

**City of Asheville
Community Development Division**

**2015-2016
CDBG and HOME
Grant Workshop**



Agenda

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- Welcome, Purpose of Workshop
- Consolidated Plan Process
- Expected Funds Available
- General Eligibility Requirements
- HOME Rule Changes
- Application Forms and Process
- Contract and Award Conditions
- Questions and Answers
- Individual Consultations

Consolidated (5 Year) Plan

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- Establishes CDBG and HOME Priorities
- eCon Planning Suite
- The 2015 Annual Plan is the first year of the new Five Year Plan
- Current activities:
 - Public Engagement: Needs and Priorities Focus Groups
 - Housing Market Study (Dec. 23)
 - Other Data

Consolidated (5 Year) Plan

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- Consolidated (5 Year) Plan
- Future Activities:
 - Public Engagement: Public Meetings, January,
 - First Draft Plan: +/- February 1
 - Review by Consortium Board and HCD Committee
 - Final Draft: +/- end of March
 - Public Hearing, Asheville City Council, April 28
- Fly in the Ointment: Federal Budget Approval

2010 – 2015 Consolidated Plan Priorities

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- Review of Priorities
- Sustainability
- Asheville Food Action Plan (CDBG)
- How priorities are used in Application Review Process

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

Current Housing Priorities

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- Asheville/Buncombe County
 - Affordable Rental Housing
 - Sustainable Development
 - Special Needs Housing and Services
 - Energy efficiency, environmentally sound
 - Target low-wealth neighborhoods
 - Preserve existing affordable housing
 - Promote homeownership

Current Housing Priorities

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➤ Henderson County

- Affordable Rental Housing
- Sustainable Development
- Special Needs Housing and Services
- Energy efficiency, environmentally sound development
- Preserve existing affordable housing
- Raise community awareness
- Promote homeownership

Current Housing Priorities

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➤ Madison County

- Preserve existing affordable housing through rehabilitation
- New affordable homeownership development
- Provide affordable rental housing
- Housing near jobs and transportation
- Special needs housing

Current Housing Priorities

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➤ Transylvania County

- Efficient use of land and infrastructure for new housing
- Promote homeownership
- Preserve existing affordable housing
- Help those with special needs
- Preserve long-term affordability

Current Economic Development Priorities

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- Living wage jobs and training for those jobs
- Incentives to small businesses to hire and pay living wages
- Jobs in fields promising growth and located accessibly
- Start up and growth of small businesses

Current Public Service Priorities

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- Services directly supporting affordable housing, public transit, youth, and employment
- The 10 Year Plan to End Chronic Homelessness
- Housing for Persons with Mental Illness
- Youth mentoring
- After-school education
- And other youth services as part of neighborhood strengthening

Current Public Facilities Priorities

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- Develop infrastructure that strengthen existing neighborhoods, and make them sustainable, by connecting to jobs, education and services
- Support development of and improvement of multi-use community centers that provide recreation, education and other community services
- Develop multi-modal transportation facilities and services that reduce reliance on private vehicular transportation

Sustainability Principles

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Transportation choices
to decrease costs, improve
public health

**Equitable affordable
housing**
location and energy efficient

**Economic
competitiveness**
reliable and timely access to
employment, education, services

**Support existing
communities**
to increase community
revitalization, support efficient
public works, safeguard rural
landscapes

**Coordinate policies and
leverage investments**

**Value communities and
neighborhoods**
invest in safe and walkable
neighborhoods

Anticipated Funding 2015-2016

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CDBG Program

Last year \$1,168,700
available for grants



HOME Program

Last year \$1,195,779
available for grants

**Final totals will not be known until the final federal budget is approved.*

CDBG or HOME Eligible?

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| | Construction | Non-Construction | Asheville | Outside of Asheville |
|-------------|---------------------|--|------------------|-----------------------------|
| CDBG | Sometimes | YES | YES | NO |
| HOME | YES | <ul style="list-style-type: none">•Tenant Based Rental Assistance (TBRA)•Down Pmt Assistance to Homebuyers•Pre-development loans for CHDOs•Affordable housing development | YES | YES |

Community Development Block Grant Program

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Community Development Block Grant

CDBG – 24 CFR 570

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- Primary objective: development of viable communities by the provision of decent housing and a suitable living environment and expanding economic opportunities, principally for persons of low and moderate income.
- Funded activities must meet one of three national objectives:

#1

Low and
Moderate
Income Benefit

#2

Prevent or
Eliminates Slums
or Blight

#3

Meets Urgent
Needs

- The City of Asheville must ensure that at least 70% of its expenditures over a particular time period be used for activities qualifying under the Low- and Moderate-Income Persons Benefit Objective.

CDBG - Use of Funds

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Some flexibility... many eligible activities, including:

- Property acquisition
- Public facilities and infrastructure improvements
- Housing rehabilitation
- New housing construction (only by CBDO's)
- Homeownership assistance
- Economic development
- Public services – capped at 15% of budget
- Planning and administration – capped at 20% of budget
- Housing Services

CDBG – Public Services

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15% Cap of Entitlement Grant plus last years Program Income (Examples)

- Services for Battered and Abused spouses
- Housing Counseling
- Legal Services
- Senior Services
- Services for Abused and Neglected Children
- Child Care Services
- Workforce Training

CDBG – Economic Development

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Financial Assistance Creating Jobs and Businesses

- Direct Financial Assistance to For-Profits
Resulting in Job Creation
- Technical Assistance
- Job Training (in connection with Job Creation)
- Micro-Enterprise Assistance

CDBG – Public Facilities

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Acquisition, Construction or Rehabilitation of Facilities (Examples)

- Street Improvements
- Sidewalks
- Child Care Centers
- Senior Centers
- Parks, Recreational Facilities
- Facilities for Abused and Neglected Children

What is a CBDO?

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- “Community Based Development Organization”
- Neighborhood revitalization, community economic development or energy conservation
- Association or corporation organized to engage in community development activities within an identified geographical area within the jurisdiction
- Non-profit or For-profit

CDBG – Who may Apply?

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- Public and private non-profits
- Neighborhood associations can partner with a non-profit, or request a City-managed project (e.g. a playground)
- For-profit entities may apply for an economic development activity if it meets a national objective

HOME Investment Partnerships Program

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HOME Investment Partnerships - 24 CFR Part 92

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- HUD allocates funds to strengthen public-private partnerships, expand the supply of decent, safe, sanitary and affordable housing with primary attention to rental housing for very low and low income families.
- HOME funds must be matched 25% by nonfederal sources.
- Consortium: Buncombe, Henderson, Madison and Transylvania

What is “Affordable Housing” ?

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- Housing for households with income below 80% of area median income
- Housing that costs residents no more than 30% of their gross income
- HOME – 100% of rental units must assist households with income 60% or below area median income

HOME Eligible Activities

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- New Construction – Homebuyer or Rental
- Rehabilitation
- Tenant-Based Rental Assistance
- Direct Homebuyer Assistance
- Administrative & Planning Costs

****All activities must produce affordable housing, or make housing affordable***

Who Can Apply for HOME funds?

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- Consortium Member governments
- For-profits and non-profits with a member government's endorsement
- Community Housing Development Organizations (CHDOs)
 - Non-profit organization
 - Governed according to HUD guidelines
 - Has demonstrated staff and financial capacity
 - Has a history of serving the community within which housing to be assisted with HOME funds is located
 - CHDO's must own, sponsor or develop affordable housing

Periods of Affordability

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| Homeownership Assistance HOME Amount per Unit | Minimum Period of Affordability in Years |
|--|---|
| Under \$15,000 | 5 |
| \$15,000 to \$40,000 | 10 |
| Over \$40,000 | 15 |

| Rental Housing Activity | Minimum Period of Affordability in Years |
|--|---|
| Rehabilitation or acquisition of existing housing per unit amount of HOME funds: Under \$15,000 | 5 |
| \$15,000 to \$40,000 | 10 |
| Over \$40,000 or rehabilitation involving refinancing | 15 |
| New construction or acquisition of newly constructed housing | 20 |

2015 HOME Requirements

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- Any HOME funds invested in projects that are not completed within four (4) years of commitment date must be repaid with non-federal funds.
- PJs may only commit HOME funds to a project after it has:
 - Underwritten the project (Minimum amount of HOME assistance necessary)
 - Assessed the developer capacity and fiscal soundness
 - Examined market conditions
 - Firm commitment of all project funding sources

Examples of New HOME Requirements

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- PJs must convert any homeownership unit that has not been sold to an eligible homebuyer within nine months of construction completion to a HOME-assisted rental unit
- PJs may only provide funds to CHDO's that have demonstrated that they have staff with development experience.
- Homebuyer Written Agreement (Recapture)

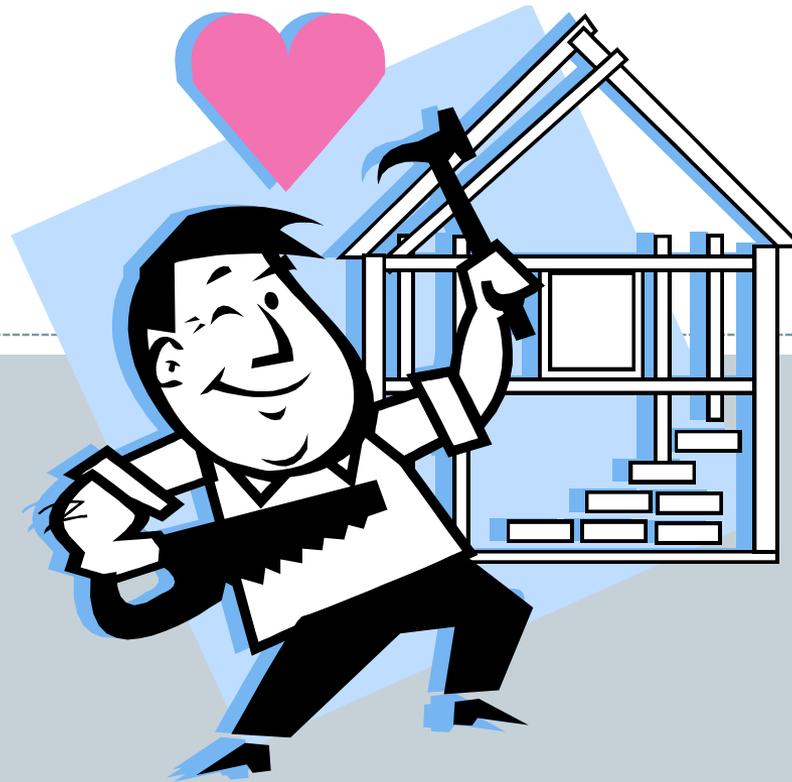
HOME Program Resources

- 2013 HOME Final Rule, 24 CFR Part 92 (Complete Rule)
 - http://www.ecfr.gov/cgi-bin/text-idx?c=ecfr&tpl=/ecfrbrowse/Title24/24cfr92_main_02.tpl
- 2013 HOME Final Rule, 24 CFR Part 92 (Changes Only)
 - <https://www.federalregister.gov/articles/2013/07/24/2013-17348/home-investment-partnerships-program-improving-performance-and-accountability-updating-property>
- Highlights of the Changes in the 2013 HOME Final Rule
 - <https://www.onecpd.info/home/home-final-rule/highlights-of-the-changes-in-the-home-final-rule>
- The 2013 HOME Final Rule Effective Dates
 - <https://www.onecpd.info/home/home-final-rule/the-home-final-rule-effective-dates>

Break

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This year's Application



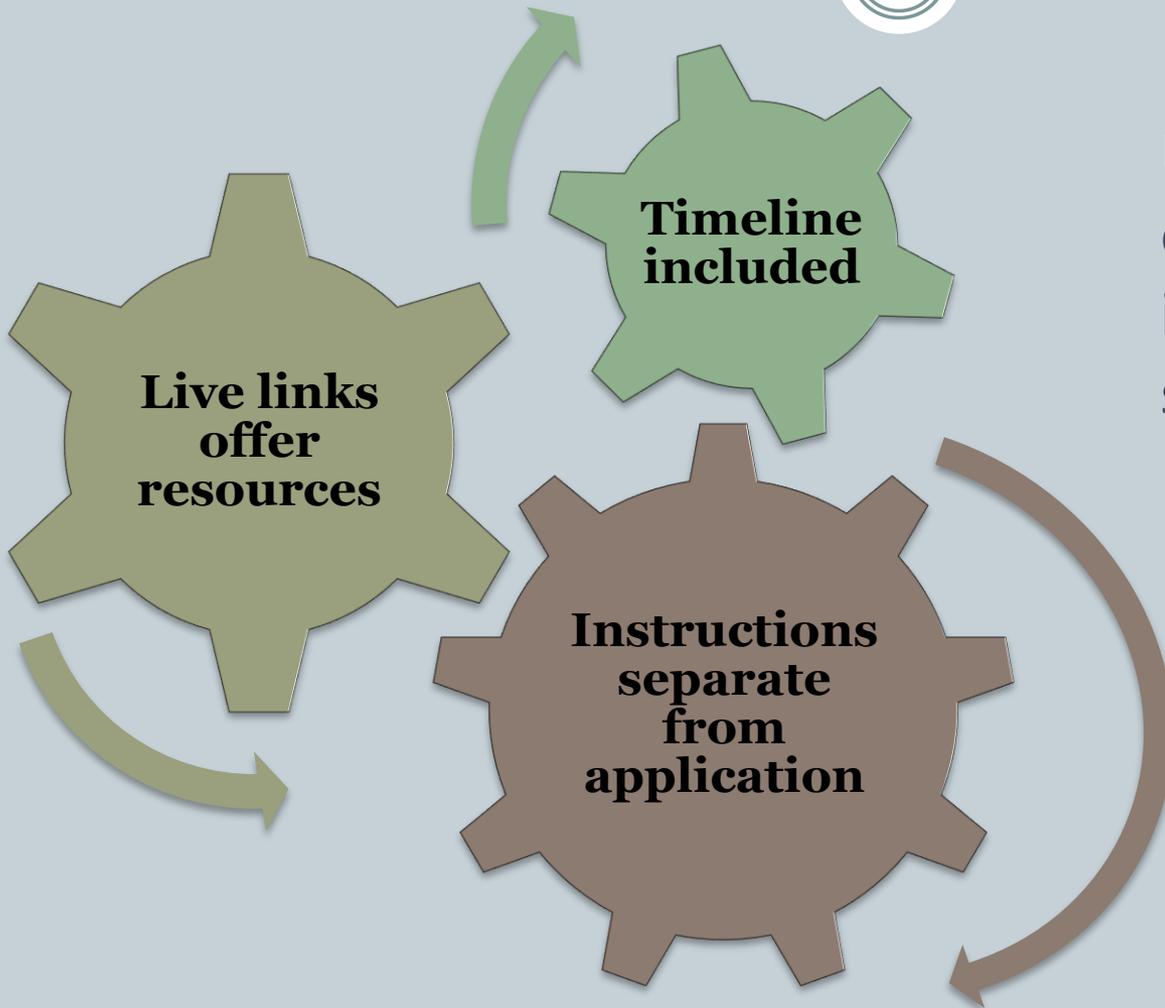
What, Where & How?

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- Application Available on-line:
 - <http://www.ashevillenc.gov/Departments/CommunityDevelopment/FundingPrograms.aspx>
- Electronic Submissions Required – **Word or PDF**
- Applications DUE: 2/6/2015 @12:00 Noon
- Submit all inquires & requests for technical assistance to: cd@ashevillenc.gov
- Question and Answers posted on-line

Nuts & Bolts

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Use the check-list to ensure everything is included with your submission.



Which Application?

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Construction

New Housing Construction (HOME)

Housing Rehabilitation (HOME)

Commercial Construction or
Rehabilitation (CDBG)

Construction or improvement of
public facilities (CDBG)

Construction of public
improvements (CDBG)

Emergency Repair (CDBG)

Non-Construction

Public Services (CDBG)

Housing Services (CDBG)

Tenant Based Rent Assistance
TBRA (HOME)

Homeownership Assistance
(CDBG or HOME)

Economic Development
(CDBG)

Section I: Applicant Information

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- Agency name & contact
- Total funds requested
- Type of funds being requested
- Affirmation by name of authorized signatory

CITY OF ASHEVILLE
ASHEVILLE REGIONAL HOUSING CONSORTIUM
Application for Funding for a
NON-CONSTRUCTION PROJECT
2013-2014

This is an application for: CDBG HOME
(Check only one box)

SECTION I
APPLICANT INFORMATION

Full Legal Name of Applicant Agency: _____
Name of Project: _____
Contact Person: _____ Title: _____
Telephone Number: _____ ext: _____ E-Mail: _____
Agency Address: _____
City: _____ State: _____ Zip: _____
Total Funds Requested: \$ _____

Applying For: CDBG (Asheville only)
HOME
 Buncombe
 Asheville
 Henderson
 Madison
 Transylvania
 CHDO organizational capacity

By typing in below the name of the authorized signatory and date of submittal, you acknowledge that your governing body has authorized this application, that it is true and current to your knowledge, and that you have retained a copy of this application.

Name: _____ Date: _____
Authorized Signatory

Section II: Project/Program Description

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- Project Title, Location, and Activity
- Project Justification
 - Purpose, need, and alignment with priorities
 - Supporting Documentation
- Project Details/Program Design
- Timetable

Section II Program Description

II.A Program Title:

II.B Program Location(s): (be as specific as possible):

II.C Type of Activity (check one):

Public Services

Economic Development

Homeowner Assistance

Other (Specify)

Housing Services

Tenant-Based Rental Assistance

Microenterprise Development

CHDO Organizational Capacity

II.D Overview:

1. Please provide a short description of the proposed project or service for which you are seeking grant funds: (500 characters)

2. What is the purpose of your program? (400 characters)

3. Has your program been funded by the State or the City of Asheville (non CDBG or HOME) in the past 12 months?

Yes

No

Outputs vs. Outcomes

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OUTPUT

- # assisted by your project

OUTCOME

- What people achieved from your project

Output (Target) examples:

Received rent assistance
Received financial counseling
Attended housing rights workshop

Outcome examples:

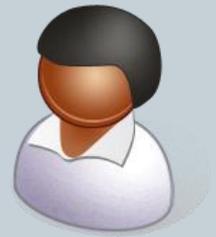
Gained access to affordable housing
Achieved financial literacy
Increased knowledge of housing rights

Section II - Program Targets (Non-construction)

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- Client demographics **choose people if:**

- Public Services (CDBG)
- Economic Development (CDGB)



- Client demographics **choose households if:**

- Tenant Based Rent Assistance (HOME)
- Homeownership Assistance (CDBG/HOME)
- Housing Services (CDBG)
- Construction of housing Units (HOME)



Section II: Project Description (Non-construction)

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Section III: Financial Attachments

A – All

- Agency Budget
- Sources and Uses
- Staff table
- Program Income

B - Rental

- Pro forma
- Revenue / Expenses
- Tax Appreciation

C - Owner

- Development Budget
- Cash flow analysis
- Profit and Loss
- Mortgage analysis

Attachment A

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- Tab A- Agency Budget
- Tab B – Program Sources and Uses
- Tab C – Staff Costs
- Tab D – Program Income Proceeds

Section IV & V: Agency Management & Conflicts

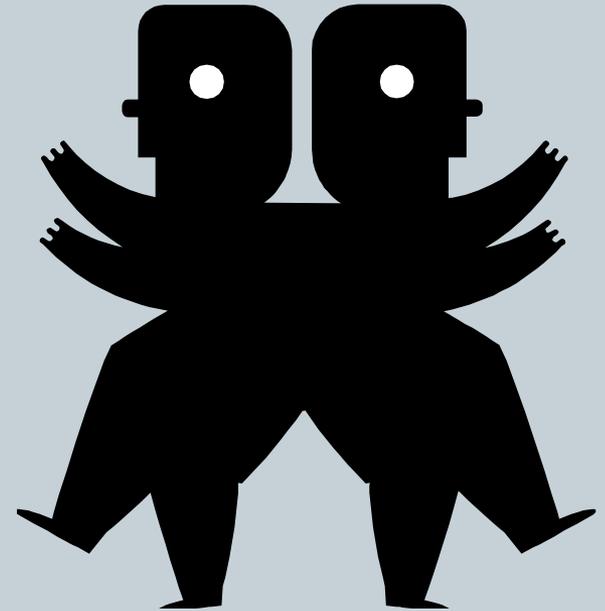
45

Section IV

- Organization
- Board of Directors

Section V

- Explain any potential conflicts



Program Income

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Gross income received by the participating jurisdiction, State recipient, or a subrecipient directly generated from the use of HOME (CDBG) funds or matching contributions.

- Proceeds from the disposition by sale or long-term lease of real property acquired, rehabilitated or constructed
- Payments of principal and interest on loans made
- Proceeds from sale of loans
- Interest made on program income pending its disposition
- Any other interest or return on the investment

Section II: Project Description (construction)

- Property Acquisition and Site Detail
- Housing & Construction Detail
- Lead-Based Paint
- Housing Affordability
- Infrastructure & Public Facilities
- Program Design/Organizational Capacity
- Table 2: HOME-Production underway/planned

Program Targets (Construction)

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Choose people only when there is an area community benefit:

- Public Infrastructure Projects
- Construction of Public Facilities

Choose households if:

- Residential New Construction
- Emergency Repairs
- Rehab of existing structure

Special Populations & Area Benefit (both)

Other Federal Requirements

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- Equal Opportunity, Civil Rights and Non- Discrimination
- Federal Labor Standards (Davis Bacon)
- Section 3 Requirement
- Fair Housing
- Environmental Review
- Uniform Relocation Act (URA)
- Retention of and Access to Records
- Accounting Requirements
- Hatch Act
- Lobbying
- National Historic Preservation Act
- Conflict of Interest

Environmental Review

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- Required for the use of Federal Funds
- Federal environmental regulations must be completed and certified before any “choice-limiting action” occurs. Environmental conditions must be evaluated and you must have received clearance from City of Asheville Community Development or you may not be eligible for CDBG or HOME funding.
- The time of compliance for environmental review starts at the time a sub-grantee applies or intends to apply for HUD funds.

Choice Limiting Actions

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- HUD funding recipients are prohibited from making choice limiting actions until after environmental review has been fully concluded. These actions include:
 - Purchasing a building or lot
 - Going out to bid for contract
 - Approving final design plans
 - Starting physical work on a site

Levels of Review

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- Exempt/ Categorically Excluded
- CE but Subject to Statutory Checklist
- Full Environmental Assessment
- Environmental Impact Statement

Red Flags

Environmental Assessment



- **FLOODPLAIN**
- **NEAR A RAILROAD, HIGHWAY OR AIRPORT**
- **IN OR NEAR A HISTORIC DISTRICT OR UNTOUCHED LAND**
- **DEMOLITION**
- **AMENDMENT TO SCOPE OF SERVICES**
- **MULTI-YEAR DEVELOPMENT PROJECTS**

So, what happens after applications get submitted?

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- Staff review
- Follow-up questions provided to agencies
- Applications are evaluated
- Applications & evaluation provided to the HCD/Consortium
- Agency Interviews with HCD/Consortium
- Funding recommendations are made

Application Timetable

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- **Friday, February 6, 2015 – DUE DATE, 12:00 NOON**
- February 6 – March 2 – Staff and Committee review of applications
- March 16-25 – HCD Committee and HOME Consortium Board Interviews
- March 29 – Draft Action Plan Published
- April 28 – Public hearing; Asheville City Council considers approval of Annual Action Plan.

Contract Timetable

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- May 13th- Annual Action Plan Sent to HUD
- July through ? – Develop Scope of Services, Budget, Timeline, and complete Environmental Review
- Early July – HUD Approves Annual Action Plan
- After July - Contracts between City and Subrecipients Signed
- Drawdown of Funds may begin after Contracts Are Signed and special conditions satisfied.
- CDBG eligible expenses incurred after July 1st are eligible for reimbursement.
- Only expenses incurred after contract signing are eligible for HOME reimbursement.

Core Documents Required

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- Required with Application
 - Recent Audit or Financial Statements
 - Organizational Documents (By-Laws, etc.)
 - Board Roster
- Required at time of Contract
 - Recent Audit or Financial Statements
 - Insurance coverage satisfactory to the City of Asheville
 - Procurement Policy
 - Conflict of Interest
 - Drug Free Workplace Policy

Reports & Payments

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- Reports
 - Scope of work
 - Demographics
 - CAPER
- Payment
 - Reimbursement
 - Backup required

Staff Technical Assistance

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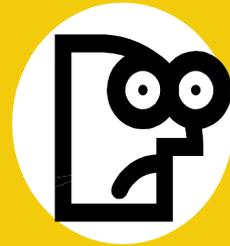
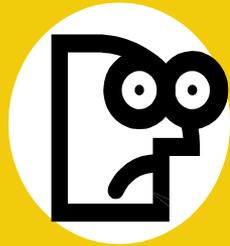
- Jeff Staudinger – Consolidated Plan
jstaudinger@ashevillenc.gov – 259-5723
- Heather Dillashaw – Eligibility and Priorities
hdillashaw@ashevillenc.gov – 259-5851
- Sandra Anderson – Compliance
sanderson@ashevillenc.gov – 232-4503
- Jonathon Jones – Draw Requests/Other Assistance
jjones2@ashevillenc.gov – 259-5728
- Marvin Feinblatt – Budgets and Draws
mfeinblatt@ashevillenc.gov – 259-5735
- Shannon Capezzali – Draws requests /Other Assistance
scapezzali@ashevillenc.gov – 259-5721



What, Where & How:

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It's QUESTION TIME!!