



**BROWARD COUNTY HOUSING FINANCE & COMMUNITY DEVELOPMENT
DIVISION
FY 2009/2010
HOME
APPLICATION PROCESS
INSTRUCTIONS**

**Broward County Housing Finance & Community Development Division
Broward County Governmental Center
110 NE 3rd Street, 3rd Floor
Fort Lauderdale, FL 33301**

Consortium Cities

- Coconut Creek**
- Coral Springs**
- Davie**
- Deerfield Beach**
- Lauderhill**
- Margate**
- Miramar**
- Pembroke Pines**
- Plantation**
- Sunrise**
- Tamarac**

HOME PROGRAM
BROWARD COUNTY FY 2008/2009 REQUEST FOR PROPOSALS
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Home Investment Partnerships Program (HOME): The HOME Program provides funds to promote the availability of affordable housing. This includes multifamily rental and homeownership opportunities for low and very low income households.

HOME: A payback plan is mandatory for all home buyer purchase assistance programs and rental housing projects. The following forms of subsidy, are eligible:

- G Interest bearing loans -These loans are amortizing loans. Repayment is expected on a regular basis, usually monthly, so that over a fixed period of time, all of the principal and interest is repaid.
- G Non-interest-bearing loans -The principal amount of such loans are paid back on a regular basis over time, but no interest is charged. Such loans are made when the borrower is able to make regular payments but even a small amount of interest is not affordable.
- G Deferred payment loans - These loans are not fully amortized. Instead, some, or even all principle and interest payments are deferred to some point in the future. Like the amortizing loans mentioned above, these loans can accrue interest or be non - interest bearing.

A ten year pro forma operating statement is mandatory for all rental housing projects.

Affordability period must be 30 years

Development interim financing and interest payments will not be considered.

Program Funding Areas: Land acquisition, rehabilitation, new construction, and down payment assistance. For rental properties, all HOME assisted units must be dedicated to families whose annual incomes do not exceed 60% of the median family income. Additionally, at least 20% of HOME assisted units (on projects having 5 or more units), must be for households at 50% of the median family income. Also, proposals are to comply with HOME rental thresholds and investment limits. Broward County's funding priorities are listed on pages 64-68 of the Five Year Consolidated Plan.

Eligible Entities: For profits, non profits, community development corporations, limited partnerships, municipalities, and quasi public government entities.

Davis Bacon Act: The project must comply with the **Davis/Bacon Act** (prevailing wages) where applicable - 12 units and over.

HOME/CHDO Certification and set aside: 15% of the HOME allocation is specifically available to County Certified Community Housing Development Corporations (CHDO) for eligible CHDO set aside activities. Those applying under this format must have CHDO Certification status or submit a CHDO Certification with your application. Contact Glennie Simmons at (954) 357-5803 for further information.

Non Profit Set aside: A set aside amount of HOME funds (15% of County HOME Allocation) will be available through the RFP process for non profit agencies.

**BROWARD COUNTY HOUSING FINANCE & COMMUNITY
DEVELOPMENT DIVISION
CERTIFICATION REQUIREMENTS**

The requirements below apply to all participating non-profit organizations such as Community Housing Development Organizations (CHDO's), Community Development Corporations (CDC's) and Community Based Organizations (CBO's) for HOME.

1. One copy of charter and by-laws.
2. One copy of the annual report submitted to the Florida Secretary of State.
3. One copy IRS 501(c)(3) letter or date of application and a copy of the most recent tax return.
4. One copy of the current roster of the board of directors with names, titles of officers, addresses phone numbers and terms of office.
5. One copy of all hearing notices and attendance sheets (with addresses) showing attendance and minutes of community neighborhood advisory board meetings, if applicable, demonstrating citizen input to the board(s) regarding proposals.
6. One copy of resolution or minutes from the governing body giving authorization to submit proposal(s) showing consideration of citizens input in final decisions by governing body.
7. One copy of organization's economic development strategy where applicable.
8. One copy of the annual financial statement or most recent audit including status of resolution of negative audit findings and other complaints regarding operations and funding

The requirements below apply to all for profit organizations submitting HOME proposals.

1. One copy of charter and by-laws.
2. One copy of the annual report submitted to the Florida Secretary of State.
3. One copy of the current roster of the board of directors with names, titles of officers, addresses, phone numbers and terms of office.

TERMS AND CONDITIONS

DEFINITIONS

For the purposes of this Request for Proposals (RFP), an “applicant” shall mean a contractor, developer, consultant, applicant, organization, firm, corporation, or other person(s) submitting a response to this RFP application.

INVITATION TO PROPOSE

Proposals must be submitted on the enclosed application form attached as exhibits only. **DO NOT INCLUDE A COVER LETTER.**

ALL PROPOSALS must include the applicant’s return mailing address, contact person and telephone number. Applicants shall submit one (1) original and ten (10) bound copies of the proposal with dividers. The applicant may submit the proposal in person or by mail.

The Housing Finance & Community Development Division must receive proposals by 12:00 PM, EST, on December 15, 2008. Proposals received after that time will not be accepted and will be returned to the applicant.

The Division cautions applicants to ensure actual delivery of mailed or hand-delivered proposals directly to the Broward County Housing Finance & Community Development Division, 110 NE 3rd Street, 2nd Floor, Fort Lauderdale, Florida 33301, prior to the deadline set for proposals. Any proposal received after the established deadline shall not be considered.

Applicants may withdraw their proposals by notifying the Division in writing at anytime prior to the time set for the proposal deadline. Applicants may withdraw their proposals in person or through an authorized representative. Applicants and authorized representatives must disclose their identity and provide a signed receipt for the proposal. Proposals once opened, become the property of the Division and will not be returned to the applicant.

Immediately upon receipt proposals become "**public records**" and shall be subject to public disclosure consistent with Chapter 119, Florida Statutes. Applicants may invoke the exemptions to identify the data or other materials to be protected, and must state the reasons why such exclusion from public disclosure is necessary. **Requests for exemption shall be subject to review and approval of the County Attorney's Office.**

SELECTION PROCESS:

The proposal Application Packets submitted in response to this RFP shall be reviewed and evaluated by the Evaluation Committee set up by the Housing Finance and Community Development Division. The Applicant understands that this RFP does not constitute an agreement or contract with the Applicant. An official contract or agreement is not binding until proposals are reviewed and accepted by appointed staff approved by the appropriate level of authority within the County and executed by all parties.

The Housing Finance & Community Development Division reserves the right to reject all proposals, waive any information, and to solicit and re-advertise for new proposals.

GRIEVANCE PROCEDURES

All complaints and/or grievances must be in written form and addressed to the Division Director as outlined on page 7 of the Broward County Consolidated Strategic Plan.

PROPOSAL PREPARATION COSTS

Neither the COUNTY nor its representatives, which include County agencies and personnel, shall be liable for any expenses incurred in connection with preparation of a response to this RFP. Applicants should prepare their proposals simply and economically, providing straight forward and concise descriptions and responses to the questions on the enclosed application form.

ACCURACY OF PROPOSAL INFORMATION

Any applicant who submits in its proposal to the Division any information which is determined to be substantially inaccurate, misleading, exaggerated, or incorrect, shall be disqualified from consideration. Answers and responses must pertain to the specific question requested on the application form. No consideration will be given where a response does not relate specifically to the question or where the response is contained elsewhere in the proposal.

COMPLIANCE

Project submissions must be in accordance with all applicable HUD and HOME program guidelines. The HOME final rule (24 CFR Part 92) and technical information about the HOME program is available on the HUD website- www.HUD.gov.

INSURANCE

The awarded applicant(s) shall maintain insurance coverage reflecting the minimum amounts and conditions specified by the County. In the event the applicant is a governmental entity or self-insured organization, different insurance requirements may apply. Misrepresentation of any material fact, whether intentional or not, regarding the applicant's insurance coverage, policies or capabilities may be grounds for rejection of the proposal and rescission of any contract.

LICENSES

Applicants, both corporate and individual, must be fully licensed and certified in the State of Florida for the type of work to be performed at the time of submittal of the RFP. Should the applicant not be fully licensed and certified, its proposal shall be rejected.

AWARD

The selected applicant(s) shall be required to execute a contract or agreement with Broward County or its authorized representative within a time frame which is appropriate in consideration that HOME New Construction funds must be committed by 24 months from the HUD loan commitment or grant award transmittal letter.

HOME APPLICATION INSTRUCTIONS

PRO FORMA OPERATING STATEMENT FOR RENTAL HOUSING
Instructions for completing chart on Page 58 of HOME application

OPERATING INCOME

Line 1

"Gross rent potential" is the total annual amount collectable in rent *if* all units were occupied continuously and all tenants paid their rent. A common error (or deliberate exaggeration) in a pro forma is to assume that gross potential is the number of units times the proposed rent schedule. The error overstates gross potential because it ignores the fact that, aside from tenants renting month to month rent schedules and increases take time to implement. This is a very important consideration when evaluating a new construction or substantial rehabilitation proposal, especially if the owner claims immediate results from the rent schedule or rent increases following construction. The lease-up period can take months, if not years for a larger project, and the implementation of rent increases requires a year if one year leases are in place. In short, gross potential is not static, it changes each month as tenants move in and out. A miscalculation of the market leading to slow leasing will result in immediate and substantial cash demands on the owner.

Line 2

The **"vacancy allowance"** is a percentage of gross rent to allow for income lost, while dwelling units are vacant because of normal turnover in occupancy. Recall, however, that a 5% vacancy does not mean that gross potential reduced by 5%: in projects with different sized units, the rent of those vacant units can comprise more or less than 5% of the rents. The vacancy allowance must estimate economic vacancies, and also account for units taken from the market for renovations.

Line 3

"Effective gross rent" is the gross rent potential less the vacancy allowance.

Line 4

"**Other income**" includes any charges the sponsor realistically expects to make for use of the buildings or property, **other than** charges to the tenants for rent or services. Such income could be, for example, a charge for use of a community room as a meeting place by an outside organization, or a rental fee for parking spaces paid by residents or non-residents.

Line 5

The "**reserve for bad debt**" assumes that some rents owed will not be paid. A reasonable reserve for bad debt equals 1.2% of gross rents. Investors should be concerned if the reserve exceeds 2%, as this suggests that the owner has sacrificed tenant reliability for occupancy.

Line 6

Effective Gross income equals the total of effective gross rent plus other income less reserve for bad debt.

OPERATING EXPENSES

Line 7

The "**management fee**" is an annual payment to a contracted management firm or agent for whatever scope of services is negotiated between the project sponsor and the management agent. Typically, the fee is set as a percentage of gross rent collected, ranging from 5% - 9%.

Line 8

The personnel costs for any employees of the project who are involved in management, as opposed to employees of a contracted management agent are shown here. If the same person spends time on both management and maintenance responsibilities, the costs associated with that person should be shown here and on Line 14, on the basis of an estimated percentage of total working time in each activity. Payroll expenses include wages, fringe benefits and payroll taxes.

Line 9

Legal costs may be incurred in negotiating contracts with service providers, assisting the sponsor with legal disputes, and so forth. The proposed management agent, if one is used, should be helpful in estimating a reasonable allowance for those costs.

Line 10

An annual audit of the project accounts should be planned and budgeted.

Line 11

An amount should be budgeted for expenses in connection with advertising or other marketing efforts required to fully lease apartments or rooms which become vacant from time to time. Expenses for **initial** marketing, when the project is completed, are included in the development budget. The line will also include concessions - offers to tenants a period of free or reduced rent in exchange for a lease.

Lines 12 - 14

The sponsor's "**overhead**" costs to operate a management office, or to perform that function whether or not a physical space is devoted to it, should be estimated here. These costs are separate from any similar expenses which may be included in the management fee.

MAINTENANCE

Line 15

Personnel costs for any project maintenance employees including wages, fringe benefits and withholding or other taxes should be included here.

Line 16 -24

Maintenance expense covers a broad category of interior, exterior and grounds items, including an array of possible third party contractors. A key influence on maintenance costs is turnover, or the number of units that are vacated and reoccupied in a given period. The higher the turnover, the higher the maintenance expense for cleaning, painting, exterminating and other such preparation activities. Turnover rates are a matter that can be learned from property managers when shopping properties. In addition, an existing property with an operating history can generate an estimate of turnover for when the rent falls from the prior year. Property managers normally can quickly determine or estimate the average unit preparation cost, exclusive of replacing carpet or appliances. Typically, this cost is from \$300 to \$500.

Another element of the maintenance budget is the cost of general building repairs and cleaning, including maintenance of mechanical systems, plumbing and fixtures, and grounds upkeep. These activities are handled by some combination of hired contractors and employed staff. Underwriters should encourage owners to plan and budget properly for these expenses, including costs for maintenance staff (line 15) and contractors. The underwriter should observe and inquire about special maintenance situations such as extensive grounds, swimming pools, flat roofs, poor drainage, stucco finish and aluminum siding.

UTILITIES

Lines 25 - 27

Utility costs can be estimated by doing a utility comparison analysis with other buildings in the area of similar scope and design, or based on previous use levels. Be sure to take into account the type of utilities used in comparison buildings, and the level of energy efficiency of construction and appliances.

Sewer and water costs can be estimated by previous use levels, or if the building is new, by contacting the utility or public service provider for estimates. Properties with landlord-paid utilities (that is, heat, hot water, air or light) may need special attention. Efficient and environmentally sound operations demand

that tenant's use of utilities be disciplined by costs, meaning utility users should pay utility bills. When feasible, conversion to tenant paid utilities should be encouraged.

TAXES/INSURANCE/RESERVES

Line 28

The estimated annual premium for hazard and liability insurance carried by the project owner should be included here. Policies should provide for rent loss protection and for restoration of the premises in the event of casualty.

Line 29

Annual real estate taxes should be estimated by consulting with the local tax assessor about the value at which the housing will be assessed, and likely tax rate. Since real estate taxes are a major component of operating costs they should be carefully and realistically estimated.

Line 30

An amount should be budgeted annually, and built into monthly occupancy charges, to allow for periodic major repairs or for replacement of parts of the buildings or mechanical equipment and systems. The amount which would be prudent may vary with individual projects, and may be different for new construction versus rehabilitation.

Line 31

The operating reserve, or "**operating deficit reserve**", as FHA calls it, is typically in an amount that assures coverage of debt service during the lease-up period, when it is most likely that expenses will grow faster than income.

Total Operating Expenses

Line 32

Costs for management, maintenance, utilities, taxes, insurance, and reserves are included.

Income Available for Debt Service

Line 33 - 34

Once you have estimated the project income and the costs of operating the project, you can determine net operating income, the amount of income available for debt service.

SOURCES AND USES OF FUNDS – NEW CONSTRUCTION

Instructions for completing the Project Cost Table page 61 of the HOME Application: Sources and Uses of Funds.

Acquisition Costs

Lines A1 - A2

Land or property acquisition costs normally match the price paid to acquire property in order to undertake the project. If the land or building(s) were acquired earlier, the sponsor will have to decide whether to estimate the value of the

land/building at the original acquisition cost, the current appraised value of the property, or some other amount. In any case, acquisition costs are the actual costs which will be charged to the project.

Site Work

Lines B1 - B2

“Site work” refers to usual land improvements. Usual land improvements are costs such as excavation for foundations or utilities; grading of the site; installing on-site roads, walkways or parking areas; landscaping; outdoor lightning; or other permanent improvements to the land other than the buildings themselves. Even a project which involves rehabilitation of an existing building may have some land improvement costs.

“Other” refers to site work which would not normally be required to prepare a site for construction or to put it in usable condition after construction. Such costs include demolition of existing buildings; removal of large amounts of earth to an on-site location or moving earth from off-site for fill or grading; off-site utility or road extensions; or any other unusually large or exceptional costs.

Bear in mind that the costs of land improvements will typically be included in an overall construction contract; even though the actual work may be done by a sub-contractor. Accordingly, these costs should be based on a contractor’s estimate.

Construction/Rehabilitation

Lines C1 - C3

The amount estimated under this heading should cover all costs included in a construction contract. Besides the “hard” costs of materials and labor price will typically include such components as an allowance for the contractor’s project-related expenses or “general requirements” such as building permits, fencing around the site, temporary storage for materials; the contractor’s profit, and the cost of a performance bond or letter of credit provided by the contractor to insure that the project will be completed.

Probably the most realistic method of estimating construction costs is to obtain a preliminary cost from a contractor, even if one has not been formally selected. An alternative is to have your architect estimate the amount of the construction contract based on his or her experience with similar buildings.

In some cases, an architect or contractor may only wish to estimate the cost of “bricks and mortar” for actual construction. You can adjust that figure and estimate the total construction contract price by adding: (a) 3 - 4% for “general requirements”; (b) the estimated cost of a performance bond or letter of credit obtained from a bonding company or local lender; and (c) an allowance of 8 - 10% of the total of all preceding costs for the contractor’s profit.

Architectural and Engineering Fees

Lines D1 - D2

Architectural fees should be based on an estimate from the architect or on an actual agreement with the architect. These fees may be based on a certain percentage of the construction contract amount, a fee per dwelling unit, a flat fee for services, or some other basis. There will always be one fee for the design of the buildings and another for inspection and monitoring by the architect during construction. The design architect and the inspecting architect may or may not be the same.

Lines D3

Consulting fees may or may not be a cost to your project. If you are not experienced with the housing development business you may choose to obtain technical assistance from someone who is. The terms and conditions of that contract are negotiable. The consultant ought to be able to provide you with a scope of services and a fee schedule. You can use those to predict what your cost for this line item will be.

Line D4

The cost of an environmental survey and soil borings may be included under engineering fees because those costs are directly related to the design of the site plan and buildings. These buildings are often sub-contracted by the architect to an engineer on behalf of the sponsor. The engineering fee estimate should also include any mechanical or structural engineering costs incurred as part of the design fee.

Other Owner Costs

Line E1

In buying land or real property it is almost always necessary to get an appraisal of the property. It is important to make sure that the appraiser you plan to use is acceptable to your lender. Lenders rely on the information in an appraisal firm's. An Appraiser can easily provide you with a cost estimate for the services required.

Line E2

The local government responsible for enforcing area building codes generally will require a building or construction permit to be issued before construction can commence.

Line E3

Tap fees or connection fees often are required by the water and sewer governing body before a project can be connected into the utility system.

Line E4

If the architect for your project does not include the environmental survey as part of his/her contract, you will have to arrange for the survey and pay for it independently. You should get estimates from surveyors and weigh their bids.

Line E5-E6

Legal fees will be incurred for incorporation, contract negotiations, property acquisition, loan closings and other assorted parts of the development process. Unless your project is highly unusual, and will require inordinate legal attention, it is possible to get a ballpark estimate of legal fees by looking at similar projects. You can ask a attorney for such an estimate.

Line E7

These items are the costs of making sure that the sponsor has clear title to the property before construction starts. Title insurance protects the lender, while recording the deed protects the title. The mortgage held by the lender must also be recorded. The sponsor's attorney or a title insurance company can estimate these costs, given a specific property and an estimate of development costs.

Interim Costs

Line F1

You should consult with an attorney and an insurance agent to determine what kind of insurance will best protect your interests during construction, and what the costs of carrying that insurance will be. Lenders for the project may have their own standards for the type of insurance needed during construction

Line F2

Predevelopment and construction interest is a cost that you are accruing during the early part of the project. Include in budget as part of the holding costs.

Line F3

Loan fees and points are part of the cost of capital. These are the one-time fees, a percentage of the total loan which you pay to the lender. Once you know how much money you have to borrow, your lender will tell you what fees and loan points will be charged.

Permanent Financing Fees and Expenses

Line G1

A credit report generally is required for the borrower to ensure that the borrower historically has repaid debt on time and consistently.

Line G2

The loan origination fee is the amount charged by the lender usually 1% of the loan amount to originate and process the paperwork associated with making a loan.

Line G3

Lenders generally require title insurance to ensure that the property is marketable and that title is clear of any defects. Additionally, there is often a per page recording fee for all documents registered with the area Register of Deeds.

Line G4

Attorney's fees generally are needed to prepare closing documents, perform title searches and ensure that all legal aspects of the transaction are handled properly.

Developer's Fee

Line H

The developer's fee is compensation to the developer for the time and risk involved to develop the project.

Reserves

Lines I 1-I 2

Reserves are funds set aside from the construction financing to take care of possible losses or shortfalls in the cash flow. Operating reserves protect against any lag in project sale or rent up. Replacement reserves establish a fund for replacement of major building components which will occur over the life of the project.

Tenant Relocation

Line J

Relocation costs connected with acquiring occupied buildings

Project Administration/Management

Line K1

Marketing and management start-up costs are incurred between completion of construction and full occupancy. The development budget must cover these costs because total rental income will not be available until the housing is fully occupied. The figure should include the actual costs of rent-up, including advertising and staffing for application reviews.

Line K2-K3

Operating expenses incurred during the holding period should be included here. These may include utility costs, maintenance, and insurance.

Real estate taxes usually have to be paid on the property during the construction/marketing period. The sponsor should consult with local taxing authorities to determine the basis on which the property will be assessed based on preliminary development plans and on the anticipated starting and completion dates for construction. The annual estimated tax bill should then be prorated for the construction/marketing period and entered here.

Line K4

The contractor will carry builder's risk and liability insurance. You as the sponsor will probably need to carry hazard insurance against damage to the building during construction. You may also carry insurance against theft and liability for personal injury or property damage.

Other Expenses**Line A3, D5, E8**

Other miscellaneous expenses are any costs incurred by the sponsor that are not included in the rest of the budget. They should always be accompanied by an explanatory note.

Total Uses**Line L**

This is the sum of all lines (A-K).

Total Sources**Line M**

This is the total of all financial sources.

EXCESS/(GAP) BETWEEN SOURCES AND USES**Line N**

TOTAL SOURCES (Line M) MUST EQUAL TOTAL USES (Line L) FOR DEVELOPMENT. In this sense, the budget also acts as a balance sheet. Developers may consider using HOME grants or loans to close any gap.

Line O

TOTAL PERMANENT FINANCING FOR THE PROJECT MUST EQUAL TOTAL PROJECT COSTS. In order to close out the pre-development/construction loan, developers must obtain additional financing, and must account for the additional costs in Section G and recalculate Line L.

**SOURCES AND USES OF FUNDS – HOMEBUYER & HOME OWNER
REHABILITATION PROJECTS**

Instructions for completing the Project Cost Table on page 11 of the HOME Application:
Sources and Uses of Funds.

Line A

Amount of direct client subsidy (down payment assistance, buy down, rehab) for total project.

Line B

Total construction costs for project (list costs itemized in Line D separately). The amount estimated under this heading should cover materials and labor, the contractor's profit, and the cost of a performance bond or letter of credit provided by the contractor to insure that the project will be completed.

Probably the most realistic method of estimating construction costs is to obtain a preliminary cost from a contractor, even if one has not been formally selected. An alternative is to have your architect estimate the amount of the construction contract based on his or her experience with similar buildings.

In some cases, an architect or contractor may only wish to estimate the cost of “bricks and mortar” for actual construction. You can adjust that figure and estimate the total construction contract price by adding: (a) 3 - 4% for “general requirements”; (b) the estimated cost of a performance bond or letter of credit obtained from a bonding company or local lender; and (c) an allowance of 8 - 10% of the total of all preceding costs for the contractor’s profit.

Line C

Architectural fees should be based on an estimate from the architect or on an actual agreement with the architect. These fees may be based on a certain percentage of the construction contract amount, a fee per dwelling unit, a flat fee for services, or some other basis. There will always be one fee for the design of the buildings and another for inspection and monitoring by the architect during construction. The design architect and the inspecting architect may or may not be the same.

Line D1

In buying land or real property it is almost always necessary to get an appraisal of the property. It is important to make sure that the appraiser you plan to use is acceptable to your lender. Lenders rely on the information in an appraisal firms. An Appraiser can easily provide you with a cost estimate for the services required.

Line D2

The local government responsible for enforcing area building codes generally will require a building or construction permit to be issued before construction can commence.

Line D3

Tap fees or connection fees often are required by the water and sewer governing body before a project can be connected into the utility system.

Line D4

If the architect for your project does not include the environmental survey as part of his/her contract, you will have to arrange for the survey and pay for it independently. You should get estimates from surveyors and weigh their bids.

Line D5-D6

Legal fees will be incurred for incorporation, contract negotiations, property acquisition, loan closings and other assorted parts of the development process. Unless your project is highly unusual, and will require inordinate legal attention, it is possible to get a ballpark estimate of legal fees by looking at similar projects. You can ask a attorney for such an estimate.

Line D7

These items are the costs of making sure that the sponsor/developer has clear title to the property before construction starts. Title insurance protects the lender, while recording the deed protects the title. The mortgage held by the lender must also be recorded. The sponsor’s attorney or a title insurance company can estimate these costs, given a specific property and an estimate of development costs.

Line E1- E2

Predevelopment and construction interest is a cost that you are accruing during the early part of the project. You should include those costs in your budget as part of the holding costs.

Line E3

Loan fees and points are part of the cost of capital. These are the one-time fees, a percentage of the total loan which you pay to the lender. Once you know how much money you have to borrow, your lender will tell you what fees and loan points will be charged.

Line F1

A credit report will likely be required by a lender prior to issuing a commitment letter for permanent financing.

Line F2

A fee required by some lenders to process/originate the mortgage loan

Line F3

Required by the County and most lenders to insure their interest to the property is protected from prior lien claims. Additionally, there is often a per page recording fee for all documents registered with the area Register of Deeds as well as charges for applicable tax stamps.

Line F4

Attorney's fees may be charged to prepare closing documents, perform title searches and ensure that all legal aspects of the transaction are handled properly.

Line G

This fee, usually paid after completion of the project, compensates the developer for project oversight from inception to completion.

Line H 1

Marketing figures should include the actual costs of advertising and staffing for application reviews.

Line H2

Operating expenses incurred should be included here. These may include utility costs, maintenance, overhead. Please note, that these costs are not HOME eligible unless pro rated to include only those expenses directly attributed to a HOME assisted client

Line H3

Real estate taxes usually have to be paid on the property. The sponsor/developer should consult with local taxing authorities to determine the basis on which the property will be assessed based.

Line H4

The contractor will carry builder's risk and liability insurance. The sponsor/developer will probably need to carry hazard insurance against damage to the building during construction. You may also carry insurance against theft and liability for personal injury or property damage.

Line I

Broward County requires an annual audit for agencies funded with \$5,000 or more. Unless an agency receives \$300,000 or more, these audits are not a HOME eligible expense.

Line K

List all staff costs associated with the project. Please note that HOME funds can only be used to reimburse those costs directly attributed to a HOME assisted client and all such tasks must be clearly demonstrated and considered to be reasonable and customary.

Line L

Total of costs from all sources and categories attributed to the Project

**BROWARD COUNTY
(Fort Lauderdale, FL HMFA)
HUD ANNUAL INCOME LIMITS
LAST UPDATE: 02/2008**

A HOME eligible household must have an income equal to or less than the limits cited below, depending on the Project.

Note: These limits may be periodically adjusted by HUD, please use most recent data

HOUSEHOLD SIZE	80% OF COUNTY MEDIAN	60% OF COUNTY MEDIAN	50% OF COUNTY MEDIAN
1 Person	\$39,850.00	\$29,880.00	\$24,900.00
2 Persons	\$45,550.00	\$34,200.00	\$28,500.00
3 Persons	\$51,250.00	\$38,460.00	\$32,050.00
4 Persons	\$56,950.00	\$42,720.00	\$35,600.00
5 Persons	\$61,500.00	\$46,140.00	\$38,450.00
6 Persons	\$66,050.00	\$49,560.00	\$41,300.00
7 Persons	\$70,600.00	\$52,980.00	\$44,150.00
8 Persons	\$75,150.00	\$56,400.00	\$47,000.00

AFFORDABILITY REQUIREMENTS

<u>RENTAL HOUSING ACTIVITY</u>	MINIMUM PERIOD OF AFFORDABILITY IN YEARS
Rehabilitation or acquisition of existing housing per unit amount of HOME funds: Under \$15,000	Thirty (30) Years
\$15,000 to \$40,000	Thirty (30) Years
Over \$40,000 or rehabilitation involving financing	Thirty (30) Years
New construction or acquisition of newly constructed housing	Thirty (30) Years
<u>HOME OWNERSHIP ASSISTANCE</u> <u>HOME AMOUNT PER-UNIT</u>	MINIMUM PERIOD OF AFFORDABILITY IN YEARS
Under \$15,000	Five (5) Years
\$15,000 to \$40,000	Ten (10) Years
Over \$40,000	Fifteen (15) Years

HOME PER UNIT INVESTMENT LIMIT
(Section 221(d)(3) mortgage limit for elevator-type construction)

(05/08 HUD JAX CPD)

#Bedrooms	Investment Limit
0	\$134,776
1	\$154,495
2	\$187,866
3	\$243,036
4	\$266,780

SECTION 8 TENANT UTILITIES ALLOWANCES
FOR MULTIFAMILY, 1-4 STORIES*

# of Bedrooms	0 - BR	1 - BR	2 - BR	3 - BR	4 - BR	5 - BR
HEAT						
Natural Gas	\$7.00	\$8.00	\$9.00	\$10.00	\$11.00	\$13.00
Bottled Gas	\$10.00	\$10.00	\$13.00	\$16.00	\$19.00	\$22.00
Electric/ Oil	\$9.00	\$10.00	\$11.00	\$12.00	\$13.00	\$13.00
AIR CONDITIONING	\$8.00	\$10.00	\$13.00	\$16.00	\$19.00	\$22.00
COOKING						
Natural Gas	\$5.00	\$5.00	\$7.00	\$7.00	\$8.00	\$8.00
Electric	\$3.00	\$3.00	\$4.00	\$4.00	\$5.00	\$5.00
Bottled Gas	\$6.00	\$6.00	\$10.00	\$10.00	\$13.00	\$13.00
OTHER ELECTRIC						
Refrigerator Lighting, Etc.	\$13.00	\$14.00	\$15.00	\$17.00	\$18.00	\$20.00
WATER HEATING						
Natural Gas	\$8.00	\$8.00	\$10.00	\$11.00	\$13.00	\$15.00
Electric/Oil	\$12.00	\$12.00	\$15.00	\$16.00	\$17.00	\$18.00
WATER	\$4.00	\$4.00	\$6.00	\$8.00	\$10.00	\$12.00
SEWER	\$9.00	\$9.00	\$13.00	\$17.00	\$20.00	\$24.00
TRASH COLLECT.	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$8.00
RANGE (Purchase)	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00
REFRIGERATOR (Purchase)	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00	\$6.00

Source: Broward County Housing Authority (7/1/08) * Information for high rise (5 or more stories) available on request

**HOME RENTS & FAIR MARKET RENT
FORT LAUDERDALE, FL HMFA*
(April 2008)**

Number of Bedrooms	Fair Market Rent	Low HOME	High HOME
Efficiency	\$908	\$622	\$790
1	1,016	667	848
2	1,221	801	1,019
3	1,689	925	1,170
4	2,144	1,032	1,285
5	2,466	1,139	1,399
6	2,787	1,246	1,515

*Source: U.S. Department of Housing and Urban Development.



BROWARD COUNTY BOARD OF COUNTY COMMISSIONERS
HOUSING FINANCE & COMMUNITY DEVELOPMENT DIVISION
HOME PROGRAM APPLICATION

1. Applicant Organization Name:

Address: _____

Contact Person: _____ Title: _____

Telephone #: _____ FAX #: _____

E-mail: _____

2. Project Summary:

Project Name: _____

Project Address / Location: _____

3. Project Type and Loan Description: _____

HOME Funds Requested: \$ _____

HOME Mortgage position _____

Description of Required Pay Back Plan* (term, rate, amortization...):

Acquisition: _____

Development: _____

Beginning Date: _____ and Completion Date: _____

d. Complete the table below for development projects only.

Building and Development Description

Total number of residential buildings	
Total number of community buildings and other accessory buildings	
Total number of residential units	
Number of HOME assisted Units	
Total number of units designated for low-income	
% of units designated low-income units to total units	
Total square footage of all residential units	
Total square footage of units designated for low-income	
Total number of commercial buildings	

% of units designated low-income square footage to total residential square footage	
Total commercial space square footage (if applicable)	
Total common area square footage (if applicable)	
Total parking spaces	
Total square footage of all project structures (residential, commercial, common areas and parking)	

- e. Affordability Restrictions: What are the proposed affordability restrictions for the HOME assisted units (e.g., occupancy requirements, rental restrictions, time period, etc.)? How will the restrictions be enforced?

- f. Marketing Program: How will the HOME assisted units be marketed to the target population? How will this marketing approach promote equal housing opportunities and ensure compliance with Federal Fair Housing regulations?

- g. Project Rents: For acquisition and/or construction of rental housing projects, complete the following table for project rents.

Project Rents

Units Designated Low Income							
# Bedrooms	Total # of Units	#of HOME Units in Total	Unit Size (Sq. Ft)	Monthly Rent (including utilities)	Monthly Utility Allowance	Monthly Rent LESS Utility Allowance	% of Area Median Income
Market-Rate Units							
# Bedrooms	Total # of Units		Unit Size (Sq. Ft)	Monthly Rent (without utilities)			

5. Complete the Project Pro Forma for the Operating Statement (FOR RENTAL PROJECTS ONLY). Provide a 10-year income and expense pro forma.

OPERATING STATEMENT PRO FORMA

OPERATING INCOME		Annual Amount
1.	Gross rent potential	
2.	Vacancy allowance (__ % of Line 1)	
3.	Effective gross rent (Line 1 minus Line 2)	
4.	Other income	
5.	Reserve for Bad Debt	
6.	Effective Gross Income	
OPERATING EXPENSES		Annual Amount
7.	Management fee	
8.	Management staff costs	
9.	Legal fees	
10.	Accounting/audit fees	
11.	Advertising/marketing	
12.	Telephone	
13.	Office supplies	
14.	Other administrative Expenses (Subtotal)	
MAINTENANCE		
15.	Maintenance staff costs	
16.	Elevator (if any)	
17.	Other mechanical equipment (specify)	
18.	Decorating (specify)	
19.	Routine repairs and supplies	
20.	Exterminating	
21.	Lawn and landscaping	
22.	Garbage/trash removal	
23.	Other (specify)	
24.	Subtotal	

UTILITIES		
25.	Electricity	
25.A	Residential	
25.B	Commercial areas	
25.C	Common areas	
26.	Heat and hot water (specify fuel)	
26.A	Residential	
26.B	Commercial areas	
26.C	Common areas	
27.	Sewer and water	
	Subtotal	
TAXES/INSURANCE RESERVE		
28.	Property insurance	
29.	Real estate taxes (estimated value of \$ _____ /\$1,000)	
30.	Reserve for replacement	
31.	Operating deficit reserve Subtotal	
32.	Total Operating Expenses (Lines 7 through 31)	
INCOME AVAILABLE FOR DEBT SERVICE		
	Effective Gross Income (Line 6)	
	Minus Total Operating Expenses (Line 32)	
33.	Net Operating Income	
34.	Debt Service Coverage Ratio Required by Lender	

Notes: Assumption should be clearly stated such as rent levels (including utility allowances), vacancy/collection loss rates, projected annual income and expense percentage increases, etc.). See Instructions (page 37) before completing.

6. Provide project source of funds by funding sources

Sources of Funds: As an attachment, provide the following for each financial source currently in place to complete this project.

Name, address, telephone number, contact person of lender or proposed lender

Dollars amount requested including interest rate, terms, annual debt service

Type of financing (e.g., conventional/subsidized loan, federal or private grant, deferred payment loan, equity, sweat equity, other-specify)

Date funded, requested and expected and enforceable financing commitments (attach copy of commitment letters)

SOURCES OF FUNDS

FUNDS AMOUNT	SOURCE	TERMS AND CONDITIONS
A.		
B.		
C.		
D.		

Notes:

Sources and Uses of Funds: COMPLETE FOR CONSTRUCTION PROJECTS ONLY. See instructions (Section 2, page 17) before completing.

SOURCES AND USES OF FUNDS

PROJECT COSTS					
Itemized Cost	Total Cost	HOME	Source A	Source B	Source C
A. Acquisition Cost 1. Land 2. Existing Structures 3. Other					
B. Site Work 1. Site Work (not included in construction contract costs) 2. Other					
C. Construction/Rehabilitation (Construction contract costs) 1. Site Work 2. New Building 3. Rehabilitation					
D. Architectural and Engineering Fees 1. Architect Fee-Design 2. Architect Fee-Supervision 3. Consultant or Processing Agent 4. Engineering Fees 5. Other					
E. Other Owner Costs 1. Appraisal 2. Building Permits 3. Tap Fees 4. Soil Borings/Environmental Survey 5. Real Estate Attorney 6. Construction Loan Legal 7. Title and Recording 8. Other					
F. Interim Costs 1. Construction Insurance 2. Construction Interest 3. Construction Loan Origination Fee					
G. Permanent Financing Fees and Expenses 1. Credit Report 2. Permanent Loan Origination Fee 3. Title and Recording 4. Counsel's Fee					
H. Developer's Fee					

PROJECT COSTS					
I. Project Reserves 1. Rent-Up Reserve 2. Operating Reserve					
J. Tenant Relocation					
K. Project Administration/Management 1. Marketing/Management 2. Operating Expenses 3. Taxes 4. Insurance					
L. Total uses					
M. Total Sources					
N. Difference					
O. Additional Sources of Permanent Financing					
Owner's equity					
Loan:					
Loan:					
Total (compare to line L):					

Sources and Uses of Funds: FOR HOMEBUYER AND/OR HOMEOWNER REHABILITATION ONLY. Please see instructions (Page 45) before completing.

SOURCES AND USES OF FUNDS

PROJECT COSTS					
Itemized Cost	Total Cost	HOME	Source A	Source B	Source C
A. Direct Client Subsidy					
B. Hard Costs- Construction					
C. Architect/Engineering Fees					
D. Project Soft Costs 1. Appraisal 2. Building Permits 3. Tap Fees 4. Soil Borings/Environmental Survey 5. Real Estate Attorney 6. Construction Loan Legal 7. Title and Recording 8. Other					
E. Interim Costs 1. Construction Insurance 2. Construction Interest 3. Construction Loan Origination Fee					
F. Financing Fees and Expenses 1. Credit Report 2. Origination Fee 3. Title and Recording 4. Counsel's Fee					
G.. Developer's Fee					
H. Project Administration/Management 1. Marketing/Management 2. Operating Expenses 3. Taxes 4. Insurance					
I. Audit Costs					
K. Staff Costs <u>as allowable</u>					
L. Total					

7. Calculate percent of funds leveraged: Funds used as leverage must assist in accomplishing the proposals goal and must be documented in the proposal. Assessment of other funds claimed as leveraged by the proposal may include in-kind contributions converted to cash equivalent.

Instructions on Calculating Leveraging

Leveraging will be computed by taking into account the total dollar cost of the entire project including in-kind contribution.

$$\text{Percent Leveraging} = \frac{\text{Total Non-HOME \$} \times 100}{\text{HOME \$}}$$

In computing Total Cost of the project, funding from all sources for the project must be added. This includes Federal funds, State funds, Municipal funds, contributions, private sector financing, in-kind contributions, etc.

In-Kind Contributions - are non-cash items. Non-cash items are contributions to the project, e.g., labor, office space, use of equipment, etc. that do not involve cash payments by the entity. However, a dollar value must be given to in-kind and it must be added to the cost of the project. In-kind contributions must be accounted for and included in the financial audit of the applicant.

8. Provide property and site control information

- a. Applicant currently has control of site through:

Fee Simple title (full control)
 Lease Period
 Ground Lease
 Option _____ Option Type Option Period
 Other, describe

- b. Provide evidence of site control (i.e., include copy of warranty deed, purchase option agreement, etc.).

Date and Type of Conveyance:

- c. If site is not under applicant's control, provide time line and schedule for establishing control:

Legal Description:

Street Address: _____

Current Owner: _____

9. Does the Project need the following:	<u>YES/NO</u>	<u>DATE EXPECTED</u>
SITE PLAN APPROVAL	_____	_____
PLATTING/REPLATTING	_____	_____
BUILDING AND ZONING REVIEW	_____	_____
VARIANCE	_____	_____
EASMENTS/RIGHT-OF-WAY	_____	_____
WATER	_____	_____
SEWER	_____	_____

- a. Does the property conform to municipal and county platting requirements? If no, describe actions and timetable which have or will be taken to correct this deficiency.

_____ [] Yes, Property is adequate.

_____ [] No

- b. Provide a lay-out of the site showing details of the site, including the locations of any existing buildings or other structures.
- c. Provide a location map, showing location of the site to the surrounding area.
- d. **Attach Phase 1 environmental assessment for projects as required.** Provide mitigation plan if needed.

10. Project Development Schedule: complete the following checklist by indicating the actual or expected date for the following activities.

Month/Day/Year

Actual or Scheduled Activity

_____	Site:
_____	Acquisition
_____	Environmental Review Completed
_____	Local Permits:
_____	Conditional Use Permit
_____	Variance
_____	Plot Plan Review
_____	Grading Permit
_____	Building Permit
_____	Construction Financing:
_____	Loan Application
_____	Enforceable Commitment
_____	Closing and Disbursement
_____	Permanent Financing:
_____	Loan Application
_____	Enforceable Commitment
_____	Closing and Disbursement
_____	Other Loans and Grants:
_____	Type & Source
_____	Application
_____	Closing & Award
_____	Type & Source
_____	Application
_____	Closing & Award
_____	Type & Source
_____	Application
_____	Closing & Award
_____	Construction and Occupancy:
_____	Construction Start
_____	Construction Completion
_____	Placed In Service
_____	Occupancy of All Low-Income Units

11. The Development Team and Applicant Qualifications: Provide qualifications as attachment of the team members that have been selected and provide contact information.

a. Check which Qualifications are provided for as appropriate:

- | | |
|---|--|
| <input type="checkbox"/> Developer, if different from the applicant | <input type="checkbox"/> Consultant (if any) |
| <input type="checkbox"/> Attorney(s) and/or Accountant(s) | <input type="checkbox"/> General Contractor |
| <input type="checkbox"/> Architect | <input type="checkbox"/> Syndication Firm |
| <input type="checkbox"/> Management Agent/Company | |

b. Summarize your organization's experience in affordable housing development, housing management, and/or other areas relevant to the proposed project. Also describe how your organization will implement this project?

c. Once completed, who will manage the project?

d. For non-profit agencies only: Attach copy of program policies and procedures. Provide list of current board members, staff members and job descriptions, mission statement and current operating budget.

e. List previous affordable housing projects developed by your organization (most recent projects). Provide below or as an attachment:

COMPLETED PROJECTS				
Project Name	Location	Project Type	No. Of Units	Year Completed

12. Conflict of Interest: List the names and positions of members of the Board of Directors, officers, workers, other members of the organization, or members of the development team who are elected or appointed members of a City or County Commission or Planning Advisory Board.

13. Certification: Complete the following certifications.

If this application is approved for funding, the organization agrees to comply with all the required federal, state, and local laws and regulations. The organization confirms that it is fully capable of fulfilling the obligations as stated in this proposal and in any attachments or documents included with this application.

As a duly authorized representative of the organization, I submit this application AND verify that the information included herein is true, accurate, and complete.

PENALTY FOR FALSE OR FRAUDULENT STATEMENT: U.S. Code Title 18, Section 1001, provides that a fine of up to \$10,000 or imprisonment for a period not to exceed 5 years, or both shall be a penalty for willful misrepresentation and the making of false fictitious statements, knowing the same to be false.

APPLICANT :

Signature : _____

Typed Name : _____

Title : _____

Organization : _____

Phone Number : _____

Signature : _____

Typed Name : _____

Title : _____

SUBMITTAL CHECK LIST

1. [] Application (executed by applicant(s))
2. [] Site Control (title evidence, purchase contract, etc.)
3. [] Current Appraisal (where application includes purchase of property, documentation that no lien exists against property)
4. [] Legal Survey and Site Plan
5. [] Sources/Uses of Funds Statement
6. [] Commitment Letter from additional funding sources (Commitments must be firm and include all terms and conditions proposed for financing).
7. [] Management Team: Resume' and Background Information regarding each member of the Development Team, i.e., Accountant, Architect, Attorney, Corporate Officers/Partners, Developer, Engineer (The background information should illustrate experience of team member regarding type of project proposed, number of like projects with which team member has been involved and completed, honors or awards.)
8. [] Executed Partnership Agreement.
9. [] Executed Incorporation Documents
10. [] Completed Project Cost Pro Forma
11. [] Completed Project Operating Budget
12. [] Statement that applicant will comply with auditing requirements.
13. [] Plans and Specifications
14. [] Affirmative Marketing/Fair Housing Plan
15. [] Statement that applicant will comply with Lead Based Paint regulations
16. [] Project Schedule
17. [] For non profits: Mission statement, list of current board members, list of staff members and brief job descriptions, program policies and procedures, current operating budget.

**HOME APPLICATION
ATTACHMENT 2**

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO)

APPLICATION FOR HOME CHDO CERTIFICATION

**BROWARD COUNTY HOUSING FINANCE & COMMUNITY DEVELOPMENT
DIVISION
COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO)
APPLICATION FOR HOME CHDO CERTIFICATION**

Name of Organization: _____
Address: _____
Chairperson:/President: _____
Telephone: _____ Facsimile: _____
Date: _____

REQUIRED MATERIALS

1. Copy of most recent Annual Report submitted to the Secretary of State of Florida.
2. Copy of a list of the Board of Directors, inclusive of names, titles of officers, addresses, telephone numbers and terms of office.
3. A copy of a resolution or minutes from the governing body giving authorization to submit this CHDO Certification.
4. Copy of most recent Annual Financial Statement or audit.
5. Copy of Charter or other document which reflects that the provision of decent, affordable housing to low and moderate income persons is among its purposes.
6. Copy of the organization's by-laws.
7. Copy of the organization's IRS 501(c)(3) ruling from the IRS or (4) of the IRS Code of 1986.
8. Documentation which demonstrates that the organization or parent organization has a history of at least one year of experience in serving the community within which the affordable housing will be located.
9. Documentation that the organization maintains at least one-third of its governing board's membership for residents of low-income neighborhoods, other low income community residents, or elected representatives of low income neighborhood organizations.
10. Documentation of the organization's capacity for implementation of activities assisted with HOME funds.
11. Documentation that the organization has a formal process for low-income, program beneficiaries to advise the organization in all of its decisions regarding the design, site, development, and management of affordable housing projects.
12. Copy of Charter or other document which demonstrates that the organization chartered by a state or local government must apply the following restrictions: (1) the State or local government may not appoint more than one-third of the membership of the organization's governing body; (2) the board members appointed by the State or local government may not, in turn, appoint the

remaining two-thirds of the board members; and (3) no more than one-third of the governing board members are public officials (including any employees of the PJ).

13. If the CHDO is sponsored or created by a for-profit entity, submitted documentation must demonstrate that the for-profit entity may not appoint more than one-third of the membership of the CHDO's governing body, and the board members appointed by the for-profit entity may not, in turn, appoint the remaining two-thirds of the board members; and a copy of Charter or other document which demonstrates that the for-profit entity's primary purpose does not include the development or management of housing must be submitted.

Required Certification of Organization

I, _____, Chairperson or President of _____, hereby certify that the following statements are true to the best of my knowledge.

1. Net earnings to this organization do not benefit any member, founder, contributor, or individual.
2. This organization is neither controlled by, nor under the direction of individuals or entities seeking to profit or gain from the organization.
3. This organization does not include a public body nor is it an instrumentality of a public body.
4. This organization has financial standards that conform to Attachment F of OMB Circular A -110 (Rev.), "Standards for Financial Management Systems."