

State of Rhode Island
PY'2019 Community Development Block Grant-Cares Act (CDBG-CV)
Affordable Housing - Application for Assistance

Under federal program regulations, only municipalities and non-profit entities are eligible CDBG applicants.

Applicant: _____

Project Name: _____

Total CDBG Funds Requested: \$ _____

1. General Developer Information

Organization/Developer: _____

Ownership entity if different from above: _____

Address: _____

City/Town: _____ State: _____ Zip Code: _____

Tax ID: _____ Agency DUNS # (required): _____

Executive Director: _____

Telephone: _____ E-mail Address: _____

Contact Person: _____ Title: _____

Telephone: _____ E-mail Address: _____

Type of Organization:

Non-Profit Housing developer: Housing Authority:

Municipality:

Social Service Agency

Other: _____

2. Project Location

Project Name: _____

Street Address(es)*: _____

City/Town: _____ Zip Code: _____

Plat: _____ Lot(s): _____ Census Tract: _____ Block Group: _____

**for scattered site developments attach a separate list of addresses.*

3. Project Involves *(check all that apply)*

New Construction *if yes, be certain to detail "CDBG-eligibility" in Narrative*

Rehabilitation

Demolition

Relocation *if yes, submit a summary of your relocation plan*

Preservation *if yes, provide current and proposed information*

Environmental Remediation

Property is: Vacant Land

Existing building Year built: _____ to be demolished?

Property/site is in a 100-year Flood Zone or has Wetlands Yes

Submit a FEMA flood map for each address (see Application Checklist on pages 8-9). If there are floodplains or wetlands on the site, a HUD 8-Step Process must be conducted in accordance with 24 CFR Part 55 and included in the Environmental Review Record.

4. Occupancy and Relocation

Number of current residential units in building: _____ Number of commercial spaces: _____

Is property occupied? No Yes

If yes, number of occupied units: _____ Number of operating businesses: _____

Number requiring permanent relocation: households: _____ businesses: _____

Number requiring temporary relocation*: households: _____ businesses: _____

5. Total Number of Proposed Residential Units

Total Number of Units: _____ Number of Affordable Units: _____

Total building square footage (units and community/commercial): _____

Total commercial square footage: _____ Total community space square footage: _____

Total number of on-site parking spaces: _____

This section is required for all proposals. Current (pre-rehab) information must be provided for units improved by Preservation projects. Use a separate sheet to provide post-rehab projections if unit information is expected to change.

Rental Proposals

Rental Unit Summary										
Number of Bedrooms: SRO, EFF, 1 through 5	Number of Baths	Unit Sq. Footage	Total Number of Units at This Size	Number of Units at ____ % AMI	Number of Units at ____ % AMI	Number of Units at ____ % AMI	Operating Subsidy (Yes or No)?	Proposed Tenant Paid Utilities (U/A)	Proposed Net Rent Per Unit Per Month	Proposed Gross Rent Per Unit Per Month
Totals:										

Homeownership Proposals

Homeownership Summary							
Number of Bedrooms: EFF, 1 through 5	Number of Baths	Unit Sq. Footage	Total Number of Units at This Size	Number of Units at ____ % AMI	Number of Units at ____ % AMI	Number of Units at ____ % AMI	Proposed Sales Price
Totals:							

6. Homeownership with Rental Unit(s)

Number of rental units: _____ Unit Sq. Footage: _____

7. Site Control. *Attach evidence of site control. See Application Checklist on page 8-9.*

Applicant Owned

P & S Agreement

Option

RIH Land Bank Purchased with RIH bridge loan? Yes No

No Site Control

Explanation, if needed: _____

Name of Current Owner: _____

Address: _____

Acquisition Cost: _____

8. Project Status. *Attach evidence, if available. See Application Checklist on pages 8-9.*

Item	Already Obtained	Not Needed	In Process	Expected Date
Zoning Approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Planning/Subdivision	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Final Comprehensive Permit	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Building Permits	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
DEM Wetlands	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
DEM Remediation	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
DEM Septic Approval	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
HUD Flood Zone	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
RI Historic Preservation & Heritage Commission	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Phase I Environmental	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Phase II Environmental	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____
Utility Availability	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	_____

9. Project Schedule

Benchmark	Expected Date
Reservation of all funding acquired	
Date of Closing	
Acquisition of property	
Completion of design/engineering	
Request for Construction/Rehab Bids	
Award of construction contract	
Begin marketing of units	
Start construction	
Construction completion	
Submission of occupant eligibility documentation	
Full Occupancy	

10. Project Details (*check all that apply*). **Do not claim anything that cannot be substantiated.**
Note – additional detail may be required in Attachments and/or application narrative.

Sustainable Design & Accessibility:

- | | | | |
|-------------------------------|--------------------------|---------------------------------------|---------------------------------------|
| Compact Development | <input type="checkbox"/> | Smart Growth / Walkability | <input type="checkbox"/> |
| Uses Existing Infrastructure | <input type="checkbox"/> | Public Water <input type="checkbox"/> | Public Sewer <input type="checkbox"/> |
| Brownfield Redevelopment | <input type="checkbox"/> | Historic Preservation | <input type="checkbox"/> |
| Preserves/Provides Open Space | <input type="checkbox"/> | Percentage of open space provided: | _____ |
| Preserves Agricultural Land | <input type="checkbox"/> | Neighborhood Revitalization | <input type="checkbox"/> |
| EPA Water Sense Appliances | <input type="checkbox"/> | Energy Star | <input type="checkbox"/> |
| Universal Design | <input type="checkbox"/> | Green Building | <input type="checkbox"/> |
| Handicapped Accessible Units | <input type="checkbox"/> | Number of ADA units: | _____ |

Geographic Diversity:

- Amount of housing stock in city/town considered affordable? _____%
- Provides Transportation Options within _____ mile(s)
- Access to Employment Centers/Jobs within _____ mile(s)
- Access to Community Services within _____ mile(s)
- Access to Food and Retail Goods within _____ mile(s)
- Access to Parks/Recreational Areas within _____ mile(s)
- Access to High Performing Schools Please Specify: _____

Duration of Affordability: Affordability Period _____ years.

11. Write a concise narrative description of your proposal which includes:

Special population(s) to be served: _____

- a) Detailed scope of work. (Preservation: Clearly specify units benefitting from proposed project.)
- b) Describe the objectives and beneficiaries of proposal (including location and community impact) and explanation of how your project is consistent with the State Guide Plan, emphasizing Land Use 2025 and the Strategic Housing Plan and the Rhode Island Consolidated Plan.
- c) Describe all previous affordable housing projects your organization has produced and identify all key staff members, partners and development team (e.g., architects, engineers, consultants, property manager).
- d) **ESSENTIAL - Describe the connection between the proposed project and the COVID-19 pandemic. The description provided is used to determine if the activity is fundable**

under the Rhode Island CDBG-CV program. It is also required that the description clearly demonstrate how the project will meet eligibility and national objective requirements. Provide documentation to support conclusions.

ATTACH AND TAB *IN EXACT ORDER* THE INFORMATION AND/OR DOCUMENTS REQUESTED ON APPLICATION CHECKLIST

All applicants must sign the Agreement and Certification.

Agreement and Certification

The undersigned specifically agrees that the funds requested by this application will be secured by a Mortgage and/or Deed Restriction on the property described herein and that The State of Rhode Island Office of Housing and Community Development, its agents, successors and assigns make no representations or warranties, express or implied, to the Applicant regarding the property, the condition of the property or the value of the property.

I verify that the information in this application is true and correct. I understand that false statements herein are subject to the penalties of Rhode Island Law relating to unsworn falsification to authorities.

Organization Name:

By: _____ Title: _____

Print or type name

Signature: _____ Date: _____

Application Checklist

Attach in this order (for all applications)

- Application (signed and dated)
- Narrative proposal description (Question 11)
- Developer Board Resolution authorizing submission

Tab 1: Financial

- Complete **all** Development Proforma pages/budgets
- Evidence of funding reservation(s)
- Draft replacement reserve agreement

Tab 2: Development Team Capacity

- Resumes of all development staff
- Architect and Contractor Qualifications (if selected)
- Organization's financial compilation or audit

Tab 3: Project Status

- Property Deed and legal description of each property
- Include Plat, Lot and zip codes for all addresses
- Photographs of property

- Evidence of site control
- Evidence of zoning approval
- FEMA Flood Map for each address

Tab 4: Design & Construction

- Schematic Design and Specs
- Detailed construction estimates (rehabilitation budget)
- prepared by qualified professionals.

Tab 5: Unit Marketing and Housing Demand

- Marketing Plan
- Waitlist (if applicable)
- Market Study/Analysis (if available)
- Buyer/Tenant Selection Policy (if applicable)

Tab 6: Geographic Diversity/Community

- Site location map (also show surrounding area)

Tab 7: CDBG-Specific Attachments

- Completed Attachments (A through E)
and supporting documentation

Additional tabs for the following:

Acquisition only:

- [Voluntary Acquisition Letter](#) to Seller
- Current appraisal
- Current tax assessment

Land Bank Properties only:

- Appraisal at time of Land Bank acquisition
- Tax assessment at time of Land Bank acquisition
- Itemized breakdown of carrying costs and fees

Preservation only:

Site map with building identifiers and unit numbers

Relocation only:

Relocation plan that includes household and
unit size and current gross rent, and copies of
GIN sent to tenants, if required.

Refinance only (CDBG limited to rehabilitation costs):

Contact OHCD for additional documentation requirements.

ATTACHMENT A: CDBG ELIGIBILITY & NATIONAL OBJECTIVE

The applicant must provide a detailed narrative explanation of how the project complies with CDBG requirements regarding Eligibility and National Objective found at 24 CFR Part 570.

Eligibility:

The community MUST detail the [HCDA Citation](#) and address every component of eligibility as necessary to be considered. Failure to adequately address this requirement will result in the denial of the proposal.

Note: If project is “New Construction”, assure narrative explains how CDBG funds are eligible (since New Construction is generally ineligible under CDBG regulations). Please refer to notices/guidance linked to this application or contact OHCD staff for more information.

National Objective:

Projects requested MUST meet the CDBG Low/Moderate Income Housing National Objective. The requirements are detailed at 24 CFR Part 570.483(b)(3) (below). The chart showing income requirements imposed on units assisted is key to documenting compliance. Any forms/procedures used to document compliance should be attached.

24 CFR Part 570.483(b)(3) *Housing activities.* An eligible activity carried out for the purpose of providing or improving permanent residential structures that, upon completion, will be occupied by low and moderate [income](#) households. This would include, but not necessarily be limited to, the acquisition or rehabilitation of property by the unit of general local government, a subrecipient, an entity eligible to receive assistance under section 105(a)(15) of the [Act](#), a developer, an individual homebuyer, or an individual homeowner; conversion of nonresidential structures; and new housing construction. If the structure contains two dwelling units, at least one must be so occupied, and if the structure contains more than two dwelling units, at least 51 percent of the units must be so occupied. If two or more rental buildings being assisted are or will be located on the same or contiguous properties, and the buildings will be under common ownership and management, the grouped buildings may be considered for this purpose as a single structure... For rental housing, occupancy by

low and moderate [income households](#) must be at affordable rents to qualify under this criterion.

ATTACHMENT B: CDBG NECESSARY AND REASONABLE

ATTACH DOCUMENTATION DEMONSTRATING COMPLIANCE WITH HUD “NECESSARY & REASONABLE” REQUIREMENTS

CDBG funds may only be used in projects where individual line items, including acquisition, can all be shown to be “necessary and reasonable,” and consistent with industry norms. In order to document costs incurred are “necessary and reasonable” in accordance with federal regulations, the State is advising communities to do the following on each application:

For Rehabilitation - A pre-inspection and cost estimate should be developed prior to obtaining any bids on a proposed project. The bids received should be compared to the cost estimation with any significant variances explained in writing. The pre-inspection should comprehensively document the conditions of the structure and, whenever possible, collect photographic/other evidence supporting the necessity of the improvements.

For “New Construction” – A comparison of costs in the development budget to industry norms. Comparison of Total Development Costs to those typical of projects of similar size/scope. Comparison of total costs to price of comparable unit on market.

For Acquisition – A current appraisal by a qualified appraiser, with “as is” value. For land bank properties, an appraisal from the land bank purchase, as well as documented carrying costs (e.g. tax and insurance bills). A comparison of any fees and/or interest charges to industry norms.

For Preservation – CDBG funds may generally only be used for rehabilitation expenses. However, all project costs must be documented as “necessary and reasonable” to meet federal underwriting requirements.

Additional Narrative (if necessary):

ATTACHMENT C: Developer Financial Capacity Self-Assessment

Applicant shall provide: 1) Audited financials for last 2 fiscal years
2) REO schedule (if rental development proposal)

Financial Stability

Yes No

- Does the current balance sheet and budget indicate sufficient funds to support essential operations of the organization during development through completion (occupancy or sale)?
- Is there any aspect of the organization's financial condition that would indicate any adverse conditions that might materially impair the organization's ability to successfully meet their obligations during the construction completion and stabilization of the project?

Liquidity

Yes No

- Are there sufficient liquid assets available to cover current expenses?
- Does the organization have access to lines of credit?
- Does the organization have (or have access to) adequate resources available for pre-development expenses (if applicable)?

Financial Management

Yes No

- Does the organization conduct an annual audit? Is the most recent audit current?
- Were there any findings in the last two years? Were the findings resolved?
- Does the organization have a conflict of interest policy governing employees and development activities, particularly in procurement of contract services and the award of housing units for occupancy?
- Does the organization maintain adequate insurance – liability, fidelity bond, workers comp, property hazard and project?

Portfolio Financial Condition (applicable for Rental Development proposals)

Yes No

 Are properties within the organization's portfolio in stable physical and financial condition?

 If there are any significant problems within developments, has the organization be proactive in addressing them?

ATTACHMENT D: Development/Management Team Capacity Worksheet

- 1) List all projects applicant organization has completed (project is in operation; development file is closed) in the last ten years using the CDBG program (or similar program). If necessary, include additional pages.

None

Project Name	City	Number of Units	Rental/HO	AMI Target	Special Needs (Y/N)	Total Development Cost

- 2) List all housing projects currently under development, including those utilizing CDBG funds. Note: If the development file has not yet been closed, than the project is considered still under development.

None

Project Name	City	No. of Units	Rental/HO, AMI Target	LIHTC (Y/N)	Major Funding Sources	Est. Complete Date

- 3) For the proposed project, list below the names of agency staff members or the third-party firm assigned to each task. Please include resumes for each individual listed. Property management team is required for rental proposals only.

Position Name	Staff Person Name or Contracted Firm Name	Years of Experience
Executive Director		
Development Staff		
Development Staff		
Development Consultant		
Architect		
Engineer		
Construction Manager		
Property Manager		
Compliance Manager		
Other		
Other		
Other		

- 4) Describe applicant's experience leading construction development of projects of similar (or larger) size and scope.
- a. If applicant's experience is limited, discuss whether you will partner with an appropriate party to mitigate this concern.
- 5) If applicant has applied for multiple projects in the same funding round, explain how the development team has the capacity to administratively and financially support all projects simultaneously .

If applicant is requesting CDBG funding for a homeownership proposal, then the following questions should be answered as it relates to completed Homeownership Developments with prior CDBG funding

6) Are any completed homeownership units still unsold? (more than 9 months post completion)

If applicant is requesting CDBG funding for a rental proposal, then the following questions should be answered as it relates to completed Rental Developments with prior CDBG funding

7) Have there been significant compliance issues in the past year in the applicant's rental developments?

8) Have issues been resolved as of the time of application to CDBG funding?

9) What was the nature of the significant compliance issue (s)?

10) Does the property management company provide timely responses to reporting requirements or requests for follow-up documentation or clarification requests?

11) If there have been issue with property management response time or lack of response, has the applicant been responsive in seeking a resolution upon notification of the deficiency? Has the applicant implemented policies to improve responsiveness/response time?

Additional questions for the Administrative Agent to consider:

- 1) *Has the applicant failed to follow through with representations made at the time of application on previously funded CDBG projects where points were awarded that resulted in the project being funded, and had that element not been included they would not have received funding?*
- 2) *Has the applicant failed to meet important development/construction deadlines on previously funded CDBG projects? Why?*