by the tenantTenant not to hold the ownerLandlord or the ownerLandlord's agents legally responsible for actions or failure to act, whether intentional or negligent.~~
 - ~~d. Waiver of notice. Agreement by the tenantTenant that the ownerLandlord may institute a lawsuit without notice to the tenantTenant.~~
 - ~~e. Waiver of legal proceedings. Agreement by the tenantTenant that the ownerLandlord may evict the tenantTenant or household members without instituting a civil court proceeding in which the tenantTenant has the opportunity to present a defense or before a court decision on the rights of the parties.~~
 - ~~f. Waiver of jury trial. Agreement by the tenantTenant to waive any right to a jury trial.~~
 - ~~g. Waiver of right to appeal court decision. Agreement by the tenantTenant to waive the tenantTenant's right to appeal or otherwise to otherwise challenge in court a decision in connection with the lease.~~
 - ~~h. TenantTenant chargeable with cost of legal actions regardless of outcome. Agreement by the tenantTenant to pay attorney's fees or other legal costs of the Landlord even if the tenantTenant wins the court proceeding by the ownerLandlord against the tenantTenant. The tenantTenant, however, may be obligated to pay costs if the tenantTenant loses.~~
- The Lease Addendum, which spells out these prohibited lease terms, is included as Attachment 4 must be attached to all leases signed for occupancy in the Project.

B. Tenant Selection Policies and Procedures. Property owners Property owners must have written tenant selection procedures and policies that:

- 1. Are consistent with the purpose of providing housing for very low- and low-income families;
- 2. Are reasonable, and comply with applicable eligibility and acceptance requirements;
- 3. Meet the housing needs of families and recipients of Housing Choice Voucher Program assistance (formerly "Section 8") vouchers;
- 4. Select tenants from a written waiting list in chronological order; and
- 5. Give prompt written notification of rejection of an application for rental housing and the basis for the decision/grounds for such.

C. Property Standards

The owner must maintain the total project in compliance with federal Housing Quality Standards (HQS) QS and the City of Austin Building Code for the duration of the Affordability Period. The City of Austin will periodically inspect the property to ensure compliance with this requirement. Projects with one to four GO BondRHDA-assisted units must be inspected by the City of Austin or by an certified HQS certified-inspector every three years within the Affordability Period or during the term of the Note with AHFC, whichever is longer. Projects of five to 25 GO BondRHDA-assisted units must be inspected every two years, and projects of 26 or more GO BondRHDA-assisted units will be inspected annually.

XVIII. ADDITIONAL REQUIREMENTS

A. S.M.A.R.T. Housing™

All new construction projects will be required to obtain S.M.A.R.T. Housing™ certification prior to loan application. S.M.A.R.T. Housing™ is not applicable to rehabilitation projects.

B. City of Austin Visitability Ordinance

All single-family, duplex and triplex dwellings newly constructed with financial assistance provided through ~~AHFC~~~~the Austin Housing Finance Corporation~~ must be visitable in accordance with the City of Austin Visitability Ordinance No. 981007-A.

C. “Section 3” Compliance.

“Section 3” refers to Section 3 of the Housing and Urban Development Act of 1968, as amended, (12 U.S.C. 1701u).

1. Section 3 becomes applicable for:

- A. projects that receive over \$200,000 in RHDA funds, whether federal or non-federal funds, for the construction or rehabilitation of housing; and/or
- B. projects where any contractor or subcontractor receives over \$100,000 in RHDA funds, whether federal or non-federal, for the construction or rehabilitation of housing.

2. The purpose of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing Federal, State and local laws and regulations, be directed to low- and very low-income persons, particularly those who are recipients of government assistance for housing, and to business concerns which provide economic opportunities to low- and very low-income persons.

3. Because NHCD receives HUD funding, Section 3 requires NHCD to ensure that employment and other economic and business opportunities generated by the HUD funding will, to the greatest extent feasible, be directed to:

a. Qualified low- and very low-income persons residing in the metropolitan area.

- i. “Qualified” means the prospective employee has the proper qualifications for the work to be performed.
- ii. “Low-income persons” means families (including single persons) whose total household incomes are at or below 80 percent of the Median Family Income (See Appendix A) for the Austin Round Rock-San Marcos, TX Metropolitan Statistical Area (MSA). (Hereafter referred to as “Section 3 Residents.”)
- iii. “Very-low income persons” means families (including single persons) whose total household incomes do not exceed 50 percent of the Median Family Income (See Appendix A) for the Austin-Round Rock-San Marcos, TX MSA. (Hereafter referred to as “Section 3 Residents.”)
- iv. “Metropolitan Area” means the 5-county Austin-Round Rock, San Marcos, TX MSA which includes Bastrop, Caldwell, Hays, Travis, and Williamson counties.

b. Businesses that employ low- to very-low income persons:

- i. “Businesses that employ low- to very low-income persons” means a business that has at least 30% of its employees who are Section 3 Residents as defined in Subsection 1(b) and 1(c) above, or those that within three years of the date of first employment with the business were Section 3 Residents. (Hereafter referred to as “Section 3 Businesses.”)

c. Businesses that are owned by low- to very low-income persons:

- i. “Businesses Owned by low- to very-low income persons” means a business that is 51% or more owned by a Section 3 Resident as defined in Subsection 1(b) and 1(c) above. (Hereafter referred to as “Section 3 Businesses.”)

d. Businesses that provide evidence of a commitment to subcontract in excess of 25% of the dollar amount of all subcontracts to be awarded to businesses that meet the following qualifications:

- i. “Businesses that provide evidence of a commitment to subcontract in excess of 25% of the dollar amount of all subcontracts to be awarded to businesses that meet the qualifications described in Subsections 3.b. and 3.c. (above) means businesses that provide a certification or actual proof that they have subcontracted or currently have subcontracts with businesses owned by Section 3 Residents as defined in Subsection 3.a.ii and 3.a.iii above. (Hereafter referred to as “Section 3 Businesses”) Projects that receive over \$200,000 in HUD funds for construction or rehabilitation and/or projects with any contractor or subcontractor receiving over \$100,000 are required to provide employment opportunities for businesses and lower income persons described in 24 CFR §135, including requiring each of its subcontractors carrying out work in connection with the Project to comply with, in particular, the assurances set forth at 24 CFR §135.38:

Guidance on how to comply with the requirements of Section 3 can be found in the Neighborhood Housing and Community Development Office's Section 3 Plan.

~~1. The work under the Loan Agreement must be performed in the same manner as a project required to comply with the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities resulting from assisted projects, shall, to the greatest extent feasible, be directed to low and very low income persons, particularly persons who are recipients of HUD assistance for housing;~~

~~2. The Borrower will comply with HUD's regulations at 24 CFR §135, which implement Section 3. As evidenced by their execution of the Loan Agreement, the parties to the Loan Agreement certify that they are under no contractual or other impediment that would prevent them from complying with the 24 CFR §135 regulations;~~

~~3. The Borrower will send to each labor organization or representative of workers with which the Borrower has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the Borrower's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions, and the anticipated date the work shall begin;~~

~~4. The Borrower will include this Section 3 clause in every subcontract with respect to the Project, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is not complying in the manner established under 24 CFR §135. The Borrower will not subcontract with any subcontractor where the Borrower has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR §135;~~

~~5. The Borrower will certify that any vacant employment positions, including training positions, that are filled (1) after the Borrower is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR §135 require employment opportunities to be directed, were not filled to circumvent the Borrower's obligations under the Loan Agreement;~~

~~6. Noncompliance with Borrower's obligations may result in sanctions, termination of the Loan Agreement for default, and may include debarment or suspension from future HUD-assisted contracts;~~

~~7. With respect to Project the requirements of section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under the Loan Agreement. This requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to the Loan Agreement that are subject to the requirements of Section 3 and section 7(b) agree to comply with Section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).~~

D. Environmental Review

AHFC may require the owner of a project to provide a Phase I Environmental Review prior to executing loan documents to ensure that no environmental hazards exist on or near the project site. For acquisition and/or rehabilitation of properties built prior to 1979, the project must include an inspection for asbestos prepared by a firm certified by the State of Texas.

E. Lead-Based Paint

All owners/developers- using RHDA funds on a developer/owner/sponsors of a GO Bond-assisted rental project are required to provide tenants of pre-1978 housing with the *Protect Your Family from Lead in Your Home* brochure and document receipt of the document. The Borrower-Applicant is responsible for obtaining the brochure and the appropriate disclosure forms from AHFC.

If a Project has the potential for lead-based paint hazards, the Applicant-owner/developer must ensure that the required procedures for testing of surfaces, completion of the rehab work, further testing and clearance examinations on the property are followed throughout the project, and that all personnel conducting those activities have obtained the appropriate state certifications to authorize their work. For any project involving non-exempt activities, the Applicant-owner/developer must work closely with AHFC to design a detailed plan to abate the hazard.

F. Contractor Selection

Owners/developers shall provide to the AHFC/City construction specifications and costs estimates for work proposed. To ensure completeness, cost efficiency and market competitiveness, the AHFC/City will review the project specifications and associated costs that will be mutually agreed to by both parties. Owners/developers will select construction contractors most

capable to complete the project in accordance with the approved specifications and costs. The AHFC/City will conduct on-site inspections at various intervals throughout the construction of the project to assure the project is completed as required.

G. Debarment and Suspension

Owners and contractors are prohibited from employing, awarding contracts, or funding any contractors or subcontractors that have been debarred, suspended, proposed for debarment, or placed on an ineligibility status by the federal government, or by the City of Austin. In addition, any owners who are debarred, suspended, proposed for debarment, or placed on an ineligibility status by the federal government will be prohibited from receiving RHDA funding, participating in the Program. Developers are required to screen the status of all contractors and subcontractors by consulting the website at <http://epls.arnet.gov/epl/owa/epl.search> menu.

H. Fair Housing Opportunity

The Borrower must comply with:

- 1. The requirements of the Fair Housing Act (42 U.S.C. 3601-20) and implementing regulations at 24 CFR part 100: Executive Order 11063, as amended, (Equal Opportunity in Housing) and implementing regulations at 24 CFR part 107; and Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (non-discrimination in Federally Assisted programs) and implementing regulations issued at 24 CFR Part 1;
- 2. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR Part 146;
- 3. The prohibitions against discrimination against handicapped individuals under Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8; and
4. The requirements of Executive Order 11246 (Equal Employment Opportunity) and the implementing regulations issued at 41 CFR Chapter 60.
5. The prohibitions against discrimination based on actual or perceived sexual orientation, gender identity or marital status under the requirements of the Equal Access to Housing Rule, also known as the Lesbian, Gay, Bisexual, or Transgender (LGBT) Rule, published as additions and revisions to the non-discrimination provisions in 24 C.F.R. Part 5.
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I. Fair Housing in Marketing

Project developers/owners/sponsors will be required to use affirmative fair housing marketing practices in soliciting tenants in determining eligibility and concluding all transactions. Each participating entity must affirmatively further fair housing in the same manner as a project that is required to comply with 24 CFR 92.351. These requirements include:

- 1. The City/AHFC will require the project owner to solicit applications for vacant units from persons in the housing market who are least likely to apply for the rehabilitated housing without benefit of special outreach effort.
- 2. Advertising for vacant units must include the equal housing opportunity logo or statement. Advertising median may include newspapers, radio, television, brochures, leaflets, etc.
- 3. The project owner must maintain a file containing all marketing efforts (i.e. copies of newspaper ads, memos of phone calls, copies of letter, etc.) to be available for inspection at least annually by the City/AHFC.
- 4. The project owner shall maintain a listing of all tenants residing in each unit at the time of requesting assistance throughout the entire compliance period.

Where an owner fails to follow the affirmative marketing requirements, corrective actions shall include extensive outreach efforts to appropriate contacts to achieve the occupancy goals or other sanctions the City/AHFC deems necessary.

J. Insurance Requirements

Project developers/owners shall obtain, maintain and keep in full force and effect insurance coverages for general liability, auto, and property hazard insurance in such amounts and in such manner as required by the AHFC's Loan Agreement, RHDA from the date until completion of all construction work on contracted housing units and until the expiration of the Loan Agreement with the AHFC, with respect to the Property, shall obtain, maintain and keep in full force and effect insurance coverages in regard to general liability, auto, and property hazard insurance in such amounts and in such manner as required by the AHFC's Loan Agreement. Program funds may not be used in connection with the rehabilitation of a property located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards unless flood insurance is obtained and maintained throughout the term of the loan.

K. Audit Requirements for Non-Profit Developers

Non-profit Developers/owners must submit to the AHFC a complete set of audited financial statements and the auditor's opinion and management letters in accordance with 24 CFR 84.21, and the Single Audit Act of 1984, as amended, covering

each fiscal year until the termination of this Loan Agreement. Developer must use the procedures outlined in the Loan Agreement ~~form~~ securing the audit.

L. Non-Discrimination

The City of Austin/AHFC is committed to compliance with the Americans with Disabilities Act (ADA) and Section 504 of the Rehabilitation Act of 1973, as amended. Reasonable modifications and equal access to communications will be provided upon request. Please call 974-3100 (voice) or 974-3102 (TDD) for assistance. For a sign language interpreter, please call 974-3100 at least four to five days in advance. The City of Austin/AHFC does not discriminate on the basis of disability in the admission or access to, or treatment or employment in, its programs and activities. ~~- Dolores Gonzalez is the City's ADA/Section 504 Coordinator. Her office is located at 505 Barton Springs Road, Suite 600. If you have any questions or complaints regarding your ADA/Section 504 rights, please call the ADA/Section 504 Coordinator at 974-3256 (voice) or 974-2445(TTY). This publication is available in alternative formats. Please call 974-3100 (voice) or 974-3102 (TDD) for assistance.~~

XVIII. DEFAULT ACTIONS AND SANCTIONS

A. The AHFC/City retains the right to determine, in its/their sole discretion, whether a default has taken place in a RHDA funded project. ~~The AHFC may exercise default actions if the AHFC determines that the default or violation(s) of the terms and conditions of the executed agreement has or may take place by the developer of the developer project.~~ A default or violation may be facilitated as a result of action or inaction taken by the project developer, organization, agency, contractor, individual or duly appointed representative of the developer or developer project. A default or violation may include, but not be limited to the following:

1. Developer or developer's project fails to ~~adequately~~ address adequately the applicable local, state or federal rules and/or regulations governing the acquisition, construction and/or initial occupancy requirements of the project, or
2. Any breach of any ~~provision contained in the loan document~~ provision, agreement, or warranty made by the developer, or
3. If RHDA Program funds are used for any purpose other than authorized in the RHDA Program contract, or
4. The appropriate proportion of assisted-units are not maintained for the term of the loan, or
5. There is a change in use of property prior to repayment of AHFC/City assistance without AHFC/City review and written approval, or
6. Developer fails to respond to AHFC's, City of Austin's, HUD's, or IRS' requests for occupant and rental information during the life of the loan, or
7. Property is not maintained in compliance with City of Austin ~~Code of Ordinances codes and ordinances~~ and/or ~~according to minimum~~ federal Housing Quality Standards, or
- ~~8. Developer fails to meet any conditions of the AHFC/City's loan agreement, or~~
- ~~9.8.~~ Developer fails to comply with information submitted by the developer to the AHFC/City through the project selection process, or
- ~~10.9.~~ Developer or developer's project violates local, state or federal law, or
- ~~11.10.~~ Developer or developer's project fails to maintain adequate documentation in support of project requirements, ~~or~~
- ~~12.~~ Developer fails to comply with any of the GO Bond Covenants.

B. Default ~~sanctions available to actions that the AHFC may take should a default or project violations occur~~ may include, but not be limited any one or ~~any~~ combination of the following:

1. Call the project note due and payable in accordance with the terms and conditions of the note;
2. Call the note due and payable for the full amount of the AHFC funds provided to the project;
3. Temporarily suspend the project until corrective action is taken;
4. Terminate the agreement and associated documents with the project;
5. Request a review or investigation by local or federal authorities if applicable;
6. Debar the project organization or individual from consideration of any future funding opportunities from the AHFC.

~~According to the terms of the Loan Documents, S~~ should the AHFC exercise any of the above referenced ~~sanctions,~~ the AHFC will provide ~~the developer or developer project~~ written notice at the Borrower's address as stated in the Loan Agreement. ~~of the default or violations determined and may provide a minimum of 48 hours, depending on the severity of the violation, to obtain a written response prior to proceeding with default actions. The AHFC retains the exclusive right to make final determination regarding the extent and timeline for the developer or developer project to initiate corrective action.~~ The AHFC shall make the final determination as to whether any the proposed corrective action undertaken as the result of an event of default by the developer or developer project is sufficient to cure the default, meet applicable project terms, conditions, rules, processes, procedures and/or laws.

XIX. APPEALS/GRIEVANCE PROCESS

Persons aggrieved by any action or inactions of the RHDA program which occurs in the implementation of these guidelines, and who wish to appeal said action or inaction, must do so by submitting an appeal in writing to the AHFC Real Estate Development Manager within 30 days of the action or inaction deemed aggrieving by said person(s).

The AHFC Real Estate Development Manager is charged with the administration for reviewing an appeal or grievance. The Real Estate Development Manager shall submit to the AHFC Treasurer a written summary of each grievance received along with explanations of the administrative action taken or recommended, within 15 days of his/her receipt of a written grievance. The AHFC Treasurer shall constitute the highest administrative personnel in the process.

XX. ATTACHMENTS:

- Attachment 1 - Tenant Income and Rent Limits
- Attachment 2 - Utility Allowances
- Attachment 3 - Tenant Information and Income Certification
- Attachment 4 - Lease Addendum
- Attachment 5 - Opportunity Map of Austin

Dolores Gonzalez is the City's ADA/Section 504 Coordinator. Her office is located at 505 Barton Springs Road, Suite 600. If you have any questions or complaints regarding your ADA/Section 504 rights, please call the ADA/Section 504 Coordinator at 974-3256 (voice) or 974-2445(TTY).

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