



**CITY OF ASHEVILLE
and
ASHEVILLE REGIONAL HOUSING CONSORTIUM
HOME Investment Partnerships Program
and
Community Development Block Grant Program**

APPLICATION INSTRUCTIONS FOR

**CONSTRUCTION
PROJECT FUNDING**

**for grant year starting
July 1, 2016**

Application Process:

December 9 – January 1 Online Webcast Training

**Wednesday, January 6, 2016, 10:00 a.m. to 12:00 noon
Optional Drop-In Technical Assistance Meeting
City of Asheville 6th floor Training Room**

Applications Due by Friday, February 5, 2016 at Noon

GENERAL CONSTRUCTION APPLICATION INSTRUCTIONS

Which Form?

This form is to apply for CDBG and HOME funds for **construction projects**. This includes:

1. New Construction for Homeownership
2. New Construction for Rental
3. Rental Rehabilitation
4. Owner Occupied Rehabilitation
5. Commercial Construction or rehabilitation (CDBG Only)
6. Public Facility or Improvement (CDBG Only)
7. Predevelopment Loan (HOME Only)
8. Acquisition, Rehabilitation and Sale

CDBG or HOME?

This is not a simple question, since the programs do overlap.

- CDBG funds can be used for a wide variety of construction programs, but must be used within the City of Asheville. However, CDBG can be used for new housing construction only in certain designated areas in the City and only when undertaken by designated agencies.
- HOME funds may be used anywhere in the Consortium (Buncombe, Henderson, Madison and Transylvania Counties)
- The only non-construction uses eligible for HOME funding are Tenant Based Rental Assistance, down-payment assistance to homebuyers and pre-development loans for CHDO's.

If in doubt, please contact City of Asheville staff.

Eligible Applicants

HOME applicants must be:

- Consortium member governments; or
- Non-profit agencies, housing authorities or for-profit entities applying through a member government. For those outside of Asheville, you must contact your member government for additional application requirements or,
- Community Housing Development Organizations (CHDOs)

Projects in Consortium member jurisdictions other than Asheville require the approval of those jurisdictions prior to the general deadline for submittal of this application. You must contact the appropriate Consortium member to inform them of your proposed project and to determine their application submittal deadline.

Consortium Member Contact Information:

Member	Contact Name	Phone	Email	Review Deadline
Buncombe	Donna Cottrell	250-4834	donna.cottrell@buncombecounty.org	January 8, 2016
Henderson	Amy Brantley	697-4809	brantley@hendersoncountync.org	January 18, 2016
Hendersonville	Barbara Volk	697-3000	bgv@ioa.com	TBD
Madison	Forrest Gilliam	649-2854	fgilliam@madisoncountync.gov	January 4, 2016
Transylvania	Mark Burrows	884-3205	mark.burrows@transylvaniacounty.org	January 8, 2016
Black Mtn.	Josh Harrold	419-9300	Josh.harrold@townofblackmountain.org	January 29, 2016
Brevard	Josh Freeman	885-5600	jfreeman@cityofbrevard.com	TBD
Fletcher	Eric Rufa	687-3985	e.rufa@fletchernc.org	January 8, 2016
Montreat	Ron Nalley	669-8002	townadmin@townofmontreat.org	January 8, 2016
Woodfin	Jason Young	253-4887	jasonyoung@woodfin-nc.gov	TBD
Marshall	Robin Merrill	253-0406	Robin@pisgahlegal.org	January 4, 2016
Mars Hill	Karen Kiehna	251-6622	karen@landofsky.org	January 4, 2016

CDBG applicants must be:

- Non-profit agencies with a primary purpose to provide housing, human services, public facilities or economic development services within the City of Asheville.
- City of Asheville departments providing public facilities or infrastructure primarily serving low-income persons
- Other entities may be eligible, please contact CD Staff for more information.

“Non-profit” means having a 501(c)(3) tax exempt status from the IRS, and registered with the North Carolina Secretary of State’s Office.

All applicants must demonstrate a track record of continuous, active, and relevant operation for at least two years.

Income Eligibility

In general, projects must benefit persons with household income below 80% of median income adjusted for family size (see table on page VIII).

Grant Period

The funding period starts July 1, 2016. Costs incurred before that date cannot be reimbursed, except for some pre-development costs associated with HOME projects. For CDBG applications, eligible expenses included in the agency’s final budget may be reimbursed back to the CDBG program’s July 1st starting date. However, HOME funds may not be reimbursed for any expenses as specified in the agency’s final budget until an executed grant agreement has been provided to the agency. An executed grant agreement is one for the specific funded program that has been signed and notarized by all parties. In most cases, you should plan to expend all funds by June 30, 2017.

Invalid Applications

Applications may be rejected without evaluation for the following reasons:

- Program not clearly eligible according to CDBG/HOME regulations.
- Applicant has demonstrated poor past performance in carrying out CDBG- or HOME-funded programs, or complying with federal regulations.
- Applicant fails to provide required information.
- Applications that do not follow the fillable format with required attachments.
- **Applications NOT submitted electronically by the 12:00 p.m. deadline on Friday, February 5, 2016.**

**Project
Evaluation &
Funds
Allocation**

Applications will be evaluated by staff according to criteria based on the priorities in the 2015-2019 Consolidated Strategic Plan, the feasibility of the project, and the capacity of the agency to carry it out. These criteria will be used as a guide in allocating funds, but will not be the sole factor in determining whether a program will be funded or how much funding it will receive.

After staff evaluation, CDBG applications will be reviewed by the City of Asheville's Housing and Community Development Committee and HOME applications by the Asheville Regional Housing Consortium Board. These bodies will present their allocation recommendations to the Asheville City Council in the form of an Annual Action Plan for the CDBG and HOME programs. In addition, the City will seek citizen input on the Plan through public hearings and written comments.

**Final
Application
Notes**

Applicants should understand that this is a competitive application process for limited funding. There will be applications for projects that satisfy many of the evaluation criteria but are not funded.

Successful applications may be funded for less than the amount requested. Total funding available for both CDBG and HOME funds will not be known until a federal budget is in place. Additionally, reductions to available funding can also occur should Congress reduce federal agency budgets during the City's annual allocation process. This has occasionally required that the City reduce the total available CDBG funds amount prior to grant awards, which then results in reduced allocations to CDBG subrecipients.

Under 24 CFR Part 58.22, from the date of application or date of intention to use federal funds in your project, HUD funding recipients are prohibited from making choice limiting actions until after the environmental review has been fully concluded. Choice limiting actions may include purchasing a building or lot, going out to bid for contract, approving final design plans, starting physical work on a site before HUD has issued the release of funds to the grantee. Grant recipients must not take any actions on a site that will limit choices available in the environmental review process.

Schedule for 2016-2017 Annual Action Plan Process

2015

Date	Action
December 9 – January 1	Online Webcast Training for CDBG and HOME applicants Application process begins

2016

January 6	Optional Drop-In Technical Assistance Meeting 10am – 12 Noon, 6 th Floor Training Room of Asheville City Hall
February 5	CDBG and HOME applications due by 12:00 noon
February 5 – March 2	Staff review of applications
March 2-15	CDBG applications submitted to HCD Committee for review prior to applicant interviews
March 2-15	HOME applications submitted to Regional Consortium Board for review prior to applicant interviews
March 15 – March 23	Schedule and complete HCD Committee interviews of CDBG applicants
March 15 – March 23	Schedule and complete Consortium Board interviews of HOME applicants
March 25	Publication of Action Plan draft for public comment
April 12	Asheville City Council sets public hearing for Action Plan draft
April 25	Deadline for citizen comments on Action Plan draft
April 26	Asheville City Council approves Annual Action Plan
May 13	City submits Action Plan to HUD

Income Limits For Extremely Low, Very Low, and Low Income Households

(Based on HUD data on area median family income for FY 2015.

We expect to receive revised limits for 2016 early next year)

County	Category	% AMI	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Buncombe, Henderson & Madison (incl. City of Asheville)	Extremely Low Income	<30%	\$11,750	\$13,400	\$15,100	\$16,750	\$18,100	\$19,450	\$20,800	\$22,150
	Very Low Income	31-50%	\$19,600	\$22,400	\$25,200	\$27,950	\$30,200	\$32,450	\$34,700	\$36,900
	Low Income	51-80%	\$31,300	\$35,800	\$40,250	\$44,700	\$48,300	\$51,900	\$55,450	\$59,050

<http://www.huduser.org/portal/datasets/il/il2014/2014summary.odn>

AMI = Area Median Family Income

County	Category	% AMI	1 Person	2 Person	3 Person	4 Person	5 Person	6 Person	7 Person	8 Person
Transylvania	Extremely Low Income	<30%	\$11,400	\$13,000	\$14,650	\$16,250	\$17,550	\$18,850	\$20,150	\$21,450
	Very Low Income	31-50%	\$18,950	\$21,650	\$24,350	\$27,050	\$29,250	\$31,400	\$33,550	\$35,750
	Low Income	51-80%	\$30,350	\$34,650	\$39,000	\$43,300	\$46,800	\$50,250	\$53,700	\$57,200

Client Income eligibility: HOME- and CDBG-assisted programs must serve low income clients (less than 80% of AMI). For HOME rental programs lower income limits apply. For all HOME programs and for CDBG programs providing direct financial benefits, **all** clients must meet income eligibility limits. For other CDBG programs at least 51% of clients must meet income limits. Certain categories of CDBG clients e.g. the homeless, may be presumed to meet income limits. If you are not sure about your program's eligibility, please call CD staff.

Client Income Tracking: As well as ensuring client eligibility, HUD requires us to report the numbers of clients served in each of the three income groups listed above.

DETAILED APPLICATION INSTRUCTIONS

Please read all questions and instructions carefully

- Applications must be submitted electronically. Email your application narrative and non-budget attachments in either MS Word or .pdf format to: cd@ashevillenc.gov. All Budget Attachments should be submitted in MS Excel format. All applications must be submitted by 12 pm on Friday, February 5, 2016. **You will receive a confirmation email when your application is received.**
- **Please complete each question directly in the electronic application.** The application form can be accessed from the City website at

<http://www.ashevillenc.gov/Departments/CommunityDevelopment/FundingPrograms.aspx>

- **Application has been set with character limitations. Please do not use attachments to expand on your answers, only include attachments that are required.**
- Do not include a cover letter or the instruction pages.
- The required attachments listed in the application should be attached separately to your email.
- Additional documentation, photographs and maps may be attached separately referenced within the narrative.
- You may be requested to furnish paper copies of your application at your own expense.

Important Note

Staff in the City's Community Development Division will answer questions **until noon, Friday, February 5, 2016** via email or through pre-scheduled technical assistance meetings.

All questions concerning the application and any technical assistance requests should be emailed to cd@ashevillenc.gov. All inquiries and responses through email and technical assistance meetings will be posted on the CDBG or HOME webpage in a "Question and Answer" format so as to provide information consistently and equitably to all applicants. Please check the CDBG and HOME web pages frequently for updates to questions and answers during the application cycle.

CDBG web page:

<http://www.ashevillenc.gov/Departments/CommunityDevelopment/FundingPrograms/CommunityDevelopmentBlockGrant.aspx>

HOME web page:

<http://www.ashevillenc.gov/Departments/CommunityDevelopment/FundingPrograms/HomeInvestmentPartnershipProgram.aspx>