

Public hearing – WVHDF on HOME and HTF RFP Wednesday, March 15, 2023, 9am

*Note HOME ARP RFP public hearing at 1pm on Thursday 1pm
That were some preferences, if warranted in the points basis that has delayed
the HOME ARP process a bit.*

<https://www.wvhdf.com/programs/the-home-investment-partnerships-program> scroll
down to HOME & HTF Guidelines and RFP for 2023

Rental Housing Pre-app HOME and HTF required - name & address, general details.

*Pre-App Due on/before April 28, 2023 – if interested in applying, send in your pre-app.

*Start penciling it the application now – extra documents on the actual proposal – start
early – due May 31, 2023.

All information is pending HUD approval of the 2023 Action Plan and receipt of funds by
WVHDF.

Developer review – if you build it, can you fill it. Financial viability depends on
occupancy.

Available: \$890K of HTF \$5.6M of HOME for rental (HOME ARP est. \$6.5M to rental
projects).

HOME - \$300,000 /project minimum to max of \$800,000

HTF - \$2.6M for rental projects – awarding no less than \$300,000 or more than \$1.2/3M

HOME and HTF – both HUD programs – highly regulated.

- Section 3, Environmental, Relocation, 12 or more HOME units requires Davis-Bacon wage requirements.

Page 3 – Relocation, if property is occupied – tenant or business relocation – HOME and
HTF can be used for reimbursement. Cathy/staff can help walk you through.

Page 8 – HOME Can't be 100%; some pre-development and staff costs ineligible.

Sources must equal uses. Call/email WVHDF if you have a question prior to submitting
the application. They can provide a cursory review. (i.e. utility allowances have to be
correct for the cash flow or pro-forma is off and the project may not be fundable)

If explanations are not provided, that means phone calls, emails afterward for WVHDF
to get the full picture.

Pay Attention to Minimum Requirements – no forgiveness for negating attachments.

Offer is out for you to work with WVHDF now – don't wait – pace picks up closer to the
deadline.

Example – w/d are required in rehab projects if the unit can be adaptable for w/d...
otherwise, on-site laundry facilities have to be available.

Page 15 - If your vision for a rental project, start communications with housing authority
in the community – ask for project based vouchers – this is a process – and if you don't
ask, the answer will be no. The PBV can be the lifeblood for project operations.
WVHDF has no authority on vouchers that Hous Authority receives from HUD. When
they get them they need to use them – they may build, but will likely partner with others
to use those vouchers.

Page 17 – pay yourself a management fee - \$40/\$50/unit per month. Pay attention to utilities as well. Typical vacancy rates.

Page 11 – new question – annual expenses – will the project have a dumpster after project completion – just to help them confirm if tenant has to pay for trash pick-up.

Page 18 – one year cashflow. 5% with PBV, 7% without.

\$350/unit/annum – preservation Reserve – if you have an ability to make a perm. Payment, have to note that the developer is not unduly enriched. Preservation reserve is the suspenders for the Replacement reserve – get the project to the finish line... Page 10 funding source pulls to the Page 18. Some of this is auto-fill and calculations.

Page 19 – 30 year cash flow – explain if there are dips in cash flow for a few years - Only HTF projects funded to date have had project based vouchers – at or below 30% AMI. His rent can go from \$250/month which is what they can afford to \$650 which is the PBV rate. If project doesn't cash flow, have to work to get the project fundable.

Page 26 and 27 – checklist for applicants to use as a cross-reference. Watch minimum requirements.

Self-score – another check on minimum requirements. 300 total points available; seems 130/150 has been minimum score submitted – watch Unit Features!

HOME and HTF Guidelines <https://www.wvhdf.com/wp-content/uploads/2023/02/2023-HOME-HTF-Guidelines-2.pdf>

Page 14 – Dev. (nonprofits) are prohibited from expending funds after submission of the application – no physical or choice-limiting actions prior to environmental – if there is an emergency repair needed on a rehab project – get it done before May 31, 2023

HOME and HTF Underwriting and Subsidy Layering Guidelines (14 pages)

Not over-sourced or under-sourced. Developer capacity/risk; market risk; project risk
The Fund will pull an appraisal on properties – it is not a HOME eligible reimbursable expense (occurs 3 months before closing). Dev. Fee is eligible for reimbursable. Lose on one side, but try to balance with dev. fee.

Page 7 – 6% of net construction; Gen Requirement/conditions 5% of net construction; contractor overhead 2% of net construction costs.

Contingencies – 5-10% of hard costs on NC; Acq/rehab up to 10% of hard costs... could consider higher if size of project, complexity warrants.

If the project has cost overruns over the contingency amount, WVHDF will expect developer fee to be available for cost overruns.

March 16, HOME ARP public hearing on Substantial Amendment, 1PM **If selected for HOME ARP project, access to some nonprofit operating funds of HOME ARP. HOME ARP application will be similar to HOME/HTF–can start penciling in your money pages; 15 year affordability period; watch going negative. Encouraged PBV conversations.