

AUSTIN HOUSING FINANCE CORPORATION

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

Program Guidelines for
HOME Funds, CDBG, Housing Trust Funds, General Obligation Bond Funds and
Other Such Funding as May be Available for Rental Housing Development

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CONSIDER SMOKE-FREE HOUSING

The City of Austin encourages the development of smoke-free rental housing. Smoke-free housing protects the health of residents by decreasing exposure to harmful secondhand smoke. Also, apartment owners and managers reap the benefits of more efficient and less expensive unit turnovers, potentially lower insurance premiums, and reduced risk of fires.

Smoke-free policies are legally permissible and can be a marketing advantage for attracting and retaining residents. More than 80 percent of people living in the Austin area do not use tobacco, and a 2011 survey conducted by the Austin/Travis County Health and Human Services Department found that 77 percent of renters in Travis County would prefer to live in tobacco-free housing.

Find out how you can protect the health of residents, make your property safer, and save money by downloading a copy of “A Manager’s Guide to Smoke-Free Housing Policies” at:

<http://www.livetobaccofreeaustin.org/owners.php>.

I. PURPOSE

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

- A. increase or maintain the community's supply of affordable rental housing for low-income households;
- B. increase the availability of transitional and permanent supportive housing for low-income households and persons with special needs; and
- C. 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 2013-14 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 been awarded RHDA funds.

Additional consideration is given to how the RHDA Program can best maximize the effect of RHDA funding and how that 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. Once a Loan Agreement has been executed between AHFC and a Borrower for the purpose of developing rental housing according to these RHDA Program Guidelines, if there is a conflict between these RHDA Program Guidelines and the project's Loan Agreement, the terms of the Loan Agreement shall prevail.
- E. 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.
- F. Revision to these RHDA Program Guidelines usually takes place once annually. However, additional revisions can be initiated by the NHCD Director/AHFC Treasurer at any time.

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 according to household and unit size for properties developed with the following fund sources:

- For projects utilizing HOME and CDBG grant funds, or local non-federal sources, such as Housing Trust Fund or General Obligation Bond Funding, the HOME Program Rent Limits, published by HUD for the Austin-Round Rock-San Marcos, TX Metropolitan Statistical Area (MSA) will be used.
- For projects financed with Low Income Housing Tax Credits (LIHTC) and/or Multi-family Private Activity Bonds (PAB), the Rent Limits published by the Texas Department of Housing and Community Affairs (TDHCA) for the Austin-Round Rock-San Marcos, TX Metropolitan Statistical Area (MSA) will be used.
- If a combination of federal grant and/or local fund sources is used with LIHTC and/or PAB financing, AND if there is a difference between HOME and TDHCA rent limits, the more restrictive rent limits (i.e., lower dollar amounts for rents according to bedroom counts) will be used in order to ensure that the rent limits do not exceed those of the more restrictive funding source.
- If there is no difference between HOME and TDHCA rent limits, the HOME rent limits will be used.
- **“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 ($DCR = NOI \div DS$). 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 HUD for the HOME Program or by TDHCA, as applicable to the source(s) of funding, 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, 2012.
- **“Housing First”** is a Permanent Supportive Housing model typically designed for individuals or families who have complex service needs, who are often turned away from other affordable housing settings, and/or who are least likely to be able to proactively seek and obtain housing on their own. Housing First approaches also include rapid re-housing which provides quick access to permanent housing through interim rental assistance and supportive services on a time-limited basis. The approach has also evolved to encompass a community-level orientation to ending homelessness in which barriers to housing entry are removed and efforts are in place to prioritize the most vulnerable and high-need people for housing assistance. Core elements include: 1) Admission/tenant screening and selection practices promote the acceptance of applicants regardless of their sobriety or use of substances, completion of treatment, and participation in services. 2) Applicants are seldom rejected on the basis of poor credit or financial history, poor or lack of rental history, minor criminal convictions, or behaviors that indicate a lack of “housing readiness.” 3) Housing accepts referrals directly from shelters, street outreach, drop-in centers, and other parts of crisis response system frequented by vulnerable people experiencing homelessness. 4) Supportive services emphasize engagement and problem-solving over therapeutic goals. Services plans are highly tenant-driven without predetermined goals. Participation in services or program compliance is not a condition of permanent supportive housing tenancy. Rapid re-housing programs may require case management as condition of receiving rental assistance. 5) Use of alcohol or drugs in and of itself (without other lease violations) is not considered a reason for eviction.
- **“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 amount 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 for a specific purpose and can be requested through an application process.
- **“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 as described in **“Housing First”** (above) in addition to 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, including but not limited to the Runaway and Homeless Youth Act, 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” or “under 22 years of age and aged 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 HUD for the HOME Program or by TDHCA, as applicable to the source(s) of funding.

IV. FUNDING

Subject to the requirements and limitations of RHDA Program funding sources, 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 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. General Obligation Bond Funds
4. Other local funding that may be available from time to time.

V. ELIGIBILITY

A. 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 applicable federal and local regulations.

Minimum requirements for projects are as follows:

1. Located within the corporate City-limits of Austin.
2. Projects must consist of one (1) or more residential units.
3. Units must be used for residential purposes only.
4. New construction projects must be certified for and meet the City of Austin’s S.M.A.R.T. Housing™ requirements.
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).
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. 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. If applicable, projects must meet HUD Environmental Review requirements.
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:

1. “Housing First” Permanent Supportive Housing and other Permanent Supportive Housing Projects or Transitional Housing Projects as defined above.
2. Projects that address Geographic Dispersion of affordable housing, particularly those in Very High Opportunity areas or High Opportunity Areas according to the Opportunity Map.
3. Projects that meet the requirements of the City’s Vertical Mixed-Use (VMU) Ordinance, or are in a Planned-Unit Development (PUD) or a Transit-Oriented Development (TOD).
4. Rehabilitation projects that preserve existing affordable rental units as described by the City’s “*Preserving Affordable Housing in Austin: A Platform for Action*” completed in April 2008.
5. Projects that specifically reserve units for persons with disabilities above and beyond normal requirements.
6. Projects that will have affordability periods of 99 years.

C. Eligible Costs

Through the Program, applicants may receive financing for acquisition, rehabilitation or new construction of rental housing projects. Funding may be used for:

1. **Hard Costs** such as purchase or buy-down of rental units, acquisition of land for a specific project, 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.

D. Ineligible Costs

While the following list of ineligible items is not intended to be all inclusive, 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 freestanding are acceptable).

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. Also, the RHDA program will not reimburse for any sales taxes paid on materials or labor.

VI. 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 in multi-family structures and \$90,000 per unit in single-family (i.e., 1 to 4 units) 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. \$90,000 per unit in single-family structures (1 to 4 units).
 - b. Each of these amounts is inclusive of the \$2,500,000 total project assistance limit in Section VI.A. above.
- 4. Debt Relief.**
 - a. In accordance with federal and state law, debt relief may be provided subject to the following:
 - i. Financing for debt relief is limited to \$60,000 per unit.
 - ii. Debt relief assistance will be limited to projects in which AHFC, or one of its subsidiary corporations, shall have an equity ownership and/or superior lien position, the terms of which will be negotiated prior to the approval of financing.
 - iii. Debt relief must facilitate the rehabilitation, development or replacement of new or existing affordable rental housing units as determined necessary and feasible by the City/AHFC.
 - b. This amount is inclusive of the \$2,500,000 total project assistance limit in Section VI.A above.
- 5. 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.

B. 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.

VII. AFFORDABILITY REQUIREMENTS

A. Assisted Units

Projects may have a mix of 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. At least 10% of all units in the project must be designated as RHDA-assisted. The applicant must designate in its project application the minimum number of RHDA-assisted units reserved for income-eligible households at required rent levels. Assisted units may be fixed or floating units.

B. Affordability Period

When RHDA funds are used to assist rental projects, income and rent restrictions apply to the RHDA-assisted units for a defined period of time 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 project assisted with RHDA funding based on the following criteria:

1. Federal or Non-Federal Funds, 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.
2. General Obligation Bond Funds
 - a. 40-year minimum, regardless of amount

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, RHDA-assisted units in projects must be occupied by households with annual incomes as follows:

- All RHDA-assisted units must be occupied by households earning no more than 50% of the MFI for the Austin-Round Rock-San Marcos, TX MSA.

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” 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 *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: <https://www.onecpd.info/incomecalculator/>

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 enforced using the Restrictive Covenant Running with the Land.

D. Rent Limitations

Rents are to be strictly controlled during the Affordability Period. The owner is responsible for obtaining the Affordable Rent and Income from AHFC. 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 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 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 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™ 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 should not be construed as a requirement to install 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 the applicant will agree to move to a non-accessible unit when one becomes available.

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

- 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).

IX. FINANCING

A. General

Assistance through the RHDA Program is provided primarily 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

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. Grants

At its sole discretion, the AHFC may offer grants in amounts up to \$125,000 and are subject to funding availability. Grant awards are considered on a case-by-case basis and are always needs-based. Grants are not available for projects that are considered completed. Although the grant itself will have no long-term monitoring requirement, grants will only be made for projects that will have a long-term monitoring requirement upon completion.

The following criteria must be met:

1. need (the project has exhausted its AHFC funding)
AND
2. an extraordinary circumstance exists
OR
3. there is an unanticipated opportunity to improve a project's sustainability features (water conservation, energy-efficiency, mobility, connectivity, etc.)

If approved, a Grant Agreement will be executed with specific performance measures to be carried out.

C. Liens

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 the borrower/developer fails to comply 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 very 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.

D. 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 in effect at the time the loan is made, plus allowable fees. Interest rates and terms on RHDA loans are determined by cash flow projections for projects and can be negotiated within the parameters of RHDA underwriting criteria..

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 RHDA restrictions, DPLs are provided at interest rates ranging from 0% per annum to rates that will typically be lower than market lending rates 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. 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, the Note will remain in place until the sale, refinance, or other disposition of the property, at which time the principal, fees and any accrued interest will be due and payable.

E. 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 RHDA-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 RHDA-assisted project or whether Project Proceeds must be returned to AHFC to pay down the Borrower's loan balance. 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: emergency repairs, project operating costs and reserves, operating expenses, and homebuyer counseling. Borrowers are subject to Project Proceed Reporting and an Annual Risk Analysis to determine audit requirements for Project Proceeds.

F. Program Income

For federally-funded projects, Program Income is defined as gross income received by the recipient or a subrecipient directly generated from the use of the federal funds. When program income is generated by an activity that is only partially assisted with federal funds, the income shall be prorated to reflect the percentage of federal funds used. Program Income must be tracked and handled according to the Program Income requirements AHFC has established for the project.

The AHFC may determine on a project-by-project basis whether the Borrower will be allowed to retain Program Income on a given RHDA-assisted project or whether Program Income must be returned to AHFC to pay down the Borrower's loan balance. Any Program Income that AHFC allows a Borrower to retain must be used for activities that are eligible under the original federal fund source. Eligible activities, depending on the federal fund source, may include: emergency repairs, project operating costs and reserves, operating expenses, and homebuyer counseling. As with Project Proceeds above, Borrowers are subject to Program Income Reporting and an Annual Risk Analysis to determine audit requirements for Program Income. AHFC will specify the manner in which program income is to be reported.

X. APPLICATION PROCESS

Program assistance is made available through the review and evaluation of information outlined in the RHDA **Application for Rental Development Financing (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 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 assistance.

XI. 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) 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 management-level AHFC staff members knowledgeable in the development process. The panel is convened by the SPOC and uses the RHDA Scoring Criteria developed for the Program.

Applications that are likely to be recommended for funding will receive further consideration by a Project Review Team composed of NHCD and AHFC executive 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.

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.

B. Housing Bond Review Committee (General Obligation Bond-Funded Projects Only)

The Housing Bond Review Committee (HBRC) is a group of persons appointed by the NHCD Director and charged with reviewing applications to be funded with General Obligation Bond funds. The purpose of their review is to ensure that applications have been scored and are in compliance with the RHDA Program Guidelines. The role of the HBRC is advisory only. The HBRC does not have the authority to recommend or disapprove of applications, but can concur or not with staff's scoring of an application. Meetings of the HBRC are public meetings, but the HBRC is not subject to the requirements of Chapter 2-1 of the City of Austin Code of Ordinances.

XII. LOAN DISBURSEMENTS

Payments will be made to Developers/Owners for eligible project costs according to the conditions described in the AHFC Loan Agreement. 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. The method of invoicing AHFC for a disbursement of loan proceeds shall be described in each loan agreement.

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

- A. 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 AHFC,
- C. fails to comply with any RHDA loan agreement covenants; or
- D. has not resolved any outstanding monitoring findings or concerns identified by the AHFC within a specified time period.

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.

XIII. REPORTING/RECORD KEEPING

Borrowers must maintain 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. 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. all reports required by the AHFC Loan Agreement and Statement of Work; and
- C. 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 on the AHFC website, and through reports made to the Community Development Commission.

XIV. INITIAL OCCUPANCY

The Borrower must provide the necessary documentation to demonstrate that all applicable initial occupancy requirements have been met. The documentation will be submitted in a form as prescribed by the 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. Housing™ 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.

XV. LONG-TERM COMPLIANCE, MONITORING

RHDA assisted projects require long-term commitments by the owner/developer. Reporting to demonstrate compliance with the terms of the loan agreement will include:

- 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 is being properly operated/managed.

The Loan Documents will identify the specific annual submission requirements and the timeframe for submission. It is the responsibility of the Borrower to ensure that all long-term compliance submissions are complete and submitted in a timely manner. AHFC may provide notice in advance of the required submission date as a reminder. However, failure of the AHFC to notify the Borrower in advance of a submission date does not relieve the Borrower in any way of the long-term compliance responsibilities. Should the 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.

All RHDA funded projects will be monitored by AHFC staff for compliance with loan agreement requirements.

XVI. TENANT PROTECTIONS

A. Tenant Leases

1. **Required Lease Provisions.** Property owners must use HUD-required provisions in tenant leases.
 - a. Property owners must offer a lease term of at least 1 year, unless tenant and owner mutually agree to a shorter lease 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:
 - a. Agreement to be sued. Agreement by the Tenant to be sued, to admit guilt, or agreement to a judgment in favor of the Landlord in a lawsuit brought in connection with the lease.
 - b. Treatment of Property. Agreement by the Tenant that the Landlord may take, hold, or sell personal property of household members without notice to the Tenant. This does not apply to an agreement by the Tenant concerning disposition of personal property remaining in the housing unit after the Tenant has vacated the unit. The Landlord may dispose of this personal property in accordance with State law.
 - c. Excusing the Landlord from responsibility. Agreement by the Tenant not to hold the Landlord or the Landlord's agents legally responsible for actions or failure to act, whether intentional or negligent.
 - d. Waiver of notice. Agreement by the Tenant that the Landlord may institute a lawsuit without notice to the Tenant.
 - e. Waiver of legal proceedings. Agreement by the Tenant that the Landlord may evict the Tenant or household members without instituting a civil court proceeding in which the Tenant has the opportunity to present a defense or before a court decision on the rights of the parties.
 - f. Waiver of jury trial. Agreement by the Tenant to waive any right to a jury trial.
 - g. Waiver of right to appeal court decision. Agreement by the Tenant to waive the Tenant's right to appeal or otherwise to challenge in court a decision in connection with the lease.
 - h. Tenant chargeable with cost of legal actions regardless of outcome. Agreement by the Tenant to pay attorney's fees or other legal costs of the Landlord even if the Tenant wins the court proceeding by the Landlord against the Tenant. The Tenant, however, may be obligated to pay costs if the Tenant 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 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”);
 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.

C. Property Standards

The owner must maintain the total project in compliance with federal Housing Quality Standards (HQS) 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 RHDA-assisted units must be inspected by the City of Austin or by a certified HQS inspector every three years within the Affordability Period or during the term of the Note with AHFC, whichever is longer. Projects of five (5) to twenty-five (25) RHDA-assisted units must be inspected every two years, and projects of 26 or more RHDA-assisted units will be inspected annually. For those properties under annual inspection requirements, each unit may not be inspected each year, but a representative sample of units (no more than 20%) will be inspected each year.

XVII. 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 must be visitable in accordance with the City of Austin Visitability Ordinance No. 981007-A.

C. City of Austin Good Neighbor Policy

In response to Austin City Council Resolution 20110113-040, a Good Neighbor Policy was developed to foster a broad community dialogue that includes stakeholders from neighborhoods to establish successful approaches for integrating low-income housing throughout the City. For more information, please see the **City of Austin Good Neighbor Guidelines (Attachment 6)**.

Prior to submission of an RHDA **Application for Rental Development Financing (Attachment 5)**, the developer must:

1. Research the applicable City of Austin Neighborhood Plan for the area in which the project is to be located. If no adopted neighborhood plan exists, then this step is omitted.
2. Using written notice by letter or by flyer, notify:
 - A. property owners with properties no less than 500 feet from the proposed development site; and
 - B. registered neighborhood organizations whose boundaries include the proposed development site.
3. Engage with neighborhood organizations whose boundaries include the proposed development site in order to provide current information about the project.
4. Appoint a Single Point of Contact (SPOC) to serve as the liaison for exchanging information.

Submit **with** the completed **RHDA Application for Rental Development Financing**:

1. The developer’s communication plan for engaging stakeholders and neighborhood organizations.
2. Documentation of written notice provided to property owners and neighborhood organizations.
3. A signed City of Austin Good Neighbor Checklist

D. “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, and 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”)

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.

E. 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.

F. Lead-Based Paint

All owners/developers using RHDA funds on a 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 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 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 owner/developer must work closely with AHFC to design a detailed plan to abate the hazard.

G. 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.

H. 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. Developers are required to screen the status of all contractors and subcontractors by consulting the “System for Award Management” or “SAM” website at www.sam.gov.

I. 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.

J. Fair Housing in Marketing

In projects of five (5) or more units, 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 media 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.

K. 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 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.

L. 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 for securing the audit.

M. 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.

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 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, 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 and/or to federal Housing Quality Standards, or
 8. Developer fails to comply with information submitted by the developer to the AHFC/City through the project selection process, or
 9. Developer or developer's project violates local, state or federal law, or
 10. Developer or developer's project fails to maintain adequate documentation in support of project requirements.
- B.** Default sanctions available to AHFC may include, but not be limited to 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, should the AHFC exercise any of the above referenced sanctions, the AHFC will provide written notice at the Borrower's address as stated in the Loan Agreement. The AHFC shall make the final determination as to whether any proposed corrective action undertaken as the result of an event of default is sufficient to cure the default.

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 – Current Tenant Income and Rent Limits
- Attachment 2 – Current Utility Allowances
- Attachment 3 – Tenant Information and Income Certification Form
- Attachment 4 – Lease Addendum
- Attachment 5 – RHDA Application and Scoring Criteria
- Attachment 6 – City of Austin Good Neighbor Policy and Checklist

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 (512) 974-3256 (voice) or call 7-1-1 (Relay Texas).

This publication is available in alternative formats. Please call (512) 974-3100 (voice) 7-1-1 (Relay Texas) for assistance.



City of Austin, Neighborhood Housing and Community Development Office
P.O. Box 1088, Austin, Texas 78767
(512) 974-3100 Fax (512) 974-3161
www.austintexas.gov/housing

HUD HOME Income and Rent Limits
Effective Date: May 1, 2014

FY 2014 Median Family Income
Austin-Round Rock-San Marcos, TX MSA
\$75,400 (4-person household)

INCOME LIMITS

Household Size:	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
30% Median Income (extremely low-income as defined by HUD)	15,850	18,100	20,350	22,600	24,450	26,250	28,050	29,850
50% Median Income (very low-income as defined by HUD)	26,400	30,200	33,950	37,700	40,750	43,750	46,750	49,800
60% Median Income	31,680	36,240	40,740	45,240	48,900	52,500	56,100	59,760
80% Median Income (low-income as defined by HUD)	42,250	48,250	54,300	60,300	65,150	69,950	74,800	79,600

RENT LIMITS

	0 (Efficiency) [1 person]	1 Bedroom [2 persons]	2 Bedrooms [3 persons]	3 Bedrooms [4 persons]	4 Bedrooms [5 persons]	5 Bedrooms [6 persons]
30% MFI	396	424	509	588	656	723
50% MFI	665	717	855	986	1,101	1,215
65% MFI	844	906	1,089	1,249	1,374	1,497
80% MFI	1,056	1,206	1,357	1,507	1,628	1,748
Low HOME Rent	665	717	855	986	1,101	1,215
High HOME Rent	696	853	1,074	1,249	1,374	1,497
Fair Market Rent	696	853	1,074	1,454	1,762	2,026

NOTES:

1. Multiply 80% MFI by 1.25 to get 100% MFI
2. Use 50% MFI When LIHTC developer chooses 20% of units at 50% MFI.
3. Use 60% MFI When LIHTC developer chooses 40% of units at 60% MFI.
4. Divide 50% MFI rents by 1.667 to get 30% Rents
5. Multiply 50% MFI rents by 1.2 to get 60% MFI Rents
6. Rent limits are calculated based on 50% MFI income limit by household size as indicated with the number of bedrooms.

HUD-52667: (modified)

US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT SECTION 8 EXISTING HOUSING ALLOWANCES FOR TENANT-FURNISHED UTILITIES AND OTHER SERVICES					DATE reviewed December 2013		
LOCALITY AUSTIN HOUSING AUTHORITY			UNIT TYPE Duplex/ Semi- Detached				
UTILITY OR SERVICE		MONTHLY DOLLAR ALLOWANCES					
		0 -BR	1-BR	2-BR	3-BR	4-BR	5-BR
Heating	a. Natural Gas	\$4	\$6	\$8	\$9	\$12	\$13
	b. Electric	\$9	\$20	\$25	\$32	\$44	\$52
Air Conditioning		\$18	\$25	\$33	\$42	\$53	\$62
Cooking	a. Natural Gas	\$3	\$3	\$4	\$5	\$6	\$8
	b. Electric	\$3	\$5	\$6	\$7	\$15	\$17
Other Electric (electric lighting, refrigerator, fan, etc.)		\$31	\$36	\$41	\$47	\$55	\$64
Monthly Base Gas Charge		\$13	\$13	\$13	\$13	\$13	\$13
Water Heating	a. Natural Gas	\$6	\$8	\$9	\$12	\$15	\$16
	b. Electric	\$10	\$13	\$22	\$35	\$45	\$57
Water (Average)		\$15	\$23	\$27	\$43	\$56	\$84
Sewer (Average)		\$30	\$43	\$52	\$79	\$97	\$124
Trash Collection		\$15	\$15	\$15	\$20	\$20	\$20
Range		\$8	\$8	\$8	\$8	\$8	\$8
Refrigerator		\$10	\$10	\$10	\$10	\$10	\$10
Discounts:		Qualifying customers certified by the City of Austin Utility Company may be eligible for the waiver of the monthly base charge. To qualify, the customers must be 65 years of age or older with total household income of \$10,000 or less per year, provided that the service account is individually metered and in the customer's name. CITY OF AUSTIN DISCOUNT: \$ 6.00 MONTHLY					
Actual family allowances: (to be used by family to complete allowance. Complete below for actual unit rented)				UTILITY OR SERVICE		PER MONTH	
NAME OF FAMILY ADDRESS OF UNIT				HEATING			
				AIR CONDITIONING			
				COOKING			
				OTHER ELECTRIC			
				WATER HEATING			
				WATER			
				SEWER			
				TRASH COLLECTION			
NUMBER OF BEDROOMS				RANGE			
				REFRIGERATOR			
				TOTAL			

Form: 017 utility chart-B.doc

US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT SECTION 8 EXISTING HOUSING ALLOWANCES FOR TENANT-FURNISHED UTILITIES AND OTHER SERVICES					DATE reviewed December 2013		
LOCALITY AUSTIN HOUSING AUTHORITY			UNIT TYPE Manufactured Home				
UTILITY OR SERVICE		MONTHLY DOLLAR ALLOWANCES					
		0 -BR	1-BR	2-BR	3-BR	4-BR	5-BR
Heating	a. Natural Gas	\$4	\$6	\$8	\$9	\$12	\$13
	b. Electric	\$9	\$20	\$25	\$32	\$44	\$52
Air Conditioning		\$18	\$25	\$33	\$42	\$53	\$62
Cooking	a. Natural Gas	\$3	\$3	\$4	\$5	\$6	\$8
	b. Electric	\$3	\$5	\$6	\$7	\$15	\$17
Other Electric (electric lighting, refrigerator, fan, etc.)		\$29	\$34	\$40	\$45	\$54	\$62
Monthly Base Gas Charge		\$13	\$13	\$13	\$13	\$13	\$13
Water Heating	a. Natural Gas	\$6	\$8	\$9	\$12	\$15	\$16
	b. Electric	\$10	\$13	\$22	\$35	\$45	\$57
Water (Average)		\$15	\$23	\$27	\$43	\$56	\$84
Sewer (Average)		\$30	\$43	\$52	\$79	\$97	\$124
Trash Collection		\$15	\$15	\$15	\$20	\$20	\$20
Range		\$8	\$8	\$8	\$8	\$8	\$8
Refrigerator		\$10	\$10	\$10	\$10	\$10	\$10
Discounts:		Qualifying customers certified by the City of Austin Utility Company may be eligible for the waiver of the monthly base charge. To qualify, the customers must be 65 years of age or older with total household income of \$10,000 or less per year, provided that the service account is individually metered and in the customer's name. CITY OF AUSTIN DISCOUNT: \$ 6.00 MONTHLY					
Actual family allowances: (to be used by family to complete allowance. Complete below for actual unit rented)				UTILITY OR SERVICE		PER MONTH	
NAME OF FAMILY ADDRESS OF UNIT				HEATING			
				AIR CONDITIONING			
				COOKING			
				OTHER ELECTRIC			
				WATER HEATING			
				WATER			
				SEWER			
				TRASH COLLECTION			
NUMBER OF BEDROOMS				RANGE			
				REFRIGERATOR			
				TOTAL			

Form: 017 utility chart-B.doc

HUD-52667: (modified)

US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT SECTION 8 EXISTING HOUSING ALLOWANCES FOR TENANT-FURNISHED UTILITIES AND OTHER SERVICES					DATE reviewed December 2013		
LOCALITY AUSTIN HOUSING AUTHORITY			UNIT TYPE Multi-Family Elevator				
UTILITY OR SERVICE		MONTHLY DOLLAR ALLOWANCES					
		0 -BR	1-BR	2-BR	3-BR	4-BR	5-BR
Heating	a. Natural Gas	\$4	\$5	\$6	\$8	\$9	\$11
	b. Electric	\$7	\$15	\$20	\$24	\$35	\$40
Air Conditioning		\$10	\$19	\$25	\$35	\$44	\$55
Cooking	a. Natural Gas	\$3	\$3	\$4	\$5	\$6	\$8
	b. Electric	\$3	\$5	\$6	\$7	\$15	\$17
Other Electric (electric lighting, refrigerator, fan, etc.)		\$30	\$35	\$40	\$46	\$54	\$63
Monthly Base Gas Charge		\$13	\$13	\$13	\$13	\$13	\$13
Water Heating	a. Natural Gas	\$6	\$8	\$9	\$12	\$15	\$16
	b. Electric	\$10	\$13	\$22	\$35	\$45	\$57
Water (Average)		\$19	\$29	\$33	\$48	\$57	\$71
Sewer (Average)		\$30	\$47	\$56	\$82	\$99	\$125
Trash Collection		\$6	\$6	\$6	\$6	\$6	\$6
Range		\$8	\$8	\$8	\$8	\$8	\$8
Refrigerator		\$10	\$10	\$10	\$10	\$10	\$10
Discounts:		Qualifying customers certified by the City of Austin Utility Company may be eligible for the waiver of the monthly base charge. To qualify, the customers must be 65 years of age or older with total household income of \$10,000 or less per year, provided that the service account is individually metered and in the customer's name. CITY OF AUSTIN DISCOUNT: \$ 6.00 MONTHLY					
Actual family allowances: (to be used by family to complete allowance. Complete below for actual unit rented)					UTILITY OR SERVICE		PER MONTH
NAME OF FAMILY ADDRESS OF UNIT					HEATING		
					AIR CONDITIONING		
					COOKING		
					OTHER ELECTRIC		
					WATER HEATING		
					WATER		
					SEWER		
					TRASH COLLECTION		
NUMBER OF BEDROOMS					RANGE		
					REFRIGERATOR		
					TOTAL		

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US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT SECTION 8 EXISTING HOUSING ALLOWANCES FOR TENANT-FURNISHED UTILITIES AND OTHER SERVICES					DATE reviewed December 2013		
LOCALITY AUSTIN HOUSING AUTHORITY				UNIT TYPE Multi-Family Walk-Up			
UTILITY OR SERVICE		MONTHLY DOLLAR ALLOWANCES					
		0 -BR	1-BR	2-BR	3-BR	4-BR	5-BR
Heating	a. Natural Gas	\$4	\$5	\$6	\$8	\$9	\$11
	b. Electric	\$7	\$15	\$20	\$24	\$35	\$40
Air Conditioning		\$10	\$19	\$25	\$35	\$44	\$55
Cooking	a. Natural Gas	\$3	\$3	\$4	\$5	\$6	\$8
	b. Electric	\$3	\$5	\$6	\$7	\$15	\$17
Other Electric (electric lighting, refrigerator, fan, etc.)		\$30	\$35	\$40	\$46	\$54	\$63
Monthly Base Gas Charge		\$13	\$13	\$13	\$13	\$13	\$13
Water Heating	a. Natural Gas	\$6	\$8	\$9	\$12	\$15	\$16
	b. Electric	\$10	\$13	\$22	\$35	\$45	\$57
Water (Average)		\$19	\$29	\$33	\$48	\$57	\$71
Sewer (Average)		\$30	\$47	\$56	\$82	\$99	\$125
Trash Collection		\$6	\$6	\$6	\$6	\$6	\$6
Range		\$8	\$8	\$8	\$8	\$8	\$8
Refrigerator		\$10	\$10	\$10	\$10	\$10	\$10
Discounts:		Qualifying customers certified by the City of Austin Utility Company may be eligible for the waiver of the monthly base charge. To qualify, the customers must be 65 years of age or older with total household income of \$10,000 or less per year, provided that the service account is individually metered and in the customer's name. CITY OF AUSTIN DISCOUNT: \$ 6.00 MONTHLY					
Actual family allowances: (to be used by family to complete allowance. Complete below for actual unit rented)				UTILITY OR SERVICE		PER MONTH	
NAME OF FAMILY ADDRESS OF UNIT				HEATING			
				AIR CONDITIONING			
				COOKING			
				OTHER ELECTRIC			
				WATER HEATING			
				WATER			
				SEWER			
				TRASH COLLECTION			
NUMBER OF BEDROOMS				RANGE			
				REFRIGERATOR			
				TOTAL			

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US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT SECTION 8 EXISTING HOUSING ALLOWANCES FOR TENANT-FURNISHED UTILITIES AND OTHER SERVICES					DATE reviewed December 2013		
LOCALITY AUSTIN HOUSING AUTHORITY				UNIT TYPE Rowhouse/Townhouse			
UTILITY OR SERVICE		MONTHLY DOLLAR ALLOWANCES					
		0 -BR	1-BR	2-BR	3-BR	4-BR	5-BR
Heating	a. Natural Gas	\$4	\$5	\$6	\$8	\$9	\$11
	b. Electric	\$7	\$15	\$20	\$24	\$35	\$40
Air Conditioning		\$10	\$19	\$25	\$35	\$44	\$55
Cooking	a. Natural Gas	\$3	\$3	\$4	\$5	\$6	\$8
	b. Electric	\$3	\$5	\$6	\$7	\$15	\$17
Other Electric (electric lighting, refrigerator, fan, etc.)		\$29	\$35	\$40	\$46	\$54	\$63
Monthly Base Gas Charge		\$13	\$13	\$13	\$13	\$13	\$13
Water Heating	a. Natural Gas	\$6	\$8	\$9	\$12	\$15	\$16
	b. Electric	\$10	\$13	\$22	\$35	\$45	\$57
Water (Average)		\$15	\$23	\$27	\$43	\$56	\$84
Sewer (Average)		\$30	\$43	\$52	\$79	\$97	\$124
Trash Collection		\$15	\$15	\$15	\$20	\$20	\$20
Range		\$8	\$8	\$8	\$8	\$8	\$8
Refrigerator		\$10	\$10	\$10	\$10	\$10	\$10
Discounts:		Qualifying customers certified by the City of Austin Utility Company may be eligible for the waiver of the monthly base charge. To qualify, the customers must be 65 years of age or older with total household income of \$10,000 or less per year, provided that the service account is individually metered and in the customer's name. CITY OF AUSTIN DISCOUNT: \$ 6.00 MONTHLY					
Actual family allowances: (to be used by family to complete allowance. Complete below for actual unit rented)				UTILITY OR SERVICE		PER MONTH	
NAME OF FAMILY ADDRESS OF UNIT				HEATING			
				AIR CONDITIONING			
				COOKING			
				OTHER ELECTRIC			
				WATER HEATING			
				WATER			
				SEWER			
				TRASH COLLECTION			
NUMBER OF BEDROOMS				RANGE			
				REFRIGERATOR			
				TOTAL			

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US DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT SECTION 8 EXISTING HOUSING ALLOWANCES FOR TENANT-FURNISHED UTILITIES AND OTHER SERVICES					DATE reviewed December 2013		
LOCALITY AUSTIN HOUSING AUTHORITY				UNIT TYPE Single Family Detached			
UTILITY OR SERVICE		MONTHLY DOLLAR ALLOWANCES					
		0 -BR	1-BR	2-BR	3-BR	4-BR	5-BR
Heating	a. Natural Gas	\$4	\$6	\$8	\$9	\$12	\$13
	b. Electric	\$9	\$20	\$25	\$32	\$44	\$52
Air Conditioning		\$18	\$25	\$33	\$42	\$53	\$62
Cooking	a. Natural Gas	\$3	\$3	\$4	\$5	\$6	\$8
	b. Electric	\$3	\$5	\$6	\$7	\$15	\$17
Other Electric (electric lighting, refrigerator, fan, etc.)		\$31	\$37	\$42	\$48	\$56	\$65
Monthly Base Gas Charge		\$13	\$13	\$13	\$13	\$13	\$13
Water Heating	a. Natural Gas	\$6	\$8	\$9	\$12	\$15	\$16
	b. Electric	\$10	\$13	\$22	\$35	\$45	\$57
Water (Average)		\$15	\$23	\$27	\$43	\$56	\$84
Sewer (Average)		\$30	\$43	\$52	\$79	\$97	\$124
Trash Collection		\$15	\$15	\$15	\$20	\$20	\$20
Range		\$8	\$8	\$8	\$8	\$8	\$8
Refrigerator		\$10	\$10	\$10	\$10	\$10	\$10
Discounts:		Qualifying customers certified by the City of Austin Utility Company may be eligible for the waiver of the monthly base charge. To qualify, the customers must be 65 years of age or older with total household income of \$10,000 or less per year, provided that the service account is individually metered and in the customer's name. CITY OF AUSTIN DISCOUNT: \$ 6.00 MONTHLY					
Actual family allowances: (to be used by family to complete allowance. Complete below for actual unit rented)				UTILITY OR SERVICE		PER MONTH	
NAME OF FAMILY ADDRESS OF UNIT				HEATING			
				AIR CONDITIONING			
				COOKING			
				OTHER ELECTRIC			
				WATER HEATING			
				WATER			
				SEWER			
				TRASH COLLECTION			
NUMBER OF BEDROOMS				RANGE			
				REFRIGERATOR			
				TOTAL			

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Initial Tenant Information and Income Certification

This form must be completed for every household

Project/Property Address _____ Date of Initial Occupancy: _____

Unit No.: Accessible/mobility: ☐ Yes ☐ No Accessible/sight-hearing: ☐ Yes ☐ No

Information on this form is required in order to ensure compliance with all applicable funding requirements. The City of Austin, Austin Housing Finance Corporation and/or the U. S. Department of Housing and Urban Development (HUD) reserves the right to request third party documentation to verify any and all information provided.

1. Name of Head of Household: _____ Telephone No: _____

2. Mailing Address (if different from above): _____

3. Rental Assistance: ☐ Yes ☐ No **If yes, please select rental assistance type below:**
☐ Section 8 ☐ HOME TBRA ☐ Other (Project-Based Sec 8, VA Asst, Etc.) _____

4. Marital Status: ☐ Single ☐ Married 5. Number of Persons in Household:

6. Number of Dependents under age 18: Ages: 7. Number of Bedrooms:

8. Monthly Housing Costs: Rent: + Utilities: = Month

9. Total amount of rent paid by tenant: Month

10. Gross Yearly Household Income (include all persons over age 18): ÷ **12** = Month

11. Please Circle the MFI % for this household: <30% 31-50% 51-60% 61-80%

12. Please Calculate % of Housing Costs to Income: No. 9 ÷ No. 10 = %

13. Ethnicity (of Head of Household)
<input type="checkbox"/> Hispanic or Latino
<input type="checkbox"/> Not Hispanic or Latino

14. Race/Multi-Race Category (of Head of Household)	
White	
Black/African American	
Asian	
American Indian/Alaskan Native	
Native Hawaiian/Other Pacific Islander	
American Indian/Alaskan Native & white	
Asian & White	
Black/African American & White	
American Indian/Alaskan Native & Black/African American	
Other Multi-Racial	

15. Type of Household (Head of Household)	
Single, Non-Elderly	
Elderly, 62 years +	
Related/Single Parents	
Related/Two Parents	
Other	
Vacant	
Disability (Head of Household)	
Female (Head of Household)	

I (print tenant's name), _____ **certify that the yearly household income and other information indicated above is true and correct.**

Tenant's Signature: _____

Date: _____

RHDA Program Initial Tenant Information and Income Summary Report

Today's Date: _____

Project Name: _____

Address: _____

Owner Name: _____ Phone: _____

Contact: _____ Phone: _____

Reporting Period Dates: **From** _____ **To:** _____Total Household Reported (this Period) *

* Report unduplicated households served during this period:

Total Number of Units: _____ Number leased to date: _____

Total number of RHDA-assisted units: _____ Number leased to date: _____

Totals from client intake forms:

Household Size:	Household Type /Head of Household	Household Income - (% of MFI)	Race/Multi-Race Category of Head of Household
1 _____	Single _____	< 30% _____	White _____
2 _____	1 Parent _____	31 - 50% _____	Black/African American _____
3 _____	Female _____	51 - 60% _____	Asian _____
4 _____	62 years + _____	61 - 80% _____	American Indian/Alaskan Native _____
5 _____	Disabled _____		Native Hawaiian/Other Pacific Islander _____
6 _____	Other _____		American Indian/Alaskan Native & White _____
7 _____			Asian & White _____
8+ _____			Black/African American & White _____
			American Indian/Alaskan Native & Black/African American _____
			Other Multi-racial _____
			Ethnicity of Head of Household
			Hispanic or Latino _____
			Not Hispanic or Latino _____

LEASE ADDENDUM
FOR RHDA-ASSISTED PROPERTIES

1. This lease agreement addendum is an addendum to the lease agreement (herein referred to as the "lease agreement"), entered into on _____, between _____ (herein referred to as "Owner") and _____ (herein referred to as "Tenant") for the leasing of the premises at _____, Unit _____, Austin, Texas _____.

2. The provisions of this addendum supercede in all respects any conflicting provisions contained in the lease agreement. To the extent any conflict exists between the lease agreement and this addendum, the provisions of this addendum shall govern.

3. **Prohibited Lease Terms.** Any of the following provisions contained in the lease agreement shall be null and void and unenforceable:

- 3.1. Any and all provisions in the lease agreement in which the Tenant agrees to be sued, to admit guilt, or to a judgment in favor of the Owner in a lawsuit brought in connection with the lease.
- 3.2. Any and all provisions in the lease agreement governing the right of the Owner or its agents to take, hold, or sell personal property of household members without written notice to the Tenant and a court decision on the rights of the parties, with the exception of property remaining in a housing unit after the Tenant has moved out of the unit which is disposed of in accordance with State law.
- 3.3. Any and all provisions in the lease agreement excusing the Owner or its agents from legal responsibility for any action or failure to act, whether intentional or negligent.
- 3.4. Any and all provisions in the lease agreement in which the Tenant agrees that the Owner may institute an eviction lawsuit against the Tenant without notice to the Tenant.
- 3.5. Any and all provisions in the lease agreement in which the Tenant agrees that the Owner may evict the Tenant or household members without instituting a civil court proceeding in which the Tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.

- 3.6. Any and all provisions in the lease agreement in which the Tenant agrees to waiver of a trial by jury.
- 3.7. Any and all provisions in the lease agreement in which the Tenant waives the right to appeal, or to otherwise challenge in court, a court decision in connection with the lease.
- 3.8. Any and all provisions in the lease agreement in which the Tenant is chargeable with costs of legal actions regardless of outcome including agreement by the Tenant to pay attorney's fees or other legal costs even if the Tenant wins in a court proceeding by the owner against Tenant.

4. **Termination of Tenancy:**

4.1 Grounds for termination or nonrenewal. An owner may not terminate the tenancy or refuse to renew the lease of a Tenant except for:

- 4.1.a. serious or repeated violations of the terms and conditions of the lease;
- 4.1.b. violation of applicable Federal, State, or local law;
- 4.1.c. completion of tenancy period for transitional housing; or
- 4.1.d. other good cause.

4.2 Notices. To terminate or nonrenew the tenancy, Owner must serve written notice upon Tenant specifying the grounds for the termination or nonrenewal at least thirty days before the effective date of the termination or nonrenewal. The notice to terminate or nonrenewal must be served on the Tenant by either: (1) both first class mail and either certified or registered mail; or (2) by personal delivery to the Tenant or a household member eighteen years or older. If the Tenant does not vacate the premises by the effective date of the termination as set forth in the notice of lease termination, Owner shall give Tenant at least three days written notice to vacate the premises and, if Tenant has not vacated the premises by the end of the third day, Owner may then proceed to obtain possession by a forcible detainer lawsuit in the appropriate justice of the peace court. Owner's failure to follow these procedures shall be cause for dismissal without prejudice of the eviction lawsuit.

4.3 Opportunity to cure. Prior to serving the thirty-days notice to terminate or refusal to renew the tenancy on the Tenant, Owner must provide Tenant with at least a ten-day opportunity to cure any alleged lease violation with the exception of lease violations based on drug activity; serious, violent criminal activity; or other serious criminal activity.

5. **Entry into Unit.** Owner, or Owner's representative or servicemen, may enter the unit during reasonable times for any reasonable business purpose after providing at least twenty-four-hours notice to the Tenant, with the exception of emergencies, for which no advance notice shall be required. Whenever the Tenant or household member over the age of 18 is not present in the unit at the time of entry, written notice stating the purpose of the entry thereof must be left in the apartment after entry. Entries by Owner and its agents shall not be so frequent as to seriously disturb Tenant's peaceful enjoyment of the unit.

6. **Tenant Agreement to Provide Requested Information.** Tenant understands that the unit leased under this agreement has received governmental subsidies and that, as a condition of the governmental subsidy, Tenant is required and hereby agrees to provide Owner with any information and sign any releases which are necessary to allow Owner to verify Tenant's income and otherwise

comply with government rules and regulations. Tenant agrees to provide Owner accurate and complete information regarding Tenant's income and to do so by the date specified in Owner's request. Tenant understands that the intentional failure to supply accurate and complete information regarding Tenant's income shall constitute a serious lease violation. All Tenant files will be available for inspection by all applicable federal, state, and local agencies. Tenant hereby consents to release of all such information by Owner to governmental agencies.

7. This agreement is deemed to have been made in compliance with all applicable State and local laws, and if any section or part is not lawful, only this section or part shall be void, and the balance of the agreement shall remain in full force and effect.

8. **Copies of Lease Agreement.** Tenant is to be given a copy of this lease addendum.

BY: _____
Owner's Representative Date

Tenant Date

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 2013-14 Action Plan goals and policy direction from the Austin City Council.

Project Name: _____

Project Address: _____ Zip Code: _____

Total # units in project/property: _____ Census Tract Number: _____

Total # units to be assisted with RHDA Funding: _____

Project type (check all that apply with an 'X'):

☐ 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 ☐ **Developer** ☐ **Consultant/Other**
 Applicant is (please check appropriate box):

 Street Address

 City State, Zip Telephone

 Contact Person Contact Telephone E-mail address

 Federal Tax ID Number D-U-N-S Number (REQUIRED - Visit www.dnb.com for free DUNS#)

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

 Title Date

CONSIDER SMOKE-FREE HOUSING

The City of Austin encourages the development of smoke-free rental housing. Smoke-free housing protects the health of residents by decreasing exposure to harmful secondhand smoke. Also, apartment owners and managers reap the benefits of more efficient and less expensive unit turnovers, potentially lower insurance premiums, and reduced risk of fires.

Smoke-free policies are legally permissible and can be a marketing advantage for attracting and retaining residents. More than 80 percent of people living in the Austin area do not use tobacco, and a 2011 survey conducted by the Austin/Travis County Health and Human Services Department found that 77 percent of renters in Travis County would prefer to live in tobacco-free housing.

Find out how you can protect the health of residents, make your property safer, and save money by downloading a copy of “A Manager’s Guide to Smoke-Free Housing Policies” at: <http://www.livetobaccofreeaustin.org/owners.php>.

Please answer the following questions.

Is this development intended to have restrictions on smoking? ☐ Yes ☐ No

If “Yes,” what level of restriction is intended?

☐ No smoking anywhere on the property, inside or outside

☐ No smoking Inside residents’ units

☐ No smoking in outdoor exclusive use areas such as individual balconies or patios

☐ No smoking in outdoor common areas such as pool, parking lot, green spaces, etc.

☐ No smoking outdoors within a reasonable distance from building entrances (such as 15 – 25 feet) to prevent smoke from entering another resident’s open windows or doors.

2. **A. Non-profit applicants/developers, attached copies of the following:**

1. A "certificate of status" issued by the Texas Secretary of State.
2. Federal IRS certification granting non-profit tax-exempt status.
3. Certified financial audit for most recent year which include the auditor's opinion and management letters.
4. 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. Numbers of proposed PSH Units:

_____ Total Number of Units in project

_____ Total Number of Permanent Supportive Housing (PSH) Units Proposed

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

1. _____ Persons needing "**Housing First**," a Permanent Supportive Housing model typically designed for individuals or families who have complex service needs, who are often turned away from other affordable housing settings, and/or who are least likely to be able to proactively seek and obtain housing on their own. Housing First approaches also include rapid re-housing which provides quick access to permanent housing through interim rental assistance and supportive services on a time-limited basis.

NUMBER OF UNITS _____

Individuals or families headed by individuals that are:

2. _____ **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 _____

3. _____ 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 _____

4. _____ 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 _____

5. _____ 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 _____

6. _____ 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 B.1, B.2, B.3, or B.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), or is located less than .25 miles from a transit stop (not just a transit route).
- 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. 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.

5. Site Control and Demonstration of Value

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

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.

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).

	Name and Contact Information	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

11. 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.

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				
HARD COSTS				
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 & B (below)**, 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		
Hard Costs		
Soft & Carrying Costs		
TOTAL		

b. **Leveraging** – Complete **Table C (below)**.

TABLE C: PERCENTAGE OF RHDA FUNDS	
RHDA Funds	
Other Funds	
Total Project Cost	
RHDA Funds ÷ Total Project Cost=	

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. Good Neighbor Policy. Please refer to the City's Good Neighbor Guidelines and demonstrate compliance with the Good Neighbor Policy by completing the Good Neighbor Checklist and providing the documentation requested.

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

REQUIRED INFORMATION:

- | | |
|--|--|
| 1. Applicant Information _____
2a. Non-profit Required Items _____
OR
2b. For-profit Required Items _____
3. Project Description _____
4. Site Control/Value _____
5. Zoning _____
6. S.M.A.R.T. Housing _____
7. Development Team _____
8. Development Schedule _____
9. Developer Capacity _____ | 10. Accessible/Adaptable Units _____
11. Experience/Qualifications _____
12. Project Budget _____
13. Funds Proposal: _____
a. Sources _____
b. Uses _____
c. Leveraging _____
d. Operating Proforma _____
14. Good Neighbor Checklist _____ |
|--|--|

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 **240** points. PLEASE NOTE: A score above the minimum score does not guarantee funding.

CORE VALUES POINTS

(Affordable Housing Core Values: Deeper levels of affordability, long-term affordability, and geographic dispersion of affordable units throughout the City.)

Score _____

1. 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 percentage of units at a given MFI level is not a multiple of 10, round up to the next closest multiple of 10 to get the score for that particular MFI level

	% of Affordable Units in Project (only count units reserved for 50% MFI and below)					
% MFI	10% of units	20% of units	30% of units	40% of units	50% of units	60% of units
50%	3	5	10	15	20	25
40%	5	10	15	20	25	
30%	10	15	20	25		

Score _____

2. AFFORDABILITY PERIOD (25 points) _____

25 points: Affordability period is:

_____ 99 years;

OR

_____ 40 years, and project is applying for Low Income Housing Tax Credits. Note: AHFC funding is contingent upon the award of Low Income Housing Tax Credits.

Score

3. GEOGRAPHIC DISPERSION (maximum 25 points) _____

Project is located in an area identified according to the Kirwan Institute's Comprehensive Opportunity Map of Austin 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

INITIATIVES AND PRIORITIES POINTS

(Permanent Supportive Housing, Sustainability, Priority Locations, Accessible and Integrated, and Preservation of Affordable Housing)

Score

4. PERMANENT SUPPORTIVE HOUSING (PSH) (maximum 25 points) _____

25 points: "Housing First" model.

15 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.

Score

5. SINGLE-FAMILY RENTAL HOUSING, INCLUDING SECONDARY UNITS ("GREEN ALLEY INITIATIVE") (20 points) _____

20 points: Project consists of either new construction or rehabilitation of one or more single-family rental units, secondary units, or units compatible with the City's "Green Alley Initiative."

Score

6. ACCESSIBILITY AND HOUSING FOR PERSONS WITH DISABILITIES (maximum 20 points) _____

_____ **10 points:** In multi-family developments, (i.e. 5 or more units) or for single-family rental housing (i.e., 1 to 4 units), 50% or more of the total number of units will be made accessible per the Uniform Federal Accessibility Standards (UFAS).

_____ **10 points:** Units to be designated for persons with disabilities as defined in the Fair Housing Act: for Multi-family developments, (i.e. 5 or more units), at least 25% of all units; for single-family rental housing (i.e., 1 to 4 units) 1 or more units.

Score

7. PRIORITY LOCATION (10 points)

10 points: Project is:

_____ located in a Vertical Mixed-Use (VMU) Corridor; or
_____ a Planned-Unit Development (PUD); or
_____ located within a Transit-Oriented Development (TOD) area, or
_____ is located 0.25 miles (1,320 feet) or less from a transit stop.

Score

8. 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.

Score

9. TRANSITIONAL HOUSING (10 points)

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

UNDERWRITING POINTS

(EXPERIENCE, CAPACITY, DEVELOPMENT FEASIBILITY, OPERATIONAL FEASIBILITY, COMPATIBILITY WITH OTHER PROGRAM REQUIREMENTS)

Score

10. 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

Score

11. 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.

Score

12. DEBT COVERAGE RATIO (maximum 10 points)

- 10 points:** DCR of 1.25 or greater or will be a debt-free development
6 points: DCR between 1.21 - 1.24
4 points: DCR between 1.15 - 1.20

Score

13. LEVERAGE (maximum 10 points)

RHDA Program funding (including prior awards and the current request) divided by
Total Project Costs equals:

- 10 points:** 25% or less
8 points: 26% - 30%
6 points: 31% - 35%
4 points: 36% - 50%
2 points: 51% - 54%
0 points: 55% or greater

Score

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

	<u>Multi-Unit Structures</u>	<u>Single-Unit Structures</u>
10 points	<\$40/unit	<\$50/unit
8 points	<\$45/unit	<\$60/unit
6 points	<\$50/unit	<\$70/unit
4 points	<\$55/unit	<\$80/unit
2 points	<\$60/unit	<\$90/unit

Score

15. 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.

Score

16. 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.

Score

17. 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 identified for the operation of resident services programs.
- c. A 3-year estimated 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 identified for the operation of the resident services programs.
- c. A 3-year estimated 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 identified for the operation of the resident services programs.
- c. A 3-year estimated operating budget for the operation of the resident services programs is provided.

Score

18. MBE/WBE PROJECT PARTICIPATION (5 points) _____

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

TOTAL SCORE _____

CITY OF AUSTIN GOOD NEIGHBOR GUIDELINES

This Good Neighbor Policy is offered in response to Austin City Council resolution 20110113-040, which called for a broad community dialogue that includes stakeholders from neighborhoods all across Austin to establish successful approaches for integrating low-income housing throughout the city. The resolution called for research and a report on best practices in engaging communities and building support for permanent supportive housing projects.

Introduction

In Fall 2011, the City conducted meetings to engage community participants in discussions on expectations related to a community engagement plan and process among proposed affordable housing developers, City officials and area stakeholders. Participants in the discussions included neighborhood leaders, tenants of permanent supportive housing, housing developers, service providers, and members of business and faith communities.

Common themes for desired outcomes in the above conversations included:

- Transparency of information about a proposed development (whether provided by the developer or the City of Austin);
- Consistency with existing neighborhood plans and other city-approved planning documents designed by community stakeholders;
- Effective and predictable methods of communication between parties; and
- Respectful dialogue and good-faith effort from all parties engaged in the community.

The Neighborhood Housing and Community Development Office (NHCD) offers a Good Neighbor Policy to standardize process and identify expectations for all projects funded through the City of Austin's Rental Housing Development Assistance (RHDA) and Acquisition and Development (A&D) programs. Applicants of these programs are required to prepare and begin implementing a community engagement plan, including neighborhood notification activities. The community engagement plan is required whether the application is for funding for new construction or renovation of an existing building, regardless of whether there is a change in ownership.

A successful community engagement plan leads to open, ongoing two-way communication between developers and neighbors. This requires good-faith efforts and cooperation by developers, City officials and residents. A positive, open dialogue between housing developers and neighbors can prevent misunderstandings, facilitate prompt resolution of any inadvertent misunderstandings, and provide a fair, thoughtful, dependable means of resolving differences.

While not meant to be a definitive process for each proposal and neighborhood, the steps outlined below suggest a list of recommendations for a comprehensive notification and engagement process in the City's ongoing support of affordable housing projects that will preserve and enhance the strengths of Austin's neighborhoods.

Fair Housing

The City supports and is committed to promoting diversity in Austin neighborhoods. Consistent with local, State and Federal law, housing may not be excluded from a neighborhood based on any of the following characteristics of the persons who will live there: race, color, national origin, religion, gender/sex, familial status, disability, sexual orientation, gender identity, marital status, student status, and age.

The Analysis of Impediments to Fair Housing prepared for the City of Austin, which is available on City's Web site: www.austintexas.gov/housing, includes a thorough overview of Federal, State and local fair housing law. One goal is to ensure that housing for Austin's lowest-income residents and most vulnerable populations is available throughout the city, including in Austin's most opportunity-rich neighborhoods in terms of transit, employment, schools, parks and retail.

Guidelines for Affordable Housing Developers and Neighbors

This section is intended to provide guidance, acknowledging that neighborhood notification efforts and appropriate community relations plans may vary in order to provide the most effective outreach in neighborhoods across Austin.

(1) Preliminary Research

The developer should consult with NHCD staff. Members of the NHCD Outreach Team are available to offer guidance to assist the developer in his/her development of the community relations plan and help reach desired outcomes with internal and external lists of departmental and agency referrals. The team may also help identify developers of other affordable housing projects in the neighborhood(s) being considered and suggest neighborhood organizations to contact.

The developer should review the Neighborhood Plan (if applicable) Neighborhood plans may provide language describing the vision a particular neighborhood has for the area encompassing the proposed site for the development. This information will be important in understanding the perspective of area residents and help guide in the initial planning of the development. If a rezoning or change in the Future Land Use Map is necessary, additional public process requirements will apply. For more information, consult the City of Austin Neighborhood Planning Website: www.cityofaustin.org/planning.

(2) Neighborhood Notification

(a) Who should be notified?

*The developer should notify property owners within a 500 foot radius of the site. In addition, neighborhood organizations **registered with the City of Austin** and whose boundaries include the proposed development site are to be notified. Notification can be accomplished using a written notice, letter, postcard or flyer.*

Neighborhood organizations are listed on the City of Austin's Community Registry www.cityofaustin.org/neighbor. They include organizations such as neighborhood associations, Neighborhood Planning Contact Teams, home owner associations, business associations, and advocacy groups. The Registry includes contact information for each group.

(b) When should the notification occur?

The developer should consider sending the notification as soon as substantive information is available to ensure a comprehensive community relations plan. Early communication with neighborhood organizations and nearby residents provides the opportunity to exchange information as early as possible and ensure meaningful community input. Applicants must submit proof of notification prior to application consideration. NHCD is available to provide assistance should privacy or sensitivity concerns arise.

(c) Waiver of the Notification Policy

A waiver of the Notification Policy may be granted when:

- i. Applicants who have already requested a zoning change for a development and can provide evidence that notification for the zoning case has already taken place.

(3) Pre-Application Engagement

(a) How should the developer and the neighbors initiate communication?

The developer should contact neighborhood organizations to provide current information about the project, including any neighborhood association boundaries included in the proposed development site and Neighborhood Planning Contact Team (if applicable).

The updated information may include final site selection, schedule, proposal for ongoing communication with the neighborhood, and where (such as a web site) to find out more information about the project. The ongoing engagement plan may include presentation(s) at regularly-scheduled neighborhood organization meeting(s);

invitations to meeting hosted by the housing developer; formation of a neighborhood advisory committee; and/or regular project updates in neighborhood organization publications. It may also be posted at local libraries, recreational centers, etc. Please visit <http://www.austintexas.gov/departments/housing-developer-assistance> to view a sample engagement plan.

The neighborhood organization should invite the developer to a community meeting, possibly a pre-scheduled neighborhood meeting should there be enough time to facilitate a productive dialogue. The neighborhood organization should extend an offer to the developer to provide information ahead of time to the general membership, such as through a list-serve or on the neighborhood-hosted website.

(b) What information should be made available to the neighborhood?

Acknowledging that development plans may change often based on a variety of seen and unforeseen circumstances, information the housing developer should consider sharing as early as possible as it becomes available may include the following:

- Experience as a housing developer and manager. Provide names and addresses of other affordable housing developments;
- Information about property management and non-profit partnerships, if applicable;
- Description of expected property design elements, such as parking, unit count, and additional community amenities (green space, community center, etc.);
- Planned mechanisms for communication between the housing developer and neighbors, including a 24-hour contact phone number that can return calls in a timely fashion and;
- Estimated schedule for construction and completion.

(c) How should meeting logistics be managed to facilitate a productive dialogue?

The developer should make a good faith effort to communicate the following to neighborhood stakeholders:

- Strive to make any meetings convenient to the neighborhood organization by either requesting time on already-scheduled agendas and/or by meeting at a time and location that is convenient for the nearby neighbors.
- Seek feedback from the neighborhood on how best to continue dialogue.
- Make pertinent information about the proposed project available as promptly as possible and set reasonable expectations by communicating when other information will be ready for distribution.
- Extend an invitation to appropriate city staff (i.e. NHCD, PDR, Transportation, etc.) to attend the meeting to be available as potential resources about the city process, referrals to other agency representatives, and general information about affordable housing or other issues as needed.

- Consider using a facilitator when working on potential agreements or obtaining input from the neighborhood organization.
- Appoint a single point of contact to serve as the liaison for exchanging information and working out language for any potential agreements.

The neighborhood organization and nearby neighbors should make a good faith effort to communicate the following to the developer:

- Provide feedback on the developer's engagement plan to ensure the dialogue is productive and works within the construct of expectations for both parties.
- Express the vision of the neighborhood, such as explaining the language of the neighborhood plans.
- Provide feedback on the design, operation and management of a project. Work collaboratively with housing developers and/or residents to identify ways to address concerns.
- Consider appointing a representative or committee from the neighborhood organization to serve as the liaison for exchanging information and working out language for any potential agreements.
- Consider formalizing input in a resolution or letter adopted by the neighborhood organization. This will help ensure the applicant/developer receives all of the relevant feedback and understands the information conveyed is representative of a large group of people.

(4) Implementation / Ongoing Relations

(a) How will agreed-upon provisions be implemented as the development moves forward?

- As a part of the application process, the developer must provide to the City an engagement plan, including single point of contact for the developer to work with neighborhood organizations and nearby neighbors throughout the project's design and construction phase in order to keep them updated with progress and changes.
- The developer and the neighbors may consider appointing a joint advisory committee to establish a process to help track the success of any agreements between the developer and the neighbors.
- Please visit <http://www.austintexas.gov/department/housing-developer-assistance> to view sample engagement plans and agreements.

(b) If an applicant is acquiring additional units in a development or subdivision where they have already completed the Good Neighbor Checklist, will they need to complete it again?

- Applicants who propose to acquire existing affordable housing units in the same development or subdivision as a project they have previously received funding for will need to complete another Good Neighbor Checklist for the new application. They may work off of the existing relationship they have developed during their original application.

(c) How should communication between the developer and the neighbors continue after the housing is operational?

The developer should:

- Honor the terms of any agreements that have been reached.
- Establish ongoing communication with neighborhood organizations and nearby neighbors and businesses. Invite neighborhood organizations and nearby residents to view the project, and promptly address emerging issues and share successes.
- Ask the property manager or developer's single point of contact to regularly attend meetings of the neighborhood organizations.

The neighborhood organization should:

- Honor the terms of the any agreements that have been reached.
- Welcome the housing developers and residents into the community, invite them to neighborhood meetings and events, and provide them with information on how to become members of the neighborhood organization.
- Establish a relationship with the developer's single point of contact and communicate any emerging issues or questions community members may have regarding the project.

City of Austin Good Neighbor Checklist

The Neighborhood Housing and Community Development Office (NHCD) offers a Good Neighbor Policy to standardize process and identify expectations for all projects funded through the City of Austin's Rental Housing Development Assistance (RHDA) and Acquisition and Development (A&D) programs. Applicants of these programs are required to prepare and begin implementing a community engagement plan, including neighborhood notification activities. The community engagement plan is required whether the application is for funding for new construction or renovation of an existing building, regardless of whether there is a change in ownership.

A successful community engagement plan leads to open, ongoing two-way communication between developers and neighbors. This requires good-faith efforts and cooperation by developers, City officials and residents. A positive, open dialogue between housing developers and neighbors can prevent misunderstandings, facilitate prompt resolution of any inadvertent misunderstandings, and provide a fair, thoughtful, dependable means of resolving differences.

The following checklist of items is required of all applicants for funding:

(1) Preliminary Research

- ☐ Review the Neighborhood Plan (if applicable)

(2) Neighborhood Notification

- ☐ Notify property owners within at least 500 feet of the site and registered neighborhood organizations with boundaries included in the proposed development site, using a written notice, letter or flyer.

(3) Pre-Application Engagement

- ☐ Contact neighborhood organizations to provide current information about the project, including any neighborhood association whose boundaries are included in the proposed development site and Neighborhood Planning Contact Team (if applicable). *(see full City of Austin Good Neighbor Guidelines for more detailed information on what kind of information may be appropriate to share)*
- ☐ Appoint a Single-Point-of-Contact (SPOC) to serve as the liaison for exchanging information.

(4) Application requirements

- ☐ Provide communications plan
- ☐ Provide documentation showing the content of the notice, and proof of delivery
- ☐ Provide signed copy of this checklist.

I have reviewed and completed all of the above checklist items required by the City of Austin's Good Neighbor Guidelines.

Signed

printed name

date