

HOME Program Description

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I. EXECUTIVE SUMMARY

~~HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)~~

~~For Federal Fiscal Year 2013, the State of Wyoming through the Wyoming Community Development Authority (WCDA) is **anticipating** a \$3,500,000 allocation of HOME funds. In an effort to quickly allocate HOME funds prior to the construction season, WCDA’s application period for HOME funding runs prior to WCDA’s receipt of HOME funds from HUD. Therefore no funding can be allocated until after WCDA signs a HOME contract with HUD. The final allocation may be different from the anticipated amount.~~

I. EXECUTIVE SUMMARY

The HOME Program was created under Title II (the Home Investment Partnerships Act) of the National Affordable Housing Act of 1990. The general purposes of HOME include:

- Expansion of the supply of decent and affordable housing, particularly rental housing, for low and very-low-income Americans.
- Strengthening the abilities of State and local governments to design and implement strategies for achieving adequate supplies of decent and affordable housing.
- Extending and strengthening partnerships among all levels of government and the private sector, including for-profit and non-profit organizations, in the production and operation of affordable housing.

HOME provides funding to meet both the short-term goal of increasing the supply and availability of affordable housing and long-term goals of building partnerships between State and local governments, private and non-profit organizations, while strengthening their capacity to meet the housing needs of low and very low-income residents.

For FY 1994 and subsequent years, there are match requirements that must be met under the HOME Program. Matching funds are the local contribution to the partnership. Match obligations must be met in the fiscal year they occur.

The State of Wyoming **anticipates** receiving an annual allocation in HOME funds of approximately \$3,500,000. See the WCDA Affordable Housing Allocation Plan, Attachment A for actual funding levels. These HOME funds will be allocated to local governments, Community Housing Development Organizations (CHDOs), Public Housing Authorities, Non-profit Organizations and for-profit developers of Low-income housing as described below. All projects outside of Casper and Cheyenne must be developed pursuant to the State's Consolidated Plan for Housing and Community Development. Casper and Cheyenne projects must be developed pursuant to their respective local Consolidated Plans. Projects located in entitlement cities

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I. EXECUTIVE SUMMARY

(Cheyenne and Casper) must have a current letter of consistency with the Consolidated Plan from the appropriate Jurisdiction.

HOME funds must be spent quickly. The time frames for committing and expending funds are very short. From the time WCDA signs a HOME Investment Partnerships Agreement for HOME funds with the Department of Housing and Urban Development, the following **CRITICAL** time frames apply:

- 24 months to enter into written agreements with an Owner/Developer to reserve HOME funds.
- 24 months to commit funds in the HOME IDIS System for specific projects.
- Four years to actually expend funds.

In an effort to quickly allocate HOME funds prior to the construction season, WCDA’s application period for HOME funding runs prior to WCDA’s receipt of HOME funds from HUD. Therefore no funding can be allocated until after WCDA signs a HOME contract with HUD. The final allocation may be different from the anticipated amount.

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II. ALLOCATION OF FUNDS

A. **Direct Administration Category – WCDA** The approximate amount of funding set-aside for Direct Administration is outlined in the current Year Summary, Attachment “A”. –This set aside is available for Rental Housing Production programs under which non-profit developers, for-profit developers, Local Governments, and public housing authorities may apply. Applications are anticipated to be accepted in January of each year. Projects are ranked competitively against the Ranking Criteria listed in the WCDA Affordable Housing Allocation Plan. For actual funding levels, see WCDA Affordable Housing Allocation Plan, Current Year Summary Attachment “A”.

B. ~~**Homeowner Rehab**~~**HOME/WRAP – HOME/WRAP** – The approximate amount of funding set-aside in this category for HOME/WRAP programs is outlined in the current Year Summary, Attachment “A”. These funds will be administered by WCDA similar to the WRAP program created under the Neighborhood Stabilization Program. If all the HOME funds are not allocated in the first funding cycle, WCDA may retain any funds under any of the set asides for this eligible activity. . In addition, as Program income is received and the available funding is increased, such funds may also be used under this set-aside.~~The approximate amount of funding set-aside in this category for Homeowner Rehab programs is outlined in the current Year Summary, Attachment “A”. These funds will be distributed through a competitive application process. If through this process not all the funds are allocated in the first funding cycle, WCDA will retain the funds and institute a homeowner rehab program which they will administer similar to the WRAP program created under the Neighborhood Stabilization Program. In addition, as Program income is received and increase the available funding, such funds may also be used under this set-aside.~~

C. **Small Project Set-Aside**
In Wyoming the HOME funding is allocated through a competitive process from applications received from outside Developers. WCDA does NOT retain any Rental funding to administer projects directly. Thus it is difficult to assure specific geographic distribution as applications are not received until after the Program Plan is approved. In an effort to achieve geographic distribution in areas of greatest need, WCDA analyzes information from various sources to ascertain where these locations are and then builds incentives in the Action Plan through scoring, set asides etc. In recent years it has been evident that the small communities have been overlooked on their affordable housing needs. In order to create an incentive for developers to consider more rural areas, and satisfy HUD’s geographic distribution requisite, this Small Project Set-Aside was created. The amount of the set-aside is disclosed in the Current Year Summary Attachment “A”.

In order to qualify for the Small Rural Project Set-aside the following criteria applies:

- The project must be in a small community with a population under 10,000 and no communities with a population over 10,000 are within 20 miles of the project.

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II. ALLOCATION OF FUNDS

- The project must have 24 or fewer units
- Project must not be done in conjunction with a separate project in the same locale.

Due to the fact that Market Rents are typically lower in Rural areas, projects may have a 10% variance in Income and Rent levels when qualifying for the Small Rural Project Set-aside.

D. CHDOs - Community Housing Development Organizations

1. CHDO ELIGIBLE ACTIVITIES –

Approximately \$525,000, fifteen percent (15%) of the Fiscal Year HOME funding allocation will be set aside for CHDO's*. Applications for CHDO Eligible Activities will be accepted through a competitive application process during the initial application period at the beginning of each year. If funds are remaining, WCDA will open an additional competitive application process or, depending on the amount of remaining funds, accept applications on a first-come, first-serve basis to projects meeting the minimum ranking criteria until all funds are allocated to eligible projects. For actual funding levels, see WCDA Affordable Housing Allocation Plan, Current Year Summary Attachment “A”. Activities that are NOT eligible under the CHDO set aside are; ~~Homeowner Rehab~~~~HOME/WRAP~~ ~~Initiation~~, Tenant Based Rental Assistance, Brokering or other Real Estate transactions.

2. CHDO TECHNICAL ASSISTANCE-

Ten percent of the CHDO set aside may be available to CHDOs for Project Specific Technical Assistance and Site Control Loans for items such as feasibility studies, consulting fees, architectural and engineering fees, etc. No administrative fees are eligible. **APPLICANTS WHO ANTICIPATE USING THE TECHNICAL ASSISTANCE AND SITE CONTROL LOANS SHOULD APPLY TO WCDA BEFORE ANY PROJECT COSTS ARE INCURRED IN ORDER TO ENSURE ELIGIBILITY FOR THE FUNDING.**

E. CHDO General Operating Costs and Capacity Building Reserve (not project specific)

A Certified Community Housing Development Organization (CHDO) may apply to WCDA for HOME funding for any fiscal year for organizational operating funds in an amount that provides not more than \$50,000 or fifty percent (50%) of the CHDO's organization's total operating expenses, whichever is less, in that fiscal year. No CHDO may receive funding for more than 3 years. To apply for this set-aside a CHDO may apply on an annual basis prior to September 1st of each year.

In order to receive CHDO operating funds a CHDO must:

- 1) enter into a written agreement with WCDA that states the CHDO is expected to own, sponsor or develop a project which will receive funds under the CHDO set-aside within 24 months of receiving funds for operating expenses

Attachment “E” HOME Program Description

II. ALLOCATION OF FUNDS

- 2) submit a Development Plan outlining the CHDO’s proposed housing projects, type of housing, number of units, and populations to be served, over the next 5 years
- 3) submit a timeline under which these projects will be developed
- 4) submit a list of anticipated funding sources for the projects in the Development Plan
- 5) submit a five year operating budget with all sources of operating income listed, designating which sources are firmly committed and which sources are tentative
- 6) submit a list of staff, experience of each staff member and their job description.
- 7) submit a report or narrative of accomplishments achieved through prior HOME CHDO Operating funds received.

Applications will generally be accepted once a year and should be submitted to WCDA on or before September 1st. No more than \$175,000 of HOME funds may be allocated as Operating Funds in any given program year. Applications will be reviewed and funded according to the feasibility of the projects proposed in the Development plan and an assessment by WCDA staff of the CHDO’s capacity to successfully complete the Development Plan.

F. Administration And Contingency Reserve -

Approximately \$350,000 (10%) of Fiscal Year HOME allocation will be set-aside for WCDA administrative costs, and for a reserve for project over-runs that cannot be met from other funding sources.

After the first round of funding, WCDA reserves the right to re-allocate funds between categories as needed to most expeditiously commit and spend the funding, provided the minimum CHDO set aside is maintained.

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III. DISTRIBUTION OF FUNDS

III. DISTRIBUTION OF FUNDS

~~The State of Wyoming, through the Wyoming Community Development Authority, will use HOME funds for the following major activities:~~

~~**B. Homeowner Rehabilitation** subject to Recapture provisions as outlined in Section XVIII HOME Program Definitions—Recapture~~

~~1. Acquisition and Rehabilitation 2. Rehabilitation~~

~~3. Rehabilitation and refinance~~

~~**C. Homeowner Rehabilitation**~~

~~1. Single Family Programs—Subject to Recapture provision as outlined in Section XVIII HOME Program Definitions—Recapture.~~

~~2. Multifamily Rental Programs~~

~~**D. Small Project Set Aside**~~

~~1. Rental Housing Acquisition / Rehabilitation~~

~~2. Rental Housing New Construction~~

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III. RENTAL HOUSING PRODUCTIONS PROVISIONS

IV. RENTAL HOUSING PRODUCTIONS PROVISIONS

A. **Rental Housing Production** - can be accomplished in the following ways:

- **Rehabilitation**
 - Rehabilitation
 - Conversion
 - Reconstruction
 - Rehabilitation and Refinance
- **Acquisition and/or Rehabilitation**
- **New Construction**

There are three important things to remember about HOME assisted Rental Housing:

- Rents are **strictly** controlled
- Tenants must be low-income (80% of Area Median Income adjusted for family size as determined by HUD). In fact, most tenants in HOME assisted units must be very low-income (50% of Area Median Income adjusted for family size as determined by HUD).
- Both occupancy and rents must be maintained and monitored for a minimum affordability period of 5 to 20 years depending upon the amount of HOME funds provided per unit and the type of project (new or existing). Actual project affordability may exceed 20 years.

Both the rent and income targeting requirements are enforced by deed restrictions and specify remedies for breach of the provisions.

B. **Eligible Property Types**~~ELIGIBLE PROPERTY TYPES~~

- One or more buildings on a single site that are under common ownership, management and financing.
- Scattered sites are eligible as one project as long as the sites are under common ownership, management and financing, and receive HOME assistance as part of a single undertaking.
- There are no limits on the number of units per project.
- There are no preferences for unit size and style except for what is identified in the applicable Consolidated Plan.
- Properties may be privately or publicly owned.
- A letter of notification for proposed development will be sent to the local jurisdiction.

C. **Initial HOME Rents**~~INITIAL HOME RENTS~~

Every HOME assisted unit is subject to rent controls designed to make sure that rents are affordable to very low-income households. These maximum rents may be referred to as HOME RENTS. HOME RENTS are subject to change annually and will be made available to applicants by WCDA.

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III. RENTAL HOUSING PRODUCTION PROVISIONS

LOW HOME RENT - 100% of HOME assisted units must have rents that are at or below the LOW HOME RENT. This requirement may be modified on a case by case basis at the discretion of WCDA and within the limits of the Federal Regulations.

The Low Home Rent is available on HUD’s website as disclosed in the Affordable Housing Plan Current Year Summary Attachment “C” Item “1”.

The maximum allowable HOME RENTS must be reduced if the tenant pays for utilities. Utility adjustments are made in accordance with the utility allowances prepared by the local Public Housing Authority. Utility adjustments proposed by owners/developers for specific projects must be approved by WCDA.

D. Affordability Period~~AFFORDABILITY PERIOD~~

HOME assisted **Rental** units are rent controlled for varying lengths of time depending upon the average amount of HOME funds invested per unit:

<u>RENTAL HOUSING ACTIVITY</u>	<u>PER UNIT HOME \$</u>	<u>MINIMUM AFFORDABILITY PERIOD</u>
Rehab or Acquisition of Existing	<\$15,000/unit	5 years
	\$15,000 - \$40,000	10 years
	>\$40,000	15 years
New Construction	all amounts	20 years

Maximum monthly rents and utility allowances must be recalculated annually by the owner. They are reviewed and approved by WCDA. Rent increases may be permitted, but tenants must be given at least 30 days written notice before increases are implemented. Any increases are also subject to other provisions of the lease agreements and subject to approval by WCDA.

**E. Occupancy of HOME Assisted Rental Units~~OCCUPANCY OF HOME ASSISTED
RENTAL UNITS~~**

There are two Federal constraints on occupancy:

1. INCOME TARGETING:
90% of the units assisted with HOME Funds for rental housing must be used to assist tenants who have annual incomes that are 60% or less of the area median income. The remaining dwelling units assisted with such funds may be used to assist families with household incomes between 60% and 80% of median.

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III. RENTAL HOUSING PRODUCTION PROVISIONS

2. PROJECT REQUIREMENT:

In projects with five or more rental units, or in the case of an owner of multiple one or two unit projects with a total of five or more rental units, not less than 20% of the rental units must be occupied by very low-income families (50% of area median income) bearing rents not greater than the low HOME rents determined by HUD, less any tenant paid utilities.

Owners of rental housing funded with HOME funds are required to have a written occupancy policy in place prior to the occupancy of HOME-assisted units. This policy should outline who is eligible for the units and be consistent with Fair Housing Laws. The HOME regulations list a number of prohibited lease provisions and some required lease provisions with which owners should become familiar. WCDA has a Suggested Occupancy Policy and a list of these provisions that owners can adapt for their project.

F. Determining the Initial Income Eligibility of HOME Tenants/Homeowners ~~DETERMINING THE INITIAL INCOME ELIGIBILITY OF HOME TENANTS/HOMEOWNER~~

The HOME Program beneficiaries under Rental Housing Production are tenants with incomes at or below 50% of the Area Median Income. The income of each tenant/homeowner must be determined initially in accordance with 24 CFR 92.203 by using Annual Income as defined under the Section 8 Housing Assistance Payments programs in 24 CFR Part 5.609.

G. Annual Recertification of Income ~~ANNUAL RECERTIFICATION OF INCOME~~

The annual incomes of tenants in HOME projects must be re-examined each year during the period of affordability. The project owner must re-examine each tenant's annual income by utilizing third party source documents evidencing annual income.

WCDA will require that the owner of HOME assisted rental units report at least once a year on the annual income of all tenants.

H. Increases in Tenant Income ~~INCREASES IN TENANT INCOME~~

Tenants occupying HOME assisted units whose annual incomes exceed 80% of median (that is, they are no longer low-income) may stay in their HOME assisted apartments. Over income tenants (those who no longer qualify as low income) in HOME assisted units must pay no less than 30% of their adjusted monthly income for rent and utilities. Adjusted income is calculated according to the rules for the Section 8 Program. In general, adjustments are made by deducting from the annual income certain allowances.

For rental housing with Low-Income Housing Tax Credits and for units under local rent controls, when a tenant's income increases above 80 percent of the area median income, that tenant's rent will not have to be adjusted to 30 percent of the family's income.

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III. RENTAL HOUSING PRODUCTION PROVISIONS

However, the next available unit of comparable size must be rented to a HOME eligible household, at which time the 80% unit will be re-classified as a Tax Credit unit at the appropriate income and rent level. The rent on the 80% unit may not be increased until the unit is replaced with a qualifying HOME unit.

WCDA will review the owner's recertification of tenant income annually. WCDA will review rent and utility allowances annually. WCDA will perform on-site inspection for compliance with Section 8 Housing Quality Standards at least:

- Annually for projects with more than 25 units.
- Once every two years for projects containing 5 - 25 units
- Once every three years for projects containing 1-4 units.

WCDA will review the owner's compliance with Written Agreements annually.

I. Eligible Activities for Rental Housing Production ~~ELIGIBLE ACTIVITIES FOR RENTAL HOUSING PRODUCTION~~

The following activities are eligible for rental housing production with HOME funds:

1. REHABILITATION -
 - a. Rehabilitation of existing structures.
Rehabilitation and Refinancing to permit or continue affordability under 24 CFR 92.252.
 - i. Rehabilitation must be the primary eligible activity requiring at least \$15,000 of required rehabilitation costs per unit.
 - ii. A Capital Needs Assessment must be provided by an unrelated Professional Capital Needs Assessment provider to include a unit by unit breakdown and budget at time of application. The CNA must include an estimate of the remaining useful life of major systems and estimates of replacement costs. Major systems include: structural support, roofing, cladding, weather proofing (windows, doors, siding, gutters), plumbing, electrical and heating, ventilations, and air conditioning.
 - iii. A review of the owner's management practices will be made in order to determine that disinvestment in the property has not occurred, that the long term needs of the project can be met and that the feasibility of serving the targeted population over an extended affordability period can be demonstrated.

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III. RENTAL HOUSING PRODUCTION PROVISIONS

- iv. The refinancing must be made for the purposes of maintaining current affordable units or creating additional affordable units and the rehabilitation cost must be greater than the amount of debt that is refinanced.
 - v. The minimum required period of affordability would be 15 years.
 - vi. Refinancing is an eligible activity throughout the State of Wyoming under the HOME Program.
 - vii. HOME funds cannot be used to refinance multifamily loans made or insured by any Federal program, including CDBG.
- b. Conversion - Conversion of an existing structure from an alternative use to affordable, residential housing is an eligible activity and is considered rehabilitation. If conversion involves additional units beyond the walls of an existing structure, the project will be deemed new construction.
 - c. Reconstruction - Reconstruction is defined as the rebuilding, on the same lot, of housing standing on a site at the time of project commitment. The number of housing units on the lot may not be decreased or increased as part of a reconstruction project, but the number of rooms per unit may be increased or decreased. Reconstruction also includes replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing.
2. ACQUISITION - Acquisition of an eligible property is eligible as part of a rental housing project.
 3. NEW CONSTRUCTION - New Construction is an eligible use of HOME funds. New Construction is also defined as housing that has received an initial certificate of occupancy or equivalent document within a one-year period before the commitment of HOME funds to the project.
- Failure to rent HOME units in 5 months. If all HOME-assisted units are not rented within 5 months from project completion, Owner must provide WCDA information about current marketing efforts and an enhanced plan for marketing the units so that it is leased as quickly as possible. If efforts to market the units are unsuccessful and the unit is not occupied by an eligible tenant, Owner will be required to repay all HOME fund invested in the unit.

Attachment “E” HOME Program Description

~~VIV. SINGLE FAMILY HOME/WRAP~~

~~V. HOMEOWNER REHABILITATION~~

~~City or County governments may apply for HOME Funds for Single family Rehabilitation programs. In addition, WCDA may will administer a Single Family Rehabilitation Program similar to the Neighborhood Stabilization Program, Wyoming Rehabilitation and Acquisition Program (WRAP) called HOME/WRAP. The maximum administration fee which can be applied for is 10%. This administration fee will be funded as a percentage of each draw. Single family rehabilitation~~ This programs may consist of ~~1) Acquisition, and Rehabilitation, and/or Financing. 2) Rehabilitation only and/or 3) Rehabilitation and Refinance. All rehabilitation programs are~~ Financing is subject to Recapture provisions as outlined in ~~Section the HOME Program Description Section XVIII~~ XIV HOME Program Definitions – Recapture.

A. The Eligible Homebuyer ~~THE ELIGIBLE PROPERTY OWNER~~

The ~~owner homebuyer~~ must have a gross annual income that does not exceed 80 percent of HUD's median income for the area. Third party written verification of income will be required. Other requirements must be met in order to meet credit worthiness and financial capacity. ~~An owner must own the property prior to rehabilitation or the rehabilitated property must be sold to a qualifying household. A family or individual owns the property if they: 1) have fee simple title to the property; or 2) maintain a 99 year leasehold interest (50 year leasehold on reservation lands) in the property; All Lease forms of ownership must be PRE-approved by WCDA PRIOR to Application or 3) have ownership or membership in a cooperative; and 4) do not have any restrictions or encumbrances that would unduly restrict the good and marketable nature of the ownership interest. The owner must occupy the property as a principal residence.~~

B. The Eligible Property Type ~~THE ELIGIBLE PROPERTY TYPE~~

An eligible property is any single family property; ~~occupied as a principal residence by the owner in~~ which the value of the property, after rehabilitation, does not exceed the HOME Single Family limits in effect at the time of HOME funds commitment. ~~See the WCDA Affordable Housing Allocation Plan, Current Year Summary Attachment “A”, Item “9”.~~

~~Manufactured housing units must be connected to permanent utility hookups and be located on land that is owned by the manufactured housing unit owner.~~

All properties must also meet HUD's site and environmental requirements summarized below in Section ~~XI~~ VII Site and Neighborhood Requirements.

C. Affordability Period ~~AFFORDABILITY PERIOD~~

Minimum Affordability Periods are as follows:

Amount of HOME Investment	Minimum Affordability Period
\$0 - \$ 15,000	5 years
\$ 15,001 - \$19,999 <u>40,000</u>	10 years

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VIV. SINGLE FAMILY HOME/WRAP

\$ ~~20,000~~40,00 - ~~25,000~~or more ~~20-15~~ years

- D. **Conversion to rental** - ~~If a home is not sold within 5 months after rehabilitation is completed (except properties that are occupied at time of rehabilitation) must submit a Marketing Plan to WCDA. If the home is not sold with 6 months after rehabilitation is completed it must be converted to a rental property. Applications must include provisions on how units will be converted to rental. If units are not occupied within 18 months from completion of rehabilitation the Owner must payback all HOME funds must be paid back to HUD to WCDA. Application must include provisions on how HOME funds will be repaid if not sold within 18 months.~~

Should a property be sold or cease to be occupied by a qualified household during the period of time specified, Recapture provisions as outlined in Section ~~XVIII~~ XIV HOME Program Definitions will apply.

~~After an initial investment of HOME funds, additional HOME funds may not be invested in HOME-assisted Homeowner Rehabilitation units for varying lengths of time as described above depending upon the amount of the initial HOME investment as described above.~~

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VI. ALLOCATION OF FUNDS

VI. ALLOCATION OF FUNDS

~~A. DIRECT ADMINISTRATION CATEGORY WCDA~~

~~Approximately \$1,000,000 available for Rental Housing Production programs under which non-profit developers, for-profit developers, Local Governments, and public housing authorities may apply. Applications are anticipated to be accepted in January of each year. Projects are ranked competitively against the Ranking Criteria listed in the WCDA Affordable Housing Allocation Plan. For actual funding levels, see WCDA Affordable Housing Allocation Plan, Current Year Summary Attachment “A”.~~

~~**B. Homeowner Rehab** The approximate amount of funding set aside in this category for Homeowner Rehab programs is outlined in the current Year Summary, Attachment “A”. These funds will be distributed through a competitive application process. If through this process not all the funds are allocated in the first funding cycle, WCDA will retain the funds and institute a homeowner rehab program which they will administer similar to the WRAP program created under the Neighborhood Stabilization Program. In addition, as Program income is received and increase the available funding, such funds may also be used under this set aside.~~

~~C. Small Project Set Aside~~

~~In Wyoming the HOME funding is allocated through a competitive process from applications received from outside Developers. WCDA does NOT retain any Rental funding to administer projects directly. Thus it is difficult to assure specific geographic distribution as applications are not received until after the Program Plan is approved. In an effort to achieve geographic distribution in areas of greatest need, WCDA analyzes information from various sources to ascertain where these locations are and then builds incentives in the Action Plan through scoring, set asides etc. In recent years it has been evident that the small communities have been overlooked on their affordable housing needs. In order to create an incentive for developers to consider more rural areas, and satisfy HUD’s geographic distribution requisite, this Small Project Set Aside was created. The amount of the set aside is disclosed in the Current Year Summary Attachment “A”.~~

~~In order to qualify for the Small Rural Project Set aside the following criteria applies:~~

- ~~1) The project must be in a small community with a population under 10,000 and no communities with a population over 10,000 are within 20 miles of the project.~~
- ~~2) The project must have 24 or fewer units~~
- ~~3) Project must not be done in conjunction with a separate project in the same locale.~~

~~Due to the fact that Market Rents are typically lower in Rural areas, projects may have a 10% variance in Income and Rent levels when qualifying for the Small Rural Project Set aside.~~

~~D. CHDOs COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS~~

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VI. ALLOCATION OF FUNDS

~~1. Community Housing Development Organizations (CHDOs):~~
~~Approximately \$525,000, fifteen percent (15%) of the Fiscal Year HOME funding allocation will be set aside for CHDO's*. Applications for CHDO Eligible Activities will be accepted through a competitive application process during the initial application period at the beginning of each year. If funds are remaining, WCDA will open an additional competitive application process or, depending on the amount of remaining funds, accept applications on a first come, first serve basis to projects meeting the minimum ranking criteria until all funds are allocated to eligible projects. For actual funding levels, see WCDA Affordable Housing Allocation Plan, Current Year Summary Attachment “A”. Activities that are NOT eligible under the CHDO set aside are; Homeowner Rehabilitation, Tenant Based Rental Assistance, Brokering or other Real Estate transactions.~~

~~3. CHDO Technical Assistance~~

~~Ten percent of the CHDO set aside may be available to CHDOs for Project Specific Technical Assistance and Site Control Loans for items such as feasibility studies, consulting fees, architectural and engineering fees, etc. No administrative fees are eligible. **APPLICANTS WHO ANTICIPATE USING THE TECHNICAL ASSISTANCE AND SITE CONTROL LOANS SHOULD APPLY TO WCDA BEFORE ANY PROJECT COSTS ARE INCURRED IN ORDER TO ENSURE ELIGIBILITY FOR THE FUNDING.**~~

~~E. CHDO General Operating Costs and Capacity Building Reserve (not project specific)~~

~~A Certified Community Housing Development Organization (CHDO) may apply to WCDA for HOME funding for any fiscal year for organizational operating funds in an amount that provides not more than \$50,000 or fifty percent (50%) of the CHDO's organization's total operating expenses, whichever is less, in that fiscal year. No CHDO may receive funding for more than 3 years. To apply for this set-aside a CHDO may apply on an annual basis prior to September 1st of each year.~~

~~In order to receive CHDO operating funds a CHDO must:~~

- ~~1) enter into a written agreement with WCDA that states the CHDO is expected to own, sponsor or develop a project which will receive funds under the CHDO set-aside within 24 months of receiving funds for operating expenses~~
- ~~2) submit a Development Plan outlining the CHDO's proposed housing projects, type of housing, number of units, and populations to be served, over the next 5 years~~
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- ~~5) submit a five year operating budget with all sources of operating income listed, designating which sources are firmly committed and which sources are tentative~~
- ~~6) submit a list of staff, experience of each staff member and their job description.~~
- ~~7) submit a report or narrative of accomplishments achieved through prior HOME CHDO Operating funds received.~~

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VI. ALLOCATION OF FUNDS

~~Applications will generally be accepted once a year and should be submitted to WCDA on or before September 1st. No more than \$175,000 of HOME funds may be allocated as Operating Funds in any given program year. Applications will be reviewed and funded according to the feasibility of the projects proposed in the Development plan and an assessment by WCDA staff of the CHDO’s capacity to successfully complete the Development Plan.~~

~~F. ADMINISTRATION AND CONTINGENCY RESERVE~~

~~Approximately \$350,000 (10%) of Fiscal Year HOME allocation will be set aside for WCDA administrative costs, and for a reserve for project over runs that cannot be met from other funding sources.~~

~~After the first round of funding, WCDA reserves the right to re-allocate funds between categories as needed to most expeditiously commit and spend the funding, provided the minimum CHDO set aside is maintained.~~

Attachment “E” HOME Program Description

VII. PROPERTY STANDARDS

~~VII. PROPERTY STANDARDS~~

Housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion. In absence of a local code for new construction or rehabilitation, HOME-assisted new construction or rehabilitation must meet: as applicable, the [International Residential Code or International Building Code \(as applicable to the type of housing\) of the International Code Council](#), ~~the National Electric Code~~, [All new construction project must al meet the requirements or the Minimum Property Standards in 24 CFR 200.925 or 200.92692-251 \(a\)\(2\)\(i\) through \(v\)](#).

~~Newly constructed housing must meet the current edition of the Model Energy Code published by the Council of American Building Officials.~~

Construction of all manufactured housing must meet the Manufactured Home Construction and Safety Standards established in 24 CFR Part 3280. These standards preempt State and local codes covering the same aspects of performance for such housing. Applicants providing HOME assistance to install manufactured housing units must comply with applicable State and local laws or codes. In the absence of such laws or codes, the applicant must comply with the manufacturer’s written instructions for manufactured housing units.

Since HOME regulations require that HOME-assisted units meet a minimum property standard, HOME funds **cannot** be used for emergency repair programs.

Attachment “E” HOME Program Description

VIII. ELIGIBLE REHABILITATION COSTS

~~VIII. ELIGIBLE REHABILITATION COSTS~~

- A. **Development Hard Costs** - The actual rehabilitation costs including:
- Costs to meet the [International Residential Code or International Building Code \(as applicable to the type of housing\) of the International Code Council](#)~~International Building Code and the National Electric Code~~
 - Costs to meet rehabilitation standards
 - Essential improvements
 - Energy-related improvements
 - Costs to contain or abate Lead-based paint hazards
 - Improvements for handicapped persons
 - Repair or replacement of major housing systems in danger of failure
 - Incipient repairs and general property improvements of a non-luxury nature
- B. **Demolition Costs** when part of a rehabilitation project.
- C. **Site improvements** and utility connections can be funded with HOME funds only when conducted in conjunction with HOME eligible activities.
- D. **Related Soft Costs** - reasonable and necessary costs, including:
- Architectural, engineering or related professional services (inspection, work write-ups) to a third party.
 - Financing costs such as loan points, credit and title costs, recordation fees, building permits, legal fees, appraisals, developer fees.
 - Relocation costs (permanent and temporary), affirmative marketing, and fair housing information services.
- [D. Refinancing Costs – only when cost of rehabilitation exceeds cost of refinancing.](#)

Attachment “E” HOME Program Description

~~IXVII. SITE AND NEIGHBORHOOD REQUIREMENTS~~

~~IX. SITE AND NEIGHBORHOOD REQUIREMENTS~~

HOME projects must be located on a site eligible for federal financial assistance. The types of items that are reviewed when looking at a site are listed below:

- The site's proximity to noise sources such as railroads, highways or busy streets, and airports or military airfields.
- The site and the project must have a clearance from the state historic preservation office.
- The site cannot be in a 100-year flood plain.
- Lead-based paint and asbestos are concerns and must be dealt with in accordance with HUD and state requirements.
- The site's proximity (within 3,000 feet) to a hazardous waste site listed on the CERCLIS list.
- The site's proximity to above ground storage tanks with hazardous materials.

WCDA will also do a site visit to determine the site's suitability for the type of housing being proposed. All funded projects will have to meet HUD's environmental review process and HUD's site and neighborhood standards requirement at 24 CFR Part ~~92.202~~[983.57\(e\)\(2\) and \(3\)](#).

Projects with sites that do not meet the cited site and neighborhood standards or do not promote compliance with civil rights laws, or promote greater choice of housing opportunities will be denied funding regardless of ranking or scoring. Site selection is extremely important and is part of the evaluation and ranking process.

Attachment “E” HOME Program Description

VIII~~X~~. ELIGIBLE FORMS OF FINANCIAL ASSISTANCE

~~X. ELIGIBLE FORMS OF FINANCIAL ASSISTANCE~~

HOME funds can be structured as follows:

- Interest-bearing loans
- Non-interest-bearing loans
- Interest subsidies that leverage other monies
- Deferred payment loans
- Forgivable loans
- Grants
- Alternative forms must be approved by HUD

Attachment “E” HOME Program Description

IXI. MATCHING REQUIREMENTS

XI. MATCHING REQUIREMENTS

HUD requires that 25% of the HOME funds are matched by a non-federal eligible matching contribution. Matching funds are the local contribution to the partnership. Match obligations must be met in the fiscal year they occur.

A. Forms of matching contribution.

The match obligations can be met with:

- Cash from a non-federal source (**owner's cash is not eligible as match**)
- Value of waived taxes, fees or charges
- Value of donated land or real property
- Cost of infrastructure improvements not made with federal resources associated with HOME projects
- Proceeds from multifamily and single family affordable housing project bond financing validly issued by a State or local government or an agency or instrumentality of the State or local government
- Reasonable value of donated site-preparation and construction materials not acquired with Federal resources
- Reasonable rental value of the donated use of site preparation or construction equipment
- The value of donated or voluntary labor or professional services
- The value of sweat equity
- The direct cost of supportive services provided to families residing in HOME-assisted units during the period of affordability
- The direct cost of homebuyer counseling services provided to families that acquire a property with HOME assistance

B. Size of the Match

Every HOME project requires a 25% match contribution meaning that 25% of the HOME funds in a project must be matched by non-federal funds. For FY 2013, applicants will only be required to provide a match of 5.0% because WCDA has been able to accumulate banked match over the past several years.

This also means there will not be WCDA Match Pool funding available for this year as there has been in previous years. However, if projects require an additional financing source, they may apply to WCDA for funding from the WCDA Housing Trust Fund.

C. Sources of Match

Match providers will include a wide array of local providers, both public and private. These may include:

- Local tax funded initiatives
- Tax assessing offices

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IXI. MATCHING REQUIREMENTS

- Water and sewer departments
- Streets and sidewalk departments
- Redevelopment agencies
- Public housing agencies
- State agencies
- State tax funded initiatives
- Charitable Organizations/Foundations
- Private sector organizations
- Lending institutions
- Corporate donations/commitments

Attachment “E” HOME Program Description

XH. DOUBLE DIPPING ON HOME ASSISTED PROJECTS

~~XH. DOUBLE DIPPING ON HOME ASSISTED PROJECTS~~

Except for the first year after project completion, no further HOME funds can be used during the relevant period of affordability. The period of affordability will vary depending on the type of HOME activity.

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XIII. HOME INVESTMENT PER UNIT--Maximum/Minimum HOME Expenditure

~~XIII. HOME INVESTMENT PER UNIT--Maximum/Minimum HOME Expenditure~~

The maximum, average subsidy per HOME assisted unit is established by HUD. Maximum Subsidy limits for Wyoming can be found in the WCDA Affordable Housing Allocation Plan Current Year Summary, Attachment A.

Only units receiving HOME monies are considered "HOME Assisted Units". HOME expenditure limits, rent and occupancy rules only apply to HOME Assisted Units.

Project developers using the **Federal Low-Income Housing Tax Credit** need to contact WCDA for special limitations when applying for HOME funds.

Attachment “E” HOME Program Description

XIV. RESERVATION CRITERIA

~~XIV. RESERVATION CRITERIA~~

See Affordable Housing Allocation Plan

Attachment “E” HOME Program Description

XVIII. POLICIES & PROCEDURES

XV. POLICIES & PROCEDURES

A. AFFIRMATIVE MARKETING

It is the affirmative marketing policy of WCDA to inform the public, homeowners, landlords and potential tenants about the Federal Fair Housing laws and the affirmative marketing goals by:

1. Making this program available for public review. An overview of the marketing policy is included.
2. Upon qualification and selection of a HOME project, the owner will be notified of Equal Opportunity requirements.
3. All advertising and literature used for the HOME program will carry the Equal Housing Opportunity logo or slogan.
4. Copies of media releases, advertisements, and announcements where the HOME program was presented, will be maintained.
5. Affirmative marketing to the general public, landlords, tenants and homeowners will be done by the placement of Public Notices in the applicable local newspapers. The Casper Star-Tribune is considered the major Wyoming newspaper having statewide circulation.

As projects are completed, owners will send written notices containing information about the project (size of units, rent, etc.) to agencies such as the Department of Family Services and the local Salvation Army.

6. WCDA has a housing program brochure that briefly describes WCDA's housing programs. This brochure will be used to affirmatively market the HOME Program to the general public, tenants, and owners.
7. Throughout the year, WCDA has opportunities to affirmatively market the HOME Program on a statewide basis to REALTORS®, lenders, and other housing and redevelopment officials at meetings and seminars in which WCDA participates.
8. Landlords will be advised that they must comply with Equal Housing Opportunity laws and their literature must contain the Equal Housing Opportunity logo. All projects will be required to display a fair housing poster when advertising vacancies. If it is found that a landlord is failing to follow the affirmative marketing requirements and blatantly ignoring fair housing laws, WCDA may enforce the default section of the HOME Agreement and Promissory Note.

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XVIII. POLICIES & PROCEDURES

9. If landlords are seeking tenants to fill vacant units, they will be provided assistance by WCDA in outreach methods for contacting groups and ethnic organizations to ensure equal access is provided. Landlords will be required to send written notices of vacancies to employment centers, places of worship or other community organizations that work with low-income persons.
10. Landlords of HOME assisted units will be required to keep records of families who apply for housing and document those cases where someone was denied housing. At a minimum, these records will contain data regarding income, family size, and minority status. Landlords will be required to keep copies of all media releases and advertisements for vacancies.
11. Any alleged housing discrimination complaints will be forwarded to the U.S. Department of Housing and Urban Development.
12. WCDA will monitor units of general local government to encourage their adoption of affirmative marketing procedures. On-site monitoring will be performed as required by HUD HOME Regulations.
13. Homebuyer Education Courses, made available through the Wyoming Housing Network, Inc.(WHN), will provide for a discussion of Fair Housing.
14. Information on Fair Housing can be obtained from the regional Fair Housing office in Denver. The mailing address for this office is Office of Fair Housing, US-HUD, 1670 Broadway, 23rd floor, Denver, CO 80202-4801 and the phone number for Fair Housing complaints is 800-877-7353.

B. MINORITY BUSINESS ENTERPRISE & WOMEN - OWNED BUSINESS ENTERPRISE (MBE & WBE) OUTREACH PROGRAM (24 CFR 92.350 & 92.351)

WCDA will keep on file the names of agencies that have lists of MBE and WBE businesses that have been identified in source documents developed by agencies such as the Wyoming Business Council, and the Wyoming Highway Department. HOME applicants may request copies of these documents as they are updated.

WCDA will encourage general contractors on projects being funded with HOME funds to solicit bids from MBE/WBE businesses. WCDA will maintain project records on the use and participation of WBE and MBE.

Attachment “E” HOME Program Description

XVIV. HOME PROGRAM DEFINITIONS

XVI. HOME PROGRAM DEFINITIONS

Adjusted Income

Adjusted income is used in HOME to compute actual tenant rent payment for tenants who are required to pay 30% of their Adjusted Income for rent and utilities. Adjusted income is annual (gross) income reduced by deductions for dependents, elderly households, medical expenses, handicap assistance expenses and childcare.

Acquisition Cost/Purchase Price

Acquisition Cost is defined to mean the cost of acquiring the residence from the seller as a complete residential unit. Acquisition Cost includes the following; (1) All amounts paid, either in cash or in kind, by the mortgagor (or a related party for the benefit of the mortgagor) to the seller (or a related party for the benefit of the seller) as consideration for the residence; (2) If a residence is incomplete, the reasonable cost of completing the residence, including construction loan interest and fees, whether or not the cost of completing construction is to be financed from the mortgage loan; and (3) Where a residence is purchased subject to a ground rent (leased land), the capitalized value of the ground rent, using a discount rate provided by WCDA based on the related bond yield (currently between 5% and 7%).

Affordability

Affordability requirements are the HOME regulations at 24 CFR Part 92 that relate to the cost of housing both at initial occupancy and over established timeframes, as prescribed in the HOME Final Rule. Affordability requirements vary depending upon the nature of the HOME assisted activity (i.e. homeownership or rental housing; new construction vs. rehabilitation).

Annual (Gross) Income

The HOME Program allows for the use of one of ~~three~~two "Annual Income" definitions as described in ~~Section 4-E~~92.203. Annual Income is used for homeowner, homebuyer and tenant eligibility and targeting purposes. [Changes to the HOME Final Rule published in the Federal Register July 24, 2013 eliminates the definition that is based on income reported on the U.S. Census Long Form.](#)

CDBG

[CDBG means the Community Development Block Grant program under 24 CFR part 570.](#)

Commitment

The written, legally binding agreement [that includes the date of the signature of each person signing the agreement, between the Participating Jurisdiction \(or other entity\) and the project owner providing a specific amount of HOME funds to a project, and the project owner for an identifiable project for which all necessary financing has been secured, a budget and schedule have been established, and underwriting has been completed and under which construction is scheduled to start within twelve months of the agreement date.](#) ~~Once a commitment occurs HUD expects construction to start or a purchase to occur within six months.~~

Attachment “E” HOME Program Description

XVIV. HOME PROGRAM DEFINITIONS

~~HUD recognizes the commitment when the project is entered in the Integrated, Disbursement and Information System.~~

Community Housing Development Organization (CHDO)

A Community Housing Development Organization (CHDO) is a private, non-profit organization that meets a series of qualifications prescribed in the HOME Regulations. CHDOs must receive at least 15 percent of a participating jurisdiction's annual allocation of HOME funds. [Changes to the HOME Final Rule published in the Federal Register July 24, 2013 amended the qualifications to become a CHDO. The most significant changes include the requirement that the CHDO have demonstrated capacity for carrying out housing projects assisted with HOME funds. This requirement may NOT be met with a consultant, volunteer or board members. The CHDO must have paid staff with the demonstrated capacity. For complete qualification requirements see 24 CFR part 92.2](#)

Consolidated Plan

[Consolidated plan means the plan submitted and approved in accordance with 24 CFR part 91.](#)

HOME Assisted Units

A term that refers to units within a HOME project where HOME funds are used and rent, occupancy, or resale/recapture restrictions apply.

HOME Funds

HOME funds include all appropriations for the HOME Program, plus all repayments and interest or other return on the investment of these funds.

Homeownership

[Homeownership is defined as ownership in fee simple title in a 1- to 4-unit dwelling or in a condominium unit, or equivalent form of ownership approved by HUD. Changes to the HOME Final Rule published in the Federal Register July 24, 2013 clarified when a long term ground lease is acceptable and elucidated Contract for Deeds are not an acceptable form of ownership. For further information see 24 CFR part 92.2.](#)

Low-Income Families

Families whose annual incomes do not exceed 80 percent of the median income for the area (adjusted for family size). HUD may establish income ceilings higher or lower than 80 percent of median income for an area on an exception basis. [Changes to the HOME Final Rule published in the Federal Register July 24, 2013 amended the definition to append an individual does not qualify as a low-income family if the individual is a student who is not eligible to receive Section 8 assistance under 24 CFR 5.612.](#)

Attachment “E” HOME Program Description

XVIV. HOME PROGRAM DEFINITIONS

New Construction

For purposes of the HOME Program, new construction is any project with commitment of HOME funds made within one year of the date of initial certificate of occupancy. Any project that includes the creation of additional dwelling units outside the existing walls of a structure is also considered new construction.

Program Income

Changes to the HOME Final Rule published in the Federal Register July 24, 2013 clarified HUD’s long standing position that Gross income from the use or rental of real property that was acquired, rehabilitated, or constructed with HOME funds, less costs incidental to generation of the income (Program income does NOT include gross income from the use, rental or sale of real property received by the project owner, unless the funds are paid by the project owner to the PJ.

Project

A site or an entire building or two or more buildings, together with the site or sites on which the building or buildings is/are located, that are under common ownership, management and financing and are to be assisted with HOME funds, under a commitment by the owner, as a single undertaking. If there is more than one site associated with the project, the sites must be within a four (4) block area.

Project Completion

All necessary title transfer requirements and construction work have been performed; the project complies with the requirements of 24 CFR part 92 including the property standards under §92.251; the final drawdown of HOME funds has been disbursed for the project; and the project completion information has been entered into IDIS.

Purchase Price

See Acquisition Cost.

Recapture

Any HOME homeownership activity available under the Wyoming HOME Program is subject to Resale or Recapture provisions. To ensure a fair return to the homebuyer based on economic conditions as well as the condition of the home, any appreciation will be allocated on a pro-rata share “Allocated Pro-Rata Share”. All direct subsidies, funds that enable the homebuyer to purchase the property, and the “Allocated Pro-Rata Share” of the Net Proceeds, under this activity will be subject to Recapture. The entire HOME subsidy and the “Allocated Pro-Rata Share” of the Net Proceeds will be recaptured by WCDA and returned to the WCDA HOME Investment Partnerships Program. The “Allocated Pro-Rata Share” shall equal the Minimum Affordability Period committed to in the application for funding or the minimum years specified above in Section IV “~~Homeowner Rehab~~HOME/WRAP”, Item A-C “Affordability Period”, whichever is greater, less the number of years the Homeowner occupied the property after the rehabilitation was completed, divided by the Minimum Affordability Period committed to in the application for funding or the minimum years specified above in Section IV “~~Homeowner Rehab~~HOME/WRAP”,

Attachment “E” HOME Program Description

XVIV. HOME PROGRAM DEFINITIONS

Item ~~A-C~~ “Affordability Period” whichever is greater. The “Net Proceeds” shall equal the Gross Sales Price less the appraised value prior to the rehabilitation, and Closing Costs approved by WCDA. (Federal Regulations prohibit anyone from profiting from the use of Federal Funds.)

The Recapture requirement must be stipulated in a lien document separate from the mortgage which must be recorded. These Recapture provisions will be achieved by having the following language in the Note and separate lien document, which is recorded in County records; “In the event of a sale (whether voluntary or involuntary) of the Property subject to the Mortgage, Borrower may be relieved from the obligation to pay a portion of amount due under this NOTE, including Principal, only if the sale results from an economic condition or factors beyond the Borrower’s control and not caused by the Borrower, such as unforeseen destruction or damage to the property and in the following, limited circumstance: If the net proceeds from the sale (net proceeds means the sale price minus closing costs of the sale) are not sufficient to pay all late charges, expenses, fees (including attorney’s fees) and any other charges plus the entire Principal amount then due, payment of the net proceeds resulting from the sale to Lender will constitute payment in full of this NOTE and borrower shall be released from liability for any further payment. Provided, however, that if the sale is voluntary, the amount of the sale price must be equivalent to a price that unrelated, willing buyers and sellers would agree upon according to real estate market conditions that exist at the time and place of sale, otherwise Borrower shall not be released from liability for any further payment, unless otherwise agreed by Lender.” WCDA shall utilize a different definition of Allocated Pro-Rata Share “Allocated Pro-Rata Share – WCDA”. The “Allocated Pro-Rata Share-WCDA” shall equal the total amount of any deferred loan granted by WCDA divided by the total original amortized loan amount plus the total original deferred loan amount.

Reconstruction

Reconstruction means the rebuilding, on the same lot, of housing standing on a site at the time of project commitment, except that housing that was destroyed may be rebuilt on the same lot if HOME funds are committed within 12 months of the date of destruction. The number of housing units on the lot may not be decreased or increased as part of a reconstruction project, but the number of rooms per unit may be increased or decreased.

State Recipient

Any unit of local government designated by a state to receive HOME funds. The state is responsible for ensuring the HOME funds allocated to State Recipients are used in accordance with the HOME regulations and other applicable laws.

Sub-recipient

Means a public agency or non-profit organization selected by a participating jurisdiction to administer all or a portion of the participating jurisdiction's HOME Program. A public agency or non-profit organization that receives HOME funds solely as a developer or owner of housing is not a sub-recipient.

Attachment “E” HOME Program Description

XVIV. HOME PROGRAM DEFINITIONS

Substandard Condition

any residence that does not comply with the standards noted in the most currently adopted edition of the Uniform Housing Code.

Substandard Condition but Suitable for Rehabilitation

any residence which does not comply with the standards noted in the most currently adopted edition of the Uniform Housing Code, yet is economically practical to rehabilitate. Meaning the cost of acquisition and rehabilitation does not exceed after rehabilitation value of the structure.

Targeting

Requirements of the HOME Program relating to the income or other characteristics of households that may occupy HOME assisted units.

Uniform Physical Condition Standards (UPCS)

Uniform national standards established by HUD pursuant to 24 CFR 5.703 for housing that is decent, safe, sanitary, and in good repair. Standards are established for inspectable items for each of the following areas: site, building exterior, building systems, dwelling units and common areas.

Very Low-Income

Families whose incomes (adjusted for family size) does not exceed 50 percent of the median income for the area. HUD may establish income ceilings higher or lower than 50 percent of median income for an area on an exception basis. An individual does not qualify as a very low-income family if the individual is a student who is not eligible to received Section 8 assistance under 24 CFR 5.612.

Attachment “F” Other Federal Requirements

Subpart H -- Other Federal Requirements under HOME

§ 92.350 Other Federal requirements.

§ 92.351 Affirmative marketing; minority outreach program.

§ 92.352 Environmental review.

§ 92.353 Displacement, relocation, and acquisition.

§ 92.354 Labor.

§ 92.355 Lead-based paint.

§ 92.356 Conflict of interest.

§ 92.357 Executive Order 12372.

§ 92.350 Other Federal requirements.

(a) The Federal requirements set forth in 24 CFR part 5, subpart A, are applicable to participants in the HOME program. The requirements of this subpart include: nondiscrimination and equal opportunity; disclosure requirements; debarred, suspended or ineligible contractors; and drug-free workplace.

(b) The nondiscrimination requirements at section 282 of the Act are applicable. These requirements are waived in connection with the use of HOME funds on lands set aside under the Hawaiian Homes Commission Act, 1920 (42 Stat. 108).

§ 92.351 Affirmative Marketing; Minority Outreach Program.

(a) *Affirmative marketing.*

(1) Each participating jurisdiction must adopt affirmative marketing procedures and requirements for rental and homebuyer projects containing 5 or more HOME-assisted housing units. Affirmative marketing steps consist of actions to provide information and otherwise attract eligible persons in the housing market area to the available housing with out regard to race, color, national origin, sex, religion, familial status or disability. (The affirmative marketing procedures do not apply to families with Section 8 tenant-based rental housing assistance or families with tenant-based rental assistance provided with HOME funds.)

(2) The affirmative marketing requirements and procedures adopted must include:

(i) Methods for informing the public, owners, and potential tenants about Federal fair housing laws and the participating jurisdiction's affirmative marketing policy (e.g., the use of the Equal Housing Opportunity logotype or slogan in press releases and solicitations for owners, and written communication to fair housing and other groups):

(ii) Requirements and practices each owner must adhere to in order to carry out the participating jurisdiction's affirmative marketing procedures and requirements (e.g. use of commercial media, use of

Attachment “F” Other Federal Requirements

community contacts, use of the Equal Housing Opportunity logotype, and display of fair housing poster):

- (iii) Procedures to be used by owners to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing without special outreach (e.g., use of community organizations, places of worship, employment centers, fair housing groups, or housing counseling agencies);
 - (iv) Records that will be kept describing actions taken by the participating jurisdiction and by owners to affirmatively market units and records to assess the results of these actions; and
 - (v) A description of how the participating jurisdiction will annually assess the success of affirmative marketing actions and what corrective actions will be taken where affirmative marketing requirements are not met.
- (3) A State that distributes HOME funds to units of general local government must require each unit of general local government to adopt affirmative marketing procedures and requirements that meet the requirement in paragraphs (a) and (b) of this section.
- (b) *Minority outreach.* A participating jurisdiction must prescribe procedures acceptable to HUD to establish and oversee a minority outreach program within its jurisdiction to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts entered into by the participating jurisdiction with such persons or entities, public and private, in order to facilitate the activities of the participating jurisdiction to provide affordable housing authorized under this Act or any other Federal housing law applicable to such jurisdiction. Section 85.36(e) of this title describes actions to be taken by a participating jurisdiction to assure that minority business enterprises and women business enterprises are used when possible in the procurement of property and services.

§ 92.352 Environmental Review.

- (a) *General.* The environmental effects of each activity carried out with HOME funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR parts 50 and 58.

Attachment “F” Other Federal Requirements

(b) *Responsibility for review.*

- (1) The jurisdiction (e.g., the participating jurisdiction or State recipient) or insular area must assume responsibility for environmental review, decision-making, and action for each activity that it carries out with HOME funds, in accordance with the requirements imposed on a recipient under 24 CFR part 58. No funds may be committed to a HOME activity or project before the completion of the environmental review and approval of the request for release of funds and related certification, except as authorized by 24 CFR part 58.
- (2) A State participating jurisdiction must also assume responsibility for approval of requests for release of HOME funds submitted by State recipients.
- (3) HUD will perform the environmental review, in accordance with 24 CFR part 50, for a competitively awarded application for HOME funds submitted to HUD by an entity that is not a jurisdiction.

§ 92.353 Displacement, relocation, and acquisition

- (a) *Minimizing displacement.* Consistent with the other goals and objectives of this part, the participating jurisdiction must ensure that it has taken all reasonable steps to minimize the displacement of persons (families, individuals, businesses, nonprofit organizations, and farms) as a result of a project assisted with HOME funds. To the extent feasible, residential tenants must be provided a reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary, and affordable dwelling unit in the building/complex upon completion of the project.
- (b) *Temporary relocation.* The following policies cover residential tenants who will not be required to move permanently but who must relocate temporarily for the project. Such tenants must be provided:
 - (1) Reimbursement for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation, including the cost of moving to and from the temporarily occupied housing and any increase in monthly rent/utility costs.
 - (2) Appropriate advisory services, including reasonable advance written notice of:
 - (i) The date and approximate duration of the temporary relocation;
 - (ii) The location of the suitable, decent, safe, and sanitary dwelling to be made available for the temporary period;

Attachment “F” Other Federal Requirements

- (iii) The terms and conditions under which the tenant may lease and occupy a suitable, decent, safe, and sanitary dwelling in the building/complex upon completion of the project; and
 - (iv) The provisions of paragraph (b)(1) of this section.
- (c) *Relocation assistance for displaced persons.*
- (1) *General.* A displaced person (defined in paragraph (c)(2) of this section) must be provided relocation assistance at the levels described in, and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655) and 49 CFR part 24. A "displaced person" must be advised of his or her rights under the Fair Housing Act and, if the comparable replacement dwelling used to establish the amount of the replacement housing payment to be provided to a minority person is located in an area of minority concentration, the minority person also must be given, if possible, referrals to comparable and suitable, decent, safe, and sanitary replacement dwellings not located in such areas.
 - (2) *Displaced Person.*
 - (i) For purposes of paragraph (c) of this section, the term displaced person means a person (family individual, business, nonprofit organization, or farm, including any corporation, partnership or association) that moves from real property or moves personal property from real property, permanently, as a direct result of acquisition, rehabilitation, or demolition for a project assisted with HOME funds. This includes any permanent, involuntary move for an assisted project, including any permanent move from the real property that is made:
 - (A) After notice by the owner to move permanently from the property, if the move occurs on or after:
 - (1) The date of the submission of an application to the participating jurisdiction or HUD, if the applicant has site control and the application is later approved; or
 - (2) The date the jurisdiction approves the applicable site, if the applicant does not have site control at the time of the application; or
 - (B) Before the date described in paragraph (c)(2)(i)(A) of this section, if the jurisdiction or HUD determines that the displacement

Attachment “F” Other Federal Requirements

resulted directly from acquisition, rehabilitation, or demolition for the project; or

- (C) By a tenant-occupant of a dwelling unit, if any one of the following three situations occurs:
 - (1) The tenant moves after execution of the agreement covering the acquisition, rehabilitation, or demolition and the move occurs before the tenant is provided written notice offering the tenant the opportunity to lease and occupy a suitable, decent, safe, and sanitary dwelling in the same building/complex upon completion of the project under reasonable terms and conditions. Such reasonable terms and conditions must include a term of at least one year at a monthly rent and estimated average monthly utility costs that do not exceed the greater of:
 - (i) The tenant's monthly rent before such agreement and estimated average monthly utility costs; or
 - (ii) The total tenant payment, as determined under 24 CFR 5.613, if the tenant is low-income, or 30 percent of gross household income, if the tenant is not low-income; or
 - (2) The tenant is required to relocate temporarily, does not return to the building/complex, and either
 - (i) The tenant is not offered payment for all reasonable out-of-pocket expenses incurred in connection with the temporary relocation; or
 - (ii) Other conditions of the temporary relocation are not reasonable; or
 - (3) The tenant is required to move to another dwelling unit in the same building/complex but is not offered reimbursement for all reasonable out-of-pocket expenses incurred in connection with the move, or other conditions of the move are not reasonable.
- (ii) Notwithstanding paragraph (c)(2)(i) of this section, a person does not qualify as a displaced person if:

Attachment “F” Other Federal Requirements

- (A) The person has been evicted for cause based upon a serious or repeated violation of the terms and conditions of the lease or occupancy agreement, violation of applicable federal, State or local law, or other good cause, and the participating jurisdiction determines that the eviction was not undertaken for the purpose of evading the obligation to provide relocation assistance. The effective date of any termination or refusal to renew must be preceded by at least 30 days advance written notice to the tenant specifying the grounds for the action.
 - (B) The person moved into the property after the submission of the application but, before signing a lease and commencing occupancy, was provided written notice of the project, its possible impact on the person (e.g., the person may be displaced, temporarily relocated, incur a rent increase), and the fact that the person would not qualify as a "displaced person" (or for any assistance under this section) as a result of the project;
 - (C) The person is ineligible under 49 CFR 24.2(g)(2); or
 - (D) HUD determines that the person was not displaced as a direct result of acquisition, rehabilitation, or demolition for the project.
- (iii) The jurisdiction may, at any time, ask HUD to determine whether a displacement is or would be covered by this rule.
- (3) *Initiation of negotiations.* For purposes of determining the formula for computing replacement housing assistance to be provided under paragraph (c) of this section to a tenant displaced from a dwelling as a direct result of private-owner rehabilitation, demolition or acquisition of the real property, the term initiation of negotiations means the execution of the agreement covering the acquisition, rehabilitation, or demolition.
- (d) *Optional relocation assistance.* The participating jurisdiction may provide relocation payments and other relocation assistance to families, individuals, businesses, nonprofit organizations, and farms displaced by a project assisted with HOME funds where the displacement is not subject to paragraph (c) of this section. The jurisdiction may also provide relocation assistance to persons covered under paragraph (c) of this section beyond that required. For any such assistance that is not required by State or local law, the jurisdiction must adopt a written policy available to the public that describes the optional relocation assistance that it has elected to furnish and provides for equal relocation assistance within each class of displaced persons.

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- (e) *Residential anti-displacement and relocation assistance plan.* The participating jurisdiction shall comply with the requirements of 24 CFR part 42, subpart C.
- (f) *Real property acquisition requirements.* The acquisition of real property for a project is subject to the URA and the requirements of 49 CFR part 24, subpart B.
- (g) *Appeals.* A person who disagrees with the participating jurisdiction's determination concerning whether the person qualifies as a displaced person, or the amount of relocation assistance for which the person may be eligible, may file a written appeal of that determination with the jurisdiction. A low-income person who is dissatisfied with the jurisdiction's determination on his or her appeal may submit a written request for review of that determination to the HUD Field Office.

§ 92.354 Labor.

- (a) *General*
 - (1) Every contract for the construction (rehabilitation or new construction) of housing that includes 12 or more units assisted with HOME funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a - 276a-5), to all laborers and mechanics employed in the development of any part of the housing. Such contracts must also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327 - 332).
 - (2) The contract for construction must contain these wage provisions if HOME funds are used for any project costs in § 92.206, including construction or non-construction costs, of housing with 12 or more HOME-assisted units. When HOME funds are only used to assist homebuyers to acquire single-family housing, and not for any other project costs, the wage provisions apply to the construction of the housing if there is a written agreement with the owner or developer of the housing that HOME funds will be used to assist homebuyers to buy the housing and the construction contract covers 12 or more housing units to be purchased with HOME assistance. The wage provisions apply to any construction contract that includes a total of 12 or more HOME-assisted units, whether one or more than one project is covered by the construction contract. Once they are determined to be applicable, the wage provisions must be contained in the construction contract so as to cover all laborers and mechanics employed in the development of the entire project, including portions other than the assisted units. Arranging multiple construction contracts within a single project for the purpose of avoiding the wage provisions is not permitted.

Attachment “F” Other Federal Requirements

- (3) Participating jurisdictions, contractors, subcontractors, and other participants must comply with regulations issued under these acts and with other Federal laws and regulations pertaining to labor standards and HUD Handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs), as applicable. Participating jurisdictions must require certification as to compliance with the provisions of this section before making any payment under such contract.
- (b) *Volunteers.* The prevailing wage provisions of paragraph (a) of this section do not apply to an individual who receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered and who is not otherwise employed at any time in the construction work. See 24 CFR part 70.
- (c) *Sweat equity.* The prevailing wage provisions of paragraph (a) of this section do not apply to members of an eligible family who provide labor in exchange for acquisition of a property for homeownership or provide labor in lieu of, or as a supplement to, rent payments.

§ 92.355 Lead-based paint

Housing assisted with HOME funds is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead-Based Paint Hazard Reduction Act of 1992 (42U.S.C. 4851-4856), and implementing regulations at part 35, subparts A, B, J, K, M and R of this title.

[64 FR 50224, Sept. 15, 1999]

§ 92.356 Conflict of Interest

- (a) *Applicability.* In the procurement of property and services by participating jurisdictions, State recipients, and sub-recipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, apply. In all cases not governed by 24 CFR 85.36 and 24 CFR 84.42, the provisions of this section apply.
- (b) *Conflicts prohibited.* No persons described in paragraph (c) of this section who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities, may obtain a financial interest or benefit from a HOME-assisted activity, or have an interest in any contract, subcontract or agreement with respect thereto, or the proceeds there under, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter.

Attachment “F” Other Federal Requirements

- (c) *Persons covered.* The conflict of interest provisions of paragraph (b) of this section apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the participating jurisdiction, State recipient, or sub-recipient which are receiving HOME funds.
- (d) *Exceptions: Threshold requirements.* Upon the written request of the participating jurisdiction, HUD may grant an exception to the provisions of paragraph (b) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME Investment Partnerships Program and the effective and efficient administration of the participating jurisdiction's program or project. An exception may be considered only after the participating jurisdiction has provided the following:
 - (1) A disclosure of the nature of the conflict, accompanied by an assurance that there has been public disclosure of the conflict and a description of how the public disclosure was made; and
 - (2) An opinion of the participating jurisdiction's or State recipient's attorney that the interest for which the exception is sought would not violate State or local law.
- (e) *Factors to be considered for exceptions.* In determining whether to grant a requested exception after the participating jurisdiction has satisfactorily met the requirements of paragraph (d) of this section, HUD will consider the cumulative effect of the following factors, where applicable:
 - (1) Whether the exception would provide a significant cost benefit or an essential degree of expertise to the program or project which would otherwise not be available;
 - (2) Whether the person affected is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted activity, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class;
 - (3) Whether the affected person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted activity in question;
 - (4) Whether the interest or benefit was present before the affected person was in a position as described in paragraph (c) of this section;
 - (5) Whether undue hardship will result either to the participating jurisdiction or the person affected when weighed against the public interest served by avoiding the prohibited conflict; and

Attachment “F” Other Federal Requirements

- (6) Any other relevant considerations.
- (f) *Owners and Developers*
- (1) No owner, developer or sponsor of a project assisted with HOME funds (or officer, employee, agent, or consultant of the owner, developer or sponsor) whether private, for profit or non-profit (including a community housing development organization (CHDO) when acting as an owner, developer or sponsor) may occupy a HOME-assisted affordable housing unit in a project. This provision does not apply to an individual who receives HOME funds to acquire or rehabilitate his or her principal residence or to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.
 - (2) *Exceptions.* Upon written request of a housing owner or developer, the participating jurisdiction (or State recipient, if authorized by the State participating jurisdiction) may grant an exception to the provisions of paragraph (f)(1) of this section on a case-by-case basis when it determines that the exception will serve to further the purposes of the HOME program and the effective and efficient administration of the owner's or developer's HOME-assisted project. In determining whether to grant a requested exception, the participating jurisdiction shall consider the following factors:
 - (i) Whether the person receiving the benefit is a member of a group or class of low-income persons intended to be the beneficiaries of the assisted housing, and the exception will permit such person to receive generally the same interests or benefits as are being made available or provided to the group or class:
 - (ii) Whether the person has withdrawn from his or her functions or responsibilities, or the decision-making process with respect to the specific assisted housing in question:
 - (iii) Whether the tenant protection requirements of § 92.253 are being observed:
 - (iv) Whether the affirmative marketing requirements of § 92.351 are being observed and followed; and
 - (v) Any other factor relevant to the participating jurisdiction's determination, including the timing of the requested exception.

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§ 92.357 Executive Order 12372

- (a) *General.* Executive Order 12372, as amended by Executive Order 12416 (3 CFR, 1982 Comp., p. 197 and 3 CFR, 1983 Comp., p. 186) (Intergovernmental Review of Federal Programs) and HUD's implementing regulations at 24 CFR part 52, allow each State to establish its own process for review and comment on proposed Federal financial assistance programs.
- (b) *Applicability.* Executive Order 12372 applies to applications submitted with respect to HOME funds being competitively reallocated under subpart J of this part to units of general local government.

Attachment “F” Other Federal Requirements

§ 92.358 Consultant activities

No person providing consultant services in an employer-employee type relationship shall receive more than a reasonable rate of compensation for personal services paid with HOME funds. In no event, however, shall such compensation exceed the limits in effect under the provisions of any applicable statute (e.g., annual HUD appropriations acts which have set the limit at the equivalent of the daily rate paid for Level IV of the Executive Schedule, see the Departments of Veterans Affairs and Housing and Urban Development, and Independent Agencies Appropriations Act, 1997, Pub. L. 104-204 (September 26, 1996)). Such services shall be evidenced by written agreements between the parties which detail the responsibilities, standards, and compensation. Consultant services provided under an independent contractor relationship are not subject to the compensation limitation of Level IV of the Executive Schedule.

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THE NSP1

Jurisdiction(s): (identify lead entity in case of joint agreements) Wyoming Community Development Authority	NSP Contact Person: Gayle Brownlee Address: Wyoming Community Development Authority 155 North Beech Street Casper, WY 82601 Telephone: 307-265-0603 Fax: 307-266-5414 Email: brownlee@wyomingcda.com
Jurisdiction Web Address: <ul style="list-style-type: none">(URL where NSP Substantial Amendment materials are posted)www.wyomingcda.com	

~~The Wyoming Community Development Authority (WCDA) is the state housing finance agency for Wyoming. WCDA administers several housing programs in the State of Wyoming, the largest of which is the Single Family Mortgage Purchase Program under which WCDA Participating Lenders are provided permanent loan financing at below market interest rates for homebuyers meeting the requirements of the federal Mortgage Revenue Bond Program.~~

The Wyoming Community Development Authority will be the responsible agency for the administration of the ~~Disaster Reporting Grant Recovery System (DRGR)~~ [Neighborhood Stabilization Program \(NSP\)](#) and the quarterly reporting submissions to the HUD field office in Denver.

NSP Assisted Programs for the State of Wyoming - ~~\$19,600,000~~ [No additional Grant Funds are anticipated under this program. However, as Program Income is generated the following activities will be eligible uses.](#)

- Wyoming Rehabilitation and Acquisition Program (WRAP), ~~\$13,929,303.00~~**
WCDA will acquire and rehabilitate foreclosed properties which will be sold to low and moderate income eligible buyers ~~via a drawing~~. -The targeted locations include the following counties:
 - Campbell, Fremont, Laramie, Natrona, Sweetwater, Uinta
 - Counties may be added or removed in the future depending on the foreclosure market.
- NSP Rental Opportunities (ReOpp), ~~\$2,930,771.27~~** – Financing for for-profit developers, non-profit entities and housing authorities to purchase and rehabilitate

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foreclosed and abandoned homes to be used as rental properties for low income persons. The eligible locations include the following counties:

- a. Campbell, Fremont, Laramie, Natrona, Sweetwater, Uinta
- b. Counties may be added or removed in the future depending on the foreclosure market.

~~3. **NSP Redevelopment Program, \$779,925.73**— Financing for for-profit developers, non-profit entities, or housing authorities to acquire and redevelop any property type. The housing unit may either be sold to an income eligible homebuyer or used as low, moderate, or middle income rental property. The eligible locations include the following counties:~~

- ~~a. Campbell, Fremont, Laramie, Natrona, Sweetwater, Uinta~~
- ~~b. Counties may be added or removed in the future depending on the foreclosure market.~~

~~4.3. **NSP Allowable Administrative Fees, \$1,960,000**— The NSP program allows an amount up to ten percent (10%) of the NSP grant amount to be used for general administration and planning activities as defined at 24 CFR 570.205 and 206. The NSP program also allows 10% of program income earned to be used for administrative fees.~~

A. AREAS OF GREATEST NEED

~~Provide summary needs data identifying the geographic areas of greatest need in the grantee’s jurisdiction.~~

~~**Note:** An NSP substantial amendment must include the needs of the entire jurisdiction(s) covered by the program; states must include the needs of communities receiving their own NSP allocation. To include the needs of an entitlement community, the State may either incorporate an entitlement jurisdiction’s consolidated plan and NSP needs by reference and hyperlink on the Internet, or state the needs for that jurisdiction in the State’s own plan. The lead entity for a joint program may likewise incorporate the consolidated plan and needs of other participating entitlement jurisdictions’ consolidated plans by reference and hyperlink or state the needs for each jurisdiction in the lead entity’s own plan.~~

~~HUD has developed a foreclosure and abandonment risk score to assist grantees in targeting the areas of greatest need within their jurisdictions. Grantees may wish to consult [this data](#), in developing this section of the Substantial Amendment.~~

~~Response:~~

~~**Neighborhood Stabilization Program (NSP) Needs Assessment**~~

~~**Anticipated Distribution of NSP Funds**~~

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The NSP Program requires states to distribute NSP funds to the areas of greatest need including those areas with the greatest percentage of home foreclosures, those areas with the highest percentage of homes financed by a subprime mortgage and to those areas identified by the grantee as likely to face a significant rise in the rate of home foreclosures. [According to HUD’s data for NSP determination](#) ~~Approximately~~ [approximately](#) 68% of the foreclosed homes can be found in the counties of Campbell, Fremont, Laramie, Natrona, Sweetwater, and Uinta. The NSP funds will be used in these counties.

Summary of Needs

[According to HUD’s 2008 numbers](#), ~~The~~ ~~the~~ counties that have the highest Estimated Number of Foreclosures are Laramie and Natrona both with more than 200 foreclosures; 285 and 256 respectively. Sweetwater County has more than 155 Estimated Number of Foreclosures and Campbell, Fremont, and Uinta have Estimated Number of Foreclosures in the 70’s.

Summary of Data

The data, tables and maps described in the Summary of Data can be found in Appendix A of the 2011 Program Description.

Table 1 presents the total number of loan applications in the state, by loan purpose. Over the 2004 through 2007 time period, this represents nearly 200,000 mortgage applications. Please note these data include both first and second mortgages.

Table 2 shows the just under 86,000 loan applications that were originated over this same period. Table 3 has separated these into High Annual Percentage Rate Loans (HALs), and non-HALs. The former represents loans originated more than three percentage points higher than comparable treasury instruments, and five percentage points for refinance loans. Over the four year period there were 18,875 such loans throughout Wyoming.

Table 4 details the NSP data released by HUD early in October 2008, aggregated to census tract and totaled by county. Since these data mostly represent percentage terms and a risk score, they do not actually give an idea as to the actual scale of the potential foreclosure or abandonment problems facing Wyoming. The estimated number of foreclosures and rate of foreclosure may be found in Tables 6 and 7.

Table 5 breaks down the information summarized in Table 3 by the number of HALs per census tract and county.

Map I illustrates NSP income qualifying and non-qualifying census tracts. To help you identify where the tracts actually are located, this map contains the tract number. Maps II through VI depict each of the concepts presented in Tables 4 and 5. Please note that Map VI presents the actual number of HALs seen in the respective census tract.

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Maps VII through XI demonstrate concepts similar to those in Maps I through VI, except that these are by county.

Tables 6 and 7 and Maps XII and XIII correspond with the HUD data on the number of foreclosures by census tract and county.

B. DISTRIBUTION AND USES OF FUNDS

~~Provide a narrative describing how the distribution and uses of the grantee’s NSP funds will meet the requirements of Section 2301(e)(2) of HERA that funds be distributed to the areas of greatest need, including those with the greatest percentage of home foreclosures, with the highest percentage of homes financed by a subprime mortgage related loan, and identified by the grantee as likely to face a significant rise in the rate of home foreclosures. *Note:* The grantee’s narrative must address these three stipulated need categories in the NSP statute, but the grantee may also consider other need categories.~~

Response:

Summary of Needs

The NSP Program requires states to distribute NSP funds to the areas of greatest need including those areas with the greatest percentage of home foreclosures, those areas with the highest percentage of homes financed by a subprime mortgage and to those areas identified by the grantee as likely to face a significant rise in the rate of home foreclosures. HUD puts the highest priority on the areas with the greatest number of foreclosures. NSP 3 required a focus on specific neighborhoods. ~~Since the application was submitted and approved, the foreclosures in the targeted area have gone down significantly. In an effort to get the funds working for the communities funds were re-allocated between NSP 1 and NSP3. Within the NSP 3 targeted area, which is also a targeted area for NSP 1, are two multifamily housing projects which were funded with NSP 1. These projects were transferred to NSP 3. This allowed a wider targeted area by opening up additional funding in NSP 1.~~

The majority of the funding for the NSP eligible activities will be distributed in the Counties of Laramie, Natrona, Sweetwater, Campbell, Fremont, and Uinta due to the larger number of foreclosed homes in these counties. ~~Over 68% of the estimated foreclosures for the State of Wyoming are in Campbell, Fremont, Laramie, Natrona, Sweetwater and Uinta counties.~~

~~WCDA is anticipating also using some of the NSP funds as a financing mechanism providing low interest financing to purchase foreclosed and abandoned homes. This funding will be available in the six selected counties through WCDA Participating Lenders.~~

The Tables and Maps located in Appendix A illustrate the areas of greatest need for Wyoming.

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All recipients need to be aware that due to the environmental review requirements and specifically 24 CFR Part 58.22, neither a recipient nor any participant in the development process, including public or private nonprofit or for-profit entities, or any of their contractors, may commit HUD assistance under a program listed in Sec. 58.1(b) on an activity or project until HUD or the state has approved the recipient's Request for Release of Funds (RROF) and the related certification from the responsible entity. In addition, until the RROF and the related certification have been approved, neither a recipient nor any participant in the development process may commit non-HUD funds on or undertake an activity or project under a program listed in Sec. 58.1(b) if the activity or project would have an adverse environmental impact or limit the choice of reasonable alternatives.

This means that once a decision has been made to use federal money for the project no action can be taken on the property by either the recipient, sub-recipient or a third party (such as a contractor or developer) until after the project has received environmental clearance. This rule is triggered by intent rather than when application is made. For acquisition the environmental review must be completed prior to the use of NSP funds. For rehabilitation, no activity can be started until after environmental clearance is received.

C. DEFINITIONS AND DESCRIPTIONS

(1) Definition of “blighted structure” in context of state or local law.

Response:

The definition of “blighted structure” for the State of Wyoming was derived from the statutory definition of blighted area in W.S. 15-9-103.

"Blighted structure" means a structure which may be located in a slum area, a deteriorated or deteriorating structure, a structure which may have inadequate legal access, a structure with a faulty floor plan or room layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessments, delinquency exceeding the fair value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of those factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use.

“Slum area” means an area in which there is a predominance of buildings or improvements, whether residential or nonresidential, which by reason of dilapidation, deterioration, age or obsolescence, inadequate provision for ventilation, light, air, sanitation, or open spaces, high density of population and overcrowding, or the existence of conditions which endanger life or

Attachment “G” NSP (1) Program Description

property by fire and other causes, or any combination of those factors is conducive to ill health and is detrimental to the public safety, morals or welfare.

(2) Definition of “affordable rents.” ~~Note: Grantees may use the definition they have adopted for their CDBG program but should review their existing definition to ensure compliance with NSP program specific requirements such as continued affordability.~~

Response:

Affordable rent is determined to be the HUD Low HOME Rents or fair market rent whichever is less. Fair market rent is determined by HUD guidelines and includes tenant paid utilities. Please refer to the WCDA website for the current rents:

http://www.wyomingcda.com/index.php?option=com_content&task=view&id=162&Itemid=162

(3) Describe how the grantee will ensure continued affordability for NSP assisted housing.

Response:

All residential properties will have a 30-year mortgage placed upon them. The property may also have a soft second mortgage triggered by the sale of the property, transfer of title, or when the property is no longer owner occupied.

(4) Describe housing rehabilitation standards that will apply to NSP assisted activities.

Response:

At minimum, all properties financed utilizing NSP funds must meet FHA Housing Quality Standards. In addition, all properties to be rehabilitated must meet the Property Rehabilitation Standards as outlined in Appendix B and ensure local, state or national building codes will be followed.

Properties under the Wyoming Acquisition & Rehabilitation Program (WRAP) will be visited by WCDA staff and evaluated for participation in the WRAP program prior to any offers being submitted. All properties must be structurally sound or have the ability to be made structurally sound. In the event that a property is not structurally sound and/or the cost of rehabilitation would exceed the after rehabilitation value it would be possible under the WRAP program to demolish the current structure and place a new structure on the existing site. New properties may be stick built or modular construction. Properties must be attached to a permanent foundation. A preliminary inspection, including photographs, will be completed at that time using at minimum the FHA Housing Quality Standards, which will note all health and safety violations along with other potential concerns which may require specialized inspection at a later date, and the Property Rehabilitation Standards as outlined in Appendix B. The property will also be evaluated for environmental concerns. All properties selected for the WRAP program

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will be brought up to local, state, or national building code (whichever is more restrictive). The major systems of the property, such as electrical, plumbing, heating, roofing, and foundation, will be addressed first. ~~It is the intent of the WRAP program to bring the properties to a standard of substantially rehabilitated.~~

D. LOW INCOME TARGETING

~~Identify the estimated amount of funds appropriated or otherwise made available under the NSP program to be used to purchase and redevelop abandoned or foreclosed upon homes or residential properties for housing individuals or families whose incomes do not exceed 50 percent of area median income: \$4,900,000~~

~~**Note:** At least 25% of funds must be used for housing individuals and families whose incomes do not exceed 50 percent of area median income.~~

Response:

As required under the NSP Program at least 25% of ~~the \$19.6 million allocation~~ Grand Funds plus Program Income must benefit individuals or families whose income does not exceed 50 percent of area median income. Wyoming has chosen to specifically target all eligible housing activities towards low income households. Lower interest rates or a preference within the program design will be available in an effort to encourage homeownership or benefit to households at or below 50% of AMI. The Rental Opportunities Program, ~~the Redevelopment Program,~~ and the WRAP Program will be used to meet the set-aside requirements.

The low (50%), moderate (80%), and middle (120%) income levels broken down by county and family size can be accessed on WCDA's website at www.wyomingcda.com.

Attachment “G” NSP (1) Program Description

E. ACQUISITIONS & RELOCATION

~~Indicate whether grantee intends to demolish or convert any low and moderate income dwelling units (i.e., \leq 80% of area median income).~~

~~If so, include:~~

- ~~• The number of low and moderate income dwelling units—i.e., \leq 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.~~
- ~~• The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., \leq 120% of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).~~
- ~~• The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.~~

Response:

Demolition is an eligible activity. Any structure that is demolished must meet the requirement of being a blighted structure. If a structure is demolished there must be a benefit to low, moderate and middle income persons.

It is anticipated that properties selected under the WRAP and the ReOpp programs may include demolition of a previously foreclosed property. If a structure is demolished under the Demolition for Housing Program and the NSP Redevelopment Program, a housing unit must be produced following the demolition of the existing structure. It is noted that the NSP Program regulations waived the One-for-One Replacement requirement; however, when possible and most reasonable a replacement unit will ~~Wyoming is in serious need of affordable, quality housing so the replacement of any demolished housing unit will be required. Demolition under the NSP Program will only be funded if it is part of an affordable housing activity. A replacement dwelling must~~ be constructed and the property made available to a low income (50% AMI) or moderate income (80%) persons. ~~Preference under this option will be for low income persons. The estimate for demolition under the WRAP program, the ReOpp Program, Demolition for Housing Program, and the NSP Redevelopment Program is zero (0) units.~~

F. PUBLIC COMMENT

~~Provide a summary of public comments received to the proposed NSP Substantial Amendment.~~

~~**Note:** proposed NSP Substantial Amendment must be published via the usual methods and posted on the jurisdiction’s website for no less than 15 calendar days for public comment.~~

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Response:

In 2011 when the program was created ~~A~~a Notice of Public Comment was published in the Casper Star-Tribune and the Wyoming Eagle Tribune on September 21, 2011. The draft Substantial Amendment was available on the WCDA website at www.wyomingcda.com from September 21, 2011 through October 5, 2011, and a Public Hearing was held October 7, 2011. No comments were received during the public comment period. Additional Public Comment Periods were held each time any changes were made to the program and no comments were received during these additional public comment periods. ~~The final Substantial Amendment will be posted on www.wyomingcda.com following the comment period.~~

~~Summary of comments received during the public comment period:~~

~~Comment 1:~~

~~Response 1:~~

Comments on the NSP programs are welcome at any time and may be directed to brownlee@wyomingcda.com or WCDA – NSP Comments, P.O. Box 634, Casper, WY 82602. Please note that official plan changes can only be made as part of a substantial amendment or during the annual consolidated plan process. Comments received outside of an official comment period will be included in the next official public comment period. If you have questions at any time please contact WCDA at 307-265-0603.

Attachment “G” NSP (1) Program Description

G. NSP INFORMATION BY ACTIVITY ~~(COMPLETE FOR EACH ACTIVITY)~~

(1) Activity Name: **Wyoming Rehabilitation and Acquisition Program (WRAP)**

(2) Activity Type: ~~(include NSP eligible use & CDBG eligible activity)~~

NSP Eligible Use

§2301(c)(3)(B) purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

CDBG Eligible Activity

- 24 CFR 570.201
- (a) Acquisition
- (b) Disposition
- (i) Relocation
- (n) Direct homeownership assistance to persons whose incomes do not exceed 120% of median income
- 24 CFR 570.202 Eligible rehabilitation and preservation acquisition activities for homes and other residential properties.

(3) National Objective: ~~(Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice— i.e., ≤120% of area median income).~~

All activities will meet the national objective of benefiting low, moderate and middle income persons.

(4) Activity Description:

~~Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.~~

The WRAP program may be used to meet the low income housing requirement for those at or below 50% of AMI.

Under the WRAP program WCDA will use NSP funding to purchase foreclosed or abandoned properties ~~from the Department of Housing and Urban Development (HUD), the Veterans Administration (VA), Rural Development (RD), Wyoming lending institutions, Private Mortgage Insurance (PMI) companies, and from public foreclosure proceedings.~~ The foreclosed properties will be rehabilitated and sold to low and moderate income eligible buyers ~~via a drawing system in order~~ to provide homeownership opportunities while preserving existing housing stock and revitalizing neighborhoods.

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~~Under the Wyoming Rehabilitation and Acquisition Program, WCDA intends to use the NSP funds to purchase foreclosed properties.~~ In order to be eligible for the NSP Program, the ~~mortgage insurer/guarantor~~seller must be willing to sell the property for not more than 99% of the current appraised value as defined in the NSP regulations.

~~WCDA will provide a complete paper trail for each of these transactions. Among the documents to be provided in WCDA’s NSP files will be current appraisals, purchase agreements, rehabilitation costs and complete resell documents for the sale of the property to the homebuyer.~~

WRAP Program Eligibility

Basic applicant eligibility requirements include:

1. The applicant must be a Wyoming resident.
2. The applicant must be at least eighteen (18) years of age.
3. The applicant must be a United States citizen or a resident alien.
4. The property must be the applicant’s primary residence for the term of the loan.
5. The applicant must meet specific income and credit requirements.
6. The applicant must pay a \$20.00 application fee.
7. The applicant must have a steady income stream.
8. Each applicant must have a credit record that demonstrates they are financially responsible. The applicant must have a minimum 620 FICO score and meet FHA credit underwriting standards.
9. All household members’ credit age 18 or older will be considered.
10. All household members’ anticipated income age 18 or older will be considered, this includes anyone who will be occupying the property, and any family members not living in the household.
11. A minimum gross income of \$1,500 per month is required.
12. The applicant must be able to contribute a minimum of 25% of their gross income towards the principal, interest, taxes, and insurance payment, a maximum housing debt to income ratio of 31%, and not exceed a total debt to income ratio of 43%.
13. The Household’s total assets cannot exceed \$50,000.
14. No current judgments, collections or bankruptcy.
15. The applicant must be able to make a down payment at closing of -the greater of an amount equal to the first year's taxes and insurance or \$2,500.00.
16. Household Income must be at or below 120% of the Area Median Income.
- ~~15:~~17. The applicant must complete Homebuyer Education prior to closing as required by the NSP Rules and Regulations.

The applicant must attend and complete a HUD approved homebuyer education program prior to closing on an NSP assisted property. ~~The Wyoming Housing Network, Inc. offers an in-person class. All eligible candidates will be required to participate in a one-on-one counseling session with the Wyoming Housing Network in addition to the in-person class. If an applicant who is successful in a property drawing cannot or chooses not to attend the homebuyer education class prior to the scheduled closing on the property then the applicant will forfeit all rights to the~~

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~~property and the sale will be cancelled and the home will be made available at the next scheduled drawing.~~

Preference will be given to applicants, who currently work or reside in the city, town, or county of the NSP assisted foreclosed property. ~~WCDA employees, members of the WCDA Board of Directors, and their immediate family members are not eligible to participate in the Program.~~

~~Homeownership opportunities for households at or below 80% of the area median income (AMI) are limited. Therefore, the WRAP program will target appropriate properties for those households at or below 80% AMI. If it is determined that an eligible property is ADA accessible or is easily rehabilitated to be ADA accessible the household selected must demonstrate a need for the accommodations and the household income must be at or below 100% of AMI. The program may, at the administrators’ discretion, open the WRAP program to participants with household income between 101% AMI and 120% AMI.~~

~~The program may, at the administrators’ discretion, make the WRAP properties available for sale to income eligible homebuyers (up to 120% AMI) outside of the WRAP program. Properties will generally be listed through the WRAP program for at least six months before being considered for general sale. All homebuyers will be required to complete the homebuyer education prior to closing. The homebuyers will also be responsible for arranging their own financing. WCDA may sell the properties directly or realtor services may be procured. All proceeds from the sale of the WRAP properties will be returned to the NSP program.~~

Property Selection

All properties selected must have been foreclosed upon or meet the NSP definition for Abandoned and WCDA, through the WRAP program, must be the first purchaser following said foreclosure proceedings. All properties must have an appraisal completed within 60 days of the offer date and the purchase price cannot exceed 99% of the current market value. It is WCDA’s intent to purchase the properties at the lowest reasonable price possible. ~~Properties will be visited by WCDA staff and evaluated for participation in the program prior to any offers being submitted. All properties must be structurally sound or have the ability to be made structurally sound. In the event that a property is not structurally sound and/or the cost of rehabilitation would greatly exceed the after rehabilitation value WCDA has the option to demolish the current structure and place a new structure on the existing site. New properties may be stick built or modular construction. Properties must be attached to a permanent foundation. A preliminary inspection, including photographs, will be completed using at minimum the FHA Housing Quality Standards which will note all health and safety violations along with other potential concerns which may require specialized inspection at a later date.~~ The property will also be evaluated for environmental concerns. All properties selected for the program will be brought up to local, state, or national building code (whichever is more restrictive). The major systems of the property, such as electrical, plumbing, heating, roofing, and foundation, will be addressed first. ~~It is the intent of the WRAP program to bring the properties to a standard of substantially~~

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~~rehabilitated. However, that does not mean that the property will automatically receive a cosmetic update.~~

Properties will also be evaluated based on the economic feasibility and the affordability of the as repaired home for low and moderate income homeowners. The maximum amount of NSP funds to be expended on any one property is \$275,000, which includes the cost of acquisition, rehabilitation, and carrying costs. Properties requiring environmental mitigation such as lead-based paint remediation or illegal drug residue remediation may have additional costs associated and such costs are not subject to the \$275,000 cap. The location of the properties is subject to the availability of foreclosed properties ~~and therefore specific neighborhoods cannot be targeted for improvement using NSP funds. However, the program will generally target older properties that have fallen into a state of disrepair. It is the intent of the program to increase the economic life of the properties.~~

A HUD Environmental Review is required of all assisted properties. All properties constructed prior to 1978 will also require a lead based paint inspection. If lead based paint is present then lead safe work practices must be used and the contractors must be certified. ~~All properties will also be tested for illegal drug usage. Properties that test positive will be remediated prior to any rehabilitation work being completed. All properties will be tested for Radon and will be remediated if necessary.~~

The Davis-Bacon Act will apply to all projects with 8 or more units. It is anticipated each property will be a single contract and therefore would not trigger Davis-Bacon. ~~The rehabilitation contract will include one property.~~ The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and the Lead Safe Housing Rule will also apply.

Property Rehabilitation

Once a property has been selected for the WRAP program WCDA staff will prepare a detailed work write-up and cost estimate for the property. ~~All properties built prior to 1978 will be tested for lead based paint and any rehabilitation required will be completed in accordance with lead safe work practices and all contractors must be lead certified. All properties will be tested for illegal drug residue. Any property that tests positive will require mitigation prior to any rehabilitation work being completed.~~ An environmental review must be completed for all properties prior to purchase and the start of any rehabilitation.

Properties will be evaluated for health, safety, and code violations. Repair of those items will be completed for all properties ~~using NSP funds.~~ Once the health, safety and code violations have been address the property will be evaluated for cosmetic and general wear and tear items. Cosmetic and general wear and tear items will be addressed if the budget allows. ~~At a minimum, all properties will receive a thorough cleaning, both inside and out. The appliances will only be considered for replacement if they are not functioning properly, economic life is unknown,~~

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~~and/or repair is not economically feasible, or if appliances are not currently present in the property.~~

Application for Properties

Application packets for the WRAP program will be made available at the WCDA office, via the internet, through local realtors, and or by U.S. Postal Service, upon by request. WCDA will also market and provide outreach in the eligible counties in order to solicit participation in the program from persons with household incomes at or below 80% of AMI. Households with incomes in excess of 80% AMI will not be eligible to participate in the drawing unless:

1. There are no households at or below 80% of AMI interested in the specific property.
2. The households at or below 80% of AMI who are interested in the specific property cannot meet minimum underwriting standards.
3. The property is considered ADA accessible and then households up to ~~100~~120% of AMI are eligible to participate in the drawing, ~~however, preference will not be given to either income group.~~
4. The property following rehabilitation exceeds an affordable amount for a 80% or less AMI household. Keep in mind that while the mortgage may be written to an affordable level the cost of the taxes and insurance and general property maintenance on a more expensive home will be higher and may not be considered affordable for a 80% or less AMI household.

~~The application packet will contain an initial application, the WRAP program description, and applicant responsibilities if awarded a property. A list of properties is available on WCDA's website or upon request. The applicant should return the completed initial application along with all verification information at least 45 days prior to any property drawing to ensure eligibility for said drawing. All initial applications will be reviewed by WCDA staff to determine if the applicant meets the basic eligibility requirements. Applicants may be referred for credit counseling to assist them in repairing credit in order to be “mortgage ready”. The review will include verification of data relating to income, employment, financial/banking/investment information, rental history, and credit report. If an applicant is not eligible they will receive notification in writing of said determination. All applicants who meet the basic eligibility requirements will be contacted by telephone to discuss the program requirements and to make sure that the applicant understands the process and the requirements. If the applicant confirms that they are in fact interested in the program and agree to the conditions, their name will be entered into a drawing for the homes they have selected within their eligibility level.~~

In addition to having to meet FHA underwriting standards that include income and credit requirements the applications will also be reviewed and a determination will be made as to the

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appropriateness of the size of the property to prevent overcrowding or over housing. The standards are as follows:

- A single or two person household is eligible to apply for a house with one (1) or two (2) bedrooms. A three person household is eligible for a house with three (3) bedrooms and a four person household is eligible for a house with four (4) bedrooms, etc.
- Families shall be housed with no more than two persons per bedroom.
- Exceptions may be made to the occupancy requirements for unusual circumstances. The applicant must submit a written request with their application and the decision will be made on a case by case basis.

~~Once qualified, applicants will be required to have a meeting with WCDA staff to discuss the terms and to collect additional information in order to determine if they meet the full underwriting criteria. FHA underwriting standards will be used. WCDA will originate all WRAP program loans. The loan underwriting must take place within 4 weeks of the drawing date and the applicant must be approved before they are officially awarded a home. If an applicant fails to meet the underwriting criteria or it is determined that they did not meet the basic eligibility requirements the property will be returned to the pool or offered to the second place designee (if drawn). Applicants who were determined to be eligible but who were not selected during the initial drawing will be notified of future drawings..~~

~~Notification of Open House and Three Day Cooling Off Period~~

~~Eligible applicants will be notified of the open house date and times on the properties for which they are eligible. They will also have a “three day cooling off period” in which they can make the decision whether or not they wish to participate in the WRAP program. The cooling off period also gives the applicants time to gauge their interest in a particular property therefore avoiding buyer’s remorse should they be selected to purchase the property.~~

~~Execution Sale of the Property Drawing to Qualified Household~~

~~Properties will be listed with local Realtors. The first ten days of the listing properties will be held for Households with incomes at or below 50% AMI. distributed through a drawing system. Qualified applicants will be entered into a drawing on the properties, of their choice, for which they are eligible. The size of the household, the income of the household, credit eligibility, debt ratios, cost of property taxes, homeowners association dues, covenants, future upkeep, and property insurance will all be taken into consideration when determining the eligibility criteria of the household. Applicants may be eligible for more than one property; however, they will only be able to take possession of one property. The drawing will be a public drawing held in the community that the properties are located and eligible households along with members of the public are encouraged to attend.~~

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After an offer has been accepted ~~the drawing has been conducted~~ a meeting will be held with the potential homeowners to ~~discuss what they should expect.~~ explain what is expected of them, and review all the documents they will be signing to purchase the property.

- ~~1. They will be required to execute a 30-year loan for the property during which time they are expected to occupy the property as their primary residence. The residence may not be used as rental property at any time.~~
- ~~2. The amount of the loan will be discussed and possibly set if full underwriting has taken place. The terms of the soft second mortgage and equity share upon sale provision (if applicable) will be discussed as well as any additional restrictions placed upon the property. The first mortgage will be calculated using the applicant’s income and at least 25% of their gross income must be contributed towards the mortgage payment. Up to 50% of the cost of the house may be taken as a soft second and an equity share provision may be incorporated into the mortgage.~~

~~**Example**—The Smith family (dad, mom, and 2 children) live in Cheyenne and together they earn \$24,000 a year. The 50% AMI limit for a family of 4 in Laramie County is \$31,300 so the household is determined to be income eligible for the WRAP program. The household must contribute a minimum of 25% of their gross monthly income towards the principal, interest, taxes and insurance payment (PITI) each month. The maximum debt to income ratio for housing cannot exceed 31% so it is possible that the required monthly contribution would be higher than 25%. In this example the minimum monthly contribution required is \$500 ($\$24,000 \times 25\% / 12$). It is estimated that approximately \$150 per month is required for taxes and insurance so the household would have at least \$350 per month to pay the principal and interest on a mortgage. If the total acquisition cost of the home was \$150,000, 30 year term, 1% interest rate, the principal and interest payment would be \$482.46. The family could not reasonably afford the PITI payment of \$632.46 ($\$482.46 + \150) without assistance. Under the WRAP program, the mortgage on the property would include both an amortized loan amount (requiring a monthly payment) and a deferred loan amount of up to 50% of the cost of the house (requiring repayment at the time of sale, transfer of title, or when the property ceases to be the primary residence of the family). In this example, it would be reasonable to structure the \$150,000 loan as \$110,000 amortized and \$40,000 deferred. A \$110,000 amortized loan for 30 years at a 1% interest rate would require a monthly principal and interest payment of \$353.80. When you add the taxes and insurance payment of \$150 per month, the total payment for the household is estimated to be \$503.80 (a monthly savings of approximately \$128.66 and a PITI ratio of 25.2%).~~

- ~~3. The applicant will be made aware of their responsibilities as a homeowner such as utility payments, taxes, insurance, homeowner’s association fees, covenants, and routine maintenance. The applicant will also be made aware of the rehabilitation work that was performed on the property and any warranties that may apply.~~
- ~~4. The applicant will be questioned regarding their participation in the WRAP program and whether or not they have any reservations about the program or the property.~~

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- ~~5. Closing for the properties is expected to take place within 75 days from the date of the drawing.~~
- ~~6. If closing takes place more than six months from the date of the original application an update to the application must be made to verify current eligibility before the applicant may be entered in future drawings.~~

Mortgage Loan Financing Structure

1. Applicants will be required to contribute at least 25% of their gross monthly income towards the first mortgage payment. Their housing debt to income ratio cannot exceed 31% and their total debt to income ratio cannot exceed 43%. FHA credit underwriting standards will be used to underwrite the loan.

2. All loans will have a 30 year term. The interest rate of the loan is fixed and based upon household income.

Percentage of Area Median Income	Interest Rate
Up to 50%	1.00%
51% to 80%	2.00%
81% to 120%	3.00%

3. The amount of the mortgage will be sales price less any down payment paid by the purchaser. Borrowers required contribution towards the loan repayment, is insufficient to cover the mortgage amount, up to 30% of the purchase price may be deferred and become due and payable when the purchaser no longer occupies the property as their primary residence. If with the 30% deferred loan, borrower still cannot make sufficient monthly payments to cover the balance, borrowers do not qualify to purchase the property. ~~based on the applicant’s income and their ability to qualify for a loan covering the cost of the purchase, rehabilitation and carrying costs. The difference between the actual cost of purchase, rehabilitation and carrying costs and the amount the borrower can qualify for will be recaptured as a deferred loan which will be part of the mortgage and will be recaptured upon sale of the property, transfer of title, or when the property ceases to be the primary residence of the mortgage holder. No more than 50% of the purchase price will be deferred.~~

4. If, in the future, market conditions are such that the ~~mortgage holder~~seller cannot sell the property for enough to repay the mortgage (both the amortized and deferred portions) in full then the balance remaining after the Net Proceeds are used to retire the debt on both the amortized portion and the deferred portion, will be forgiven. (Net Proceeds are the sales price minus superior loan repayments and any closing costs). To document if a fair market price is obtained, WCDA has the right to purchase an appraisal to be used to determine the Net Proceeds.

~~The monthly payments collected on the loans (program income) will be returned to the general NSP program and recycled for future use by any and all NSP eligible activities. All mortgages will be serviced by the WCDA.~~

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- (5) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)

The counties identified as having the highest number and percentages of foreclosed homes include Campbell, Fremont, Laramie, Natrona, Sweetwater and Uinta. ~~Additional~~ Locations may be added or deleted depending on the foreclosure market.

~~The specific location of the properties will vary depending on where the foreclosures take place, who owns the foreclosed properties, and if the owner is willing to sell the property to WCDA and the WRAP program at a discounted rate. Properties located in areas identified as higher risk may be given priority evaluation for selection into the program. It is likely that several properties, if available, may be selected in a community at one time to encourage economies of scale in the rehabilitation process and also to allow some choice for the applicants. The initial selection of Campbell, Fremont, Laramie, Natrona, Sweetwater and Uinta Counties is based on the estimated number of foreclosures as listed in Table 6 of Appendix A. These counties have been identified as have at least 70 foreclosures. Laramie and Natrona counties have 285 and 256 foreclosures respectively.~~

- (6) Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent).

As the original allotment of NSP Grant funds has been expended the number of homes estimated to be completed depends on the amount and timing of the Program Income received. WCDA will keep a constant monitoring of the amount of funds expended in order to meet the requirement of serving households at or below 50% of the AMI with 25% of the funding. ~~We hope to be able to acquire and rehabilitate 85 homes at an average cost of \$190,000. The estimated income levels of households benefiting are:~~

~~— ≤ 50% AMI — 12 units (to meet the 25% at or below 50% of AMI requirement)
— 51% to 80% — 68 units
— 81% to 120% — 5 units~~

- (7) Total Budget: (Include public and private components)

\$13,929,303.00 of the NSP allocation has been allocated to assist households participating in the WRAP Program. It is estimated \$4.5 million will be available from Program Income and that ~~125~~ homes can be acquired, rehabilitated and sold to income eligible borrowers who are at or below 50% AMI. It is estimated that ~~68-15~~ homes can be acquired, rehabilitated and sold to

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income eligible borrowers who are at 51% or below 80% of AMI. ~~It is estimated that 5 homes can be acquired, rehabilitated and sold to income eligible borrowers who are at 81% or below 120% of AMI.~~

Funds may be reallocated on a first come first serve basis for other eligible NSP activities.

~~(8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)~~

~~Wyoming Community Development Authority~~

~~155 North Beech Street~~

~~Casper WY 82601~~

~~307-265-0603~~

~~Gayle Brownlee~~

~~(9) Projected Start Date: March 20, 2009~~

~~(10) Projected End Date: March 20, 2013 (All NSP monies must be allocated to a specific property by this date. The program will continue beyond March 20, 2013 through the use of program income.)~~

~~(11) Specific Activity Requirements:~~

~~For acquisition activities, include:~~

- ~~• discount rate — all properties must be acquired at a minimum discount of 1% provided that each property is evaluated individually to determine an appropriate discount taking into account the estimated carrying costs and holding period if the property were not purchased with NSP funds. WCDA will attempt to acquire properties at a greater discount if possible.~~

~~For financing activities, include:~~

- ~~• range of interest rates~~

Percentage of Area Median Income	Interest Rate
Up to 50%	1.00%
51% to 80%	2.00%
81% to 120%	3.00%

~~For housing related activities, include:~~

- ~~• duration or term of assistance;~~
- ~~• tenure of beneficiaries — rental or homeownership;~~
- ~~• a description of how the design of the activity will ensure continued affordability~~

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~~Duration—30 year mortgage~~

~~Tenure—homeownership~~

~~Affordability—A 30 year mortgage will be placed on all properties. The amount of the mortgage will be equal to the purchase price of the property, the rehabilitation cost, and any carrying costs. The mortgage will most likely consist of an amortized portion and a deferred portion of the loan. The deferred portion will be a second mortgage executed to recapture the outstanding balance between the amount of the first mortgage and the after rehabilitation appraisal.—The second mortgage will become due and payable at the time the homeowner sells the property, transfers title to the property, or the property ceases to be the homeowner’s primary residence. The funds will be returned to the NSP Program as program income and will be used for NSP eligible activities. Program income, regardless of the NSP program it originated from must be used to fund the next eligible NSP program draw.—The payment of principal and interest becomes program income to the NSP Program and will be recycled for NSP eligible activities.~~

Attachment “G” NSP (1) Program Description

(1) Activity Name: NSP Rental Opportunities Program (ReOpp)

(2) Activity Type: (include NSP eligible use & CDBG eligible activity)

NSP Eligible Use

§2301(c)(3)(B) purchase and rehabilitate homes and residential properties that have been abandoned or foreclosed upon, in order to sell, rent, or redevelop such homes and properties.

CDBG Eligible Activity

- 24 CFR 570.201
- (a) Acquisition
- (b) Disposition
- (i) Relocation
- (n) Direct homeownership assistance to persons whose incomes do not exceed 120% of median income
- 24 CFR 570.202 Eligible rehabilitation and preservation acquisition activities for homes and other residential properties. Note that rehabilitation may include counseling for those seeking to take part in the activity.

(3) National Objective: ~~(Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice—i.e., ≤120% of area median income).~~

All activities will meet the national objective of benefiting low, moderate and middle income persons.

(4) Activity Description:

~~Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.~~

The ReOpp program is designed for for-profit developers, non-profit entities, or housing authorities to be able to purchase and rehabilitate, foreclosed residential properties and/or vacant properties in NSP eligible census tracts. We anticipate the majority of these properties will be single family homes. The NSP funds can be used to purchase the property and then bring the property to set quality standards by rehabilitating, or demolishing and rebuilding housing units for households at or below 50% of Area Median Income. The maximum purchase price of the foreclosed property must be at or below 99% of the current (within 60 days of the offer) appraised value, taking into account the as-is condition. The maximum cost funded with NSP funds for the acquisition, rehabilitation, demolition and/or rebuilding of a single family property cannot exceed \$225,000, and for multi-family properties the following per unit subsidies apply:

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Efficiency	\$	106,400	3-Bedroom	\$	186,200
1-Bedroom	\$	123,200	4-Bedroom	\$	203,000
2-Bedroom	\$	148,400			

Properties requiring environmental mitigation such as lead-based paint remediation or illegal drug residue remediation may have additional costs associated and such costs are not subject to the cap. The remaining underwriting guidelines as established for HOME program apply. The maximum rent from all sources is the LOW HOME Rents as listed on the ~~WCDA website~~ http://www.wyomingeda.com/index.php?option=com_content&task=view&id=162&Itemid=162 and may be adjusted by WCDA when new income limits are made available. ~~The current maximum rents limits are based on the lesser of 50% of the AMI or Fair Market Rent.~~ These rent limits include an allowance for tenant-paid utilities. The affordability restrictions will remain in place for the life of the loan and is hereinafter referred to as the Affordability Period.

The NSP funds will be loaned to the for-profit developer, non-profit entities, or housing authority in the form of an amortized loan, deferred loan or combination thereof. The maximum amount financed will not exceed the purchase price plus rehabilitation costs and closing costs or the per units limits as described above, whichever is less. The Monthly Repayment Amount will be determined by taking the maximum rent (adjusted for utility allowances) minus \$300.00 operating expense allowance for single family properties and for multi-family properties the HOME underwriting guidelines apply. The amount of the amortized loan, deferred loan, and interest rate will be determined by WCDA to coincide with Monthly Repayment Amount. The term of the loan and the affordability period will be 40 years. However, if the loan is paid in full prior to the end of the 40 year term then the loan is subject to an acceleration clause which includes a higher interest rate, which may be up to 10%, and the repayment in full of the amortized and deferred portions of the loan according to the acceleration clause will terminate any restrictions imposed under the ReOpp Agreement. All ReOpp projects will be underwritten in the same manner as projects under the HOME Investment Partnerships Program (HOME).

All properties assisted must complete a HUD environmental review before any NSP funds can be used to assist the property or any work can begin on the project. The Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and the Lead Safe Housing Rule will apply.

According to the Federal Regulations, all properties must adhere to the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970. It is a preference of WCDA that properties be vacant. However, WCDA will consider occupied properties if a professional Relocation Consultant is hired to administer the Relocation requirements AND, subject to WCDA’s approval, the Relocation or development entity Guarantees and indemnifies WCDA in the event of any loss due to the administration of the Uniform Relocation Act Regulations.

(5) Location Description: ~~(Description may include specific addresses, blocks or neighborhoods to the extent known.)~~

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The Rental Opportunities Program will encompass the counties of Campbell, Fremont, Laramie, Natrona, Sweetwater, and Uinta. Additional locations may be added or deleted in the future.

The initial selection of Campbell, Fremont, Laramie, Natrona, Sweetwater and Uinta Counties is based on the estimated number of foreclosures as listed in Table 6 of Appendix A. These counties have been identified as have at least 70 foreclosures. Laramie and Natrona counties have 285 and 256 foreclosures respectively.

(6) Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent).

Due to the limited amount of funding available it is anticipate that units will be developed under this activity. ~~We will be able to finance 18 units at an average cost of \$247,144.83. The estimated income levels of households benefiting are:~~

≤ 50% AMI	18 0 units
51% to 80%	0 units
81% to 120%	0 units

(7) Total Budget: (Include public and private components)

~~2,998,660.27~~ 0.00 - NSP Grant funds

0.00 Program Income (estimate)

Funds may be reallocated on a first come first serve basis for other eligible NSP activities.

~~There is a \$225,000 NSP limit for single family properties. The NSP funding limit for multi-family properties will be subject to the HOME subsidy dollar limits and underwriting guidelines. Properties requiring environmental mitigation such as lead-based paint remediation or illegal drug residue remediation may have additional costs associated and such costs are not subject to the cap. The project costs may also exclude LEED certification, demolition and asbestos remediation.~~

(8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)

~~Wyoming Community Development Authority~~

~~155 North Beech Street~~

~~Casper WY 82601~~

~~307-265-0603~~

~~Gayle Brownlee~~

Attachment “G” NSP (1) Program Description

~~(9) Projected Start Date: March 20, 2009~~

~~(10) Projected End Date: March 20, 2013 (All NSP monies must be allocated to a specific property by this date. The program will continue through the use of program income.)~~

~~(11) Specific Activity Requirements:~~

~~For acquisition activities, include:~~

- ~~• discount rate — minimum discount will be 1%.~~

~~For financing activities, include:~~

- ~~• range of interest rates~~

~~The interest rate will not exceed 6% on the face of the mortgage but could be accelerated to 10% in the case of default or resale.~~

~~For housing-related activities, include:~~

- ~~• duration or term of assistance;~~
- ~~• tenure of beneficiaries — rental or homeownership;~~
- ~~• a description of how the design of the activity will ensure continued affordability~~

~~Duration — 40-year mortgage~~

~~Tenure — rental~~

~~Affordability — A 40-year mortgage and ReOpp Agreement will be placed on all properties. If an owner sells the property or transfers title to that property during that 40-year period the mortgage will become due and payable subject to an acceleration clause which includes a higher interest rate, which may be up to 10%, and the repayment in full of the amortized and deferred portions of the loan according to the acceleration clause will terminate any restrictions imposed under the ReOpp Agreement. The funds returned to the NSP Program as program income and will be used for NSP eligible activities. The payment of principal and interest becomes program income to the NSP Program and will be recycled for NSP eligible activities. Program income, regardless of the NSP program it originated from must be used to fund the next eligible NSP program draw.~~

Attachment “G” NSP (1) Program Description

~~(1) Activity Name: NSP Redevelopment Program~~

~~(2) Activity Type: (include NSP eligible use & CDBG eligible activity)~~

~~NSP Eligible Use~~

~~§2301(c)(3)(E) redevelop demolished or vacant properties.~~

~~CDBG Eligible Activity~~

~~24 CFR 570.201~~

~~(a) Acquisition~~

~~(b) Disposition~~

~~(c) Public facilities and improvements~~

~~(e) Public services for housing counseling, but only to the extent that counseling beneficiaries are limited to prospective purchasers or tenants of the redeveloped properties~~

~~(i) Relocation~~

~~(n) Direct homeownership assistance~~

~~24 CFR 570.202 Eligible rehabilitation and preservation activities for demolished or vacant properties.~~

~~24 CFR 570.204 Community based development organizations~~

~~HUD notes that any of the activities listed above may include required homebuyer counseling as an activity delivery cost.~~

~~(3) National Objective: (Must be a national objective benefiting low, moderate and middle income persons, as defined in the NSP Notice i.e., ≤ 120% of area median income).~~

~~All activities will meet the national objective of benefiting low, moderate and middle income persons.~~

~~(4) Activity Description:~~

~~Include a narrative describing the area of greatest need that the activity addresses; the expected benefit to income-qualified persons; and whether funds used for this activity will be used to meet the low income housing requirement for those below 50% of area median income.~~

~~The NSP Redevelopment Program allows for-profit developers, non-profit entities, or housing authorities to redevelop any property type. Redevelopment need not be on abandoned or foreclosed upon. However, it must be vacant. “Vacant properties” includes both vacant land and properties with vacant structures on the land. However, HUD understands redevelopment to imply that properties were once developed or are surrounded by existing development. Therefore undeveloped or “Greenfield” sites, at the edge of development, may not be acquired under NSP Eligible Use E (Redevelopment). Previously undeveloped in-fill sites are generally eligible. Redevelopment may be in the form of rental units, homeownership units, or a public~~

Attachment “G” NSP (1) Program Description

~~facility such as a shelter, battered spouse shelter, halfway house, group homes for persons with special needs, and the homeless.~~

~~All housing units produced must benefit households at or below 50% of Area Median Income. The maximum NSP funds for the acquisition, rehabilitation, demolition and/or rebuilding of a single family property cannot exceed \$225,000. For multi-family properties, development of multiple single family properties, and group homes the following per unit subsidies apply:~~

Efficiency	\$	106,400	3 Bedroom	\$	186,200
1 Bedroom	\$	123,200	4 Bedroom	\$	203,000
2 Bedroom	\$	148,400			

~~Properties requiring environmental mitigation such as lead-based paint remediation, illegal drug residue remediation or demolition may have additional costs associated and such costs are not subject to the cap. The remaining underwriting guidelines as established for HOME program apply.~~

~~For homeownership projects, the maximum acquisition for the housing unit must be less than or equal to \$175,000.~~

~~For rental projects, the maximum rent from all sources is as listed on the WCDA website http://www.wyomingeda.com/index.php?option=com_content&task=view&id=162&Itemid=162 and may be adjusted by WCDA when new income limits are made available. These rent limits include an allowance for tenant-paid utilities.~~

~~For public facilities, the affordable rent is determined to be at or below Low HOME Rent based on the number of bedrooms or up to 30% of the gross income of each tenant, whichever is less.~~

~~The NSP funds will be loaned to the for-profit developer, non-profit entities, or housing authority in the form of an amortized loan, deferred loan or combination thereof. The maximum amount financed will not exceed actual costs including a development fee or the NSP subsidy maximum, whichever is less. The Monthly Repayment Amount will be determined by taking the maximum rent (adjusted for utility allowances) minus \$300.00 operating expense allowance for single family property rentals and group homes. For multi-family rental properties the HOME underwriting guidelines apply. The amount of the amortized loan, deferred loan, and interest rate will be determined by WCDA to coincide with Monthly Repayment Amount. The term of the loan and the affordability period will be 40 years. However, if the loan is paid in full prior to the end of the 40-year term then the loan is subject to an acceleration clause which includes a higher interest rate, which may be up to 10%, and the repayment in full of the amortized and deferred portions of the loan according to the acceleration clause will terminate any restrictions imposed under the Redevelopment Program. All Redevelopment projects will be underwritten in the same manner as projects under the HOME Investment Partnerships Program (HOME).~~

~~All properties assisted must complete a HUD environmental review before any NSP funds can be used to assist the property or any work can begin on the project including acquisition. The~~

Attachment “G” NSP (1) Program Description

~~Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, the Fair Housing Act, Title VI of the Civil Rights Act of 1964, and the Lead Safe Housing Rule apply.~~

~~(5) Location Description: (Description may include specific addresses, blocks or neighborhoods to the extent known.)~~

~~The NSP Redevelopment Program will encompass the counties of Campbell, Fremont, Laramie, Natrona, Sweetwater, and Uinta. Additional locations may be added in the future.~~

~~(6) Performance Measures (e.g., units of housing to be acquired, rehabilitated, or demolished for the income levels of households that are 50 percent of area median income and below, 51-80 percent, and 81-120 percent):~~

~~We will be able to finance 26 housing units at an average price of \$100,000. The estimated income levels of households benefiting are:~~

~~——— ≤ 50% AMI — 26 units
——— 51% to 80% — 0 units
——— 81% to 120% — 0 units~~

~~(7) Total Budget: (Include public and private components)~~

~~\$779,925.73 — NSP funds~~

~~The balance of the project costs will come from NSP3 funding.~~

~~Funds may be reallocated on a first come first serve basis for other eligible NSP activities. Funding for the NSP Redevelopment Program will be released under a specific notice of funding availability which will be made available on the WCDA website and will also be sent out to an established list of interested parties which includes units of local government, non-profits, and developers.~~

~~There is a \$225,000 NSP limit for a single family property. The NSP funding limit for multi-family rental properties, development of multiple single family properties and public facilities will be subject to the limits listed above. Properties requiring environmental mitigation such as lead based paint remediation, illegal drug residue remediation or demolition may have additional costs associated and such costs are not subject to the cap.~~

~~(8) Responsible Organization: (Describe the responsible organization that will implement the NSP activity, including its name, location, and administrator contact information)~~

Wyoming Community Development Authority
155 North Beech Street

Attachment "G" NSP (1) Program Description

~~Casper WY 82601
307-265-0603
Gayle Brownlee~~

~~(9) Projected Start Date: March 1, 2010~~

~~(10) Projected End Date: It is anticipated that the project will be completed by March 20, 2013.~~

~~(11) Specific Activity Requirements:~~

~~For acquisition activities, include:~~

- ~~• discount rate — minimum discount required for all foreclosed and abandoned properties is 1%. All acquisition activities are encouraged to obtain property at a discounted rate.~~

~~For financing activities, include:~~

- ~~• range of interest rates~~

~~The interest rate will not exceed 6% on the face of the mortgage but could be accelerated to 10% in the case of default or resale.~~

~~For housing related activities, include:~~

- ~~• duration or term of assistance;~~
- ~~• tenure of beneficiaries — rental or homeownership;~~
- ~~• a description of how the design of the activity will ensure continued affordability~~

~~Duration — 40 year mortgage~~

~~Tenure — rental or homeownership~~

~~Affordability — A 40 year mortgage and NSP Redevelopment Agreement will be placed on all properties. If an owner sells the property or transfers title to that property during that 40 year period the mortgage will become due and payable subject to an acceleration clause which includes a higher interest rate, which may be up to 10%, and the repayment in full of the amortized and deferred portions of the loan according to the acceleration clause will terminate any restrictions imposed under the NSP Redevelopment Agreement. The funds will be returned to the NSP Program as program income and will be used for NSP eligible activities. The monthly payment of principal and interest becomes program income to the NSP Program and will be recycled for NSP eligible activities. Program income, regardless of the NSP program it originated from must be used to fund the next eligible NSP program draw.~~

Attachment “G” NSP (1) Program Description

Appendix B

Property Standards

Priority Rehabilitation Items

Level One	Health and Safety Items including but not limited to foundation, roof, electrical, plumbing, heating system, asbestos, and lead-based paint.
Level Two	Code Violations
Level Three	Energy Conservation
Level Four	General Improvements may include accessibility improvements.

ELIGIBLE AND INELIGIBLE IMPROVEMENTS

Eligible rehabilitation costs include:

1. Items that substantially protect or improve the property to meet or exceed Section 8 Housing Quality Standards (HQS) as defined in 24 CFR Part 982.401, local, state or national building codes or rehabilitation standards, FHA Property Standards, as defined in HUD Handbook 4910.1, Minimum Property Standards for Housing, 1994 Edition or improve energy efficiency.
2. Not considered luxury items and are not of a quality above that normally required.
3. Needed to correct livability conditions necessary to meet codes or HQS, including ~~basic~~ appliances such as stoves or refrigerators.
4. Required to meet Historic Preservation Standards. ~~For all WCDA loans, a~~ Δ assessment must be done to determine if the property is eligible for the National Register of Historic Places. If so, the rehabilitation must be done in accordance with the ~~standards~~ requirements set by the Secretary of the Interior and costs to do so are eligible.
5. Costs to control lead-based paint hazards. All properties constructed prior to January 1, 1978 must be tested for lead-based paint by a certified Lead-Based Paint Assessor.
6. Costs to make the property accessible, if applicable.
7. Costs to remedy structural problems ~~caused by termite infestation, and of eliminating the infestation itself, if there is evidence as determined by a qualified inspector.~~

Attachment “G” NSP (1) Program Description

8. General property improvements. These are items that go beyond the items necessary to meet local rehab standards, but are necessary to put the property in generally good and readily maintainable condition.

Examples of general property improvements could include:

- Work that results in reduced maintenance or extends the useful life of part of the property.
- Work to expand the livable space and eliminate inefficient design, such as moving walls.
- Garbage disposals or other work-saving items which are customary in the locality.
- Remodeling of a kitchen or bathroom or currently under-utilized space to improve efficiency or to modernize the property.

9. Costs to be the equivalent of new construction or reconstruction of the property. Substantial rehabilitation is allowed (“gut” rehab) if it is necessary to meet local rehabilitation standards.

10. Necessary and customary professional services, such as architectural, engineering, and attorney’s fees required in the preparation of rehabilitation plans, drawings, write ups, specifications of work, or cost estimates if those services are beyond those normally provided the WCDA staff.

11. Loan processing and settlement costs beyond those normally provided by rehabilitation provider. These soft costs may include but are not limited to:

- Building permits and related fees if not included in the contractor’s bid
- Lending institution’s origination fees
- Credit reports
- Legal and other fees to obtain acceptable title evidence or to correct title problems ~~so the loan is acceptable to WCDA~~
- Recording and filing fees
- Appraisal costs
- Costs to obtain an independent rehabilitation cost estimate.

12. Contingency reserves up to 10% of the total WCDA loan. This reserve may be established to cover unanticipated construction costs or increases in other eligible loan costs.

~~13. Appliances are not typically an eligible rehabilitation cost, however, in the case of unsafe, unsanitary, or missing fixtures it is permissible to purchase appliances of standard quality for the property.~~

Attachment “G” NSP (1) Program Description

Ineligible Costs are:

1. Luxury items, i.e., fixtures, landscaping, or equipment which is of a type or quality that substantially exceeds what is customary for that locality or that type of property.

~~2. Driveways, sidewalks, landscaping, repairs to detached garages and fences, and other site improvements unless determined to be health and safety issues.~~

Attachment “H” NSP 3 Program Description

NSP3 Grantee Information

NSP3 Program Administrator Contact Information	
Name (Last, First)	Brownlee, Gayle
Email Address	brownlee@wyomingcda.com
Phone Number	307-265-0603
Mailing Address	PO Box 634, Casper, WY 82602

Areas of Greatest Need

Determination of Areas of Greatest Need and Applicable Tiers

Describe how the areas of greatest need were established and whether a tiered approach is being utilized to determine the distribution of funding.

Response:

~~Currently all NSP3 Program funds are allocated. [It is not anticipated there will be sufficient Program Income to fund a project in the year 2014. If sufficient funds do become available, all the rules outlined in the 2013 Program Description will be utilized.](#) ~~New awards will be from Program Income, which at this point is not anticipated to be a large amount. As such, said funds will be used when sufficient income is available and a foreclosed property is identified in the State of Wyoming.~~~~

Definitions and Descriptions

Definitions

Term	Definition
Blighted Structure	The definition of “blighted structure” for the State of Wyoming was derived from the statutory definition of blighted area in W.S. 15-9-103. "Blighted structure" means a structure which may be located in a slum area, a deteriorated or deteriorating structure, a structure which may have inadequate legal access, a structure with a faulty floor plan or room layout in relation to size, adequacy, accessibility or usefulness, unsanitary or unsafe conditions, deterioration of site or other improvements, diversity of ownership, tax or special assessments, delinquency exceeding the fair value of the land, defective or unusual conditions of title, or the existence of conditions which endanger life or property by fire and other causes, or any combination of those factors, substantially impairs or arrests the sound growth of a municipality, retards the provision of housing accommodations or constitutes an economic or social liability and is a menace to the public health, safety, morals or welfare in its present condition and use. Local code enforcement officers may be consulted also.
Affordable Rents	Affordable rent is determined to be the HUD Low HOME Rents or fair market rent whichever is less. Fair market rent is determined by HUD guidelines and includes tenant paid utilities. Please refer to the WCDA website for the current rents.
Affordable	Affordable sales price is determined to be the after rehab appraised value or the total cost

Attachment “H” NSP 3 Program Description

Sales Price of the acquisition, rehabilitation, and carrying costs, whichever is less.

Descriptions

Term	Definition
Long-Term Affordability	All residential properties will have at minimum a 30-year mortgage placed upon them. Homeownership properties may also have a soft second mortgage provision triggered by the sale of the property or transfer of title. All rental properties will have a deed restriction in addition to a mortgage. Demolished properties will have a deferred mortgage placed upon the land to ensure ownership by a LMMI qualified household for a specified period of time.
Housing Rehabilitation Standards	WCDA has established rehabilitation standards for all NSP properties. http://www.wyomingeda.com/files/NSPRehab.pdf
Relocation/Displacement	It is anticipated that all properties assisted will be vacant and that URA will not be triggered.
Vicinity Hiring	All Grantees, Contractors, and/or agencies will be required to comply with vicinity hiring as a condition of receiving NSP3 funds.
Rental Housing Preference	Due to the limited amount of funds and small geographic area any and all projects are welcome and will be reviewed on a first come first served basis. If two projects come in at the time and would otherwise be eligible to receive fund then a rental project will be given preference over a homeownership or demolition project.

Low-Income Targeting

Low-Income Set-Aside Amount

Enter the low-income set-aside percentage in the first field. The field for total funds set aside will populate based on the percentage entered in the first field and the total NSP3 grant.

Identify the estimated amount of funds appropriated or otherwise made available under the NSP3 to be used to provide housing for individuals or families whose incomes do not exceed 50 percent of area median income.

Response:

- Total low-income set aside percentage (must be no less than 25 percent): 25.00%
- Total funds set aside for low-income individuals = \$1,250,000

Meeting Low-Income Target

Provide a summary that describes the manner in which the low-income targeting goals will

Attachment “H” NSP 3 Program Description

be met.	
Response: The WRAP Program, Demolition, and/or the Rental Opportunities Program will be used to meet the set-aside requirements.	
Acquisition and Relocation	
Demolition or Conversion of LMI Units	
Does the grantee intend to demolish or convert any low- and moderate-income dwelling units (i.e., ≤ 80% of area median income)?	YES
If yes, fill in the table below.	
Question	Number of Units
The number of low- and moderate-income dwelling units—i.e., ≤ 80% of area median income—reasonably expected to be demolished or converted as a direct result of NSP-assisted activities.	6
The number of NSP affordable housing units made available to low-, moderate-, and middle-income households—i.e., ≤ 120% of area median income—reasonably expected to be produced by activity and income level as provided for in DRGR, by each NSP activity providing such housing (including a proposed time schedule for commencement and completion).	39
The number of dwelling units reasonably expected to be made available for households whose income does not exceed 50 percent of area median income.	At least 27 of the 33 units estimated will benefit 50% or less AMI households
Public Comment	
Citizen Participation Plan	
Briefly describe how the grantee followed its citizen participation plan regarding this proposed substantial amendment or abbreviated plan.	
Response: A Notice of Public Comment was published in the Casper Star Tribune and the Wyoming Eagle Tribune on September 21, 2011, in addition a Public Hearing is scheduled for October 7, 2011. The draft NSP3 Substantial Amendment was available on the WCDA website at www.wyomingeda.com from September 21, 2011 through October 5, 2011. No public comments were received. The final NSP3 Substantial Amendment will be posted on www.wyomingeda.com on October 6, 2011.	

Attachment “H” NSP 3 Program Description

Summary of Public Comments Received:

NSP Information by Activity

Enter each activity name and fill in the corresponding information. If you have fewer than seven activities, please delete any extra activity fields. (For example, if you have three activities, you should delete the tables labeled “Activity Number 4,” “Activity Number 5,” “Activity Number 6,” and “Activity Number 7.” If you are unsure how to delete a table, see the instructions above. The field labeled “Total Budget for Activity” will populate based on the figures entered in the fields above it.

Consult the NSP3 Program Design Guidebook for guidance on completing the “Performance Measures” component of the activity tables below.

Activity Number 1		
Activity Name	Wyoming Rehabilitation and Acquisition Program (WRAP)	
Uses	Select all that apply:	
	<input type="checkbox"/> Eligible Use A: Financing Mechanisms	
	<input checked="" type="checkbox"/> Eligible Use B: Acquisition and Rehabilitation	
	<input type="checkbox"/> Eligible Use C: Land Banking	
	<input type="checkbox"/> Eligible Use D: Demolition	
<input type="checkbox"/> Eligible Use E: Redevelopment		
CDBG Activity or Activities	<p style="color: red;"> ———— 24 CFR 570.201 ———— (a) Acquisition ———— (b) Disposition ———— (i) Relocation ———— (n) Direct homeownership assistance to persons whose incomes do not exceed 120% of median income ———— 24 CFR 570.202 Eligible rehabilitation and preservation acquisition activities for homes and other residential properties. Note that rehabilitation may include counseling for those seeking to take part in the activity. </p>	
National Objective	Low-Moderate-Middle Income Housing (LMMH)	
Activity Description	Acquisition and rehabilitation of foreclosed properties for sale to qualifying homebuyers. Please refer to NSP-1 Program description for activity details. Interest rates are 1%, 2% or 3% based on household income.	
Location Description	North-Casper Redevelopment Area	
Budget	Source of Funding	Dollar Amount
	NSP3	\$0.00
	-(Other funding source)	\$————
	-(Other funding source)	\$————
Total Budget for Activity	\$0.00	
Performance	Number of properties purchased, rehabilitated and sold to first-time	

Attachment "H" NSP 3 Program Description

Measures	homebuyers—0 homes estimated	
Projected Start Date	5/1/11	
Projected End Date	5/1/13	
Responsible Organization	Name	Wyoming Community Development Authority
	Location	PO-Box 634, Casper, WY 82602
	Administrator Contact Info	Gayle Brownlee, 307-233-0029, brownlee@wyomingeda.com
Activity Number 2		
Activity Name	NSP Rental Opportunities Program	
Use	Select all that apply:	
	<input type="checkbox"/>	Eligible Use A: Financing Mechanisms
	<input checked="" type="checkbox"/>	Eligible Use B: Acquisition and Rehabilitation
	<input type="checkbox"/>	Eligible Use C: Land Banking
	<input type="checkbox"/>	Eligible Use D: Demolition
<input type="checkbox"/>	Eligible Use E: Redevelopment	
CDBG Activity or Activities	 _____ 24 CFR 570.201 _____ (a) Acquisition _____ (b) Disposition _____ (i) Relocation _____ (n) Direct homeownership assistance to persons whose incomes do not exceed 120% of median income _____ 24 CFR 570.202 Eligible rehabilitation and preservation acquisition activities for homes and other residential properties. Note that rehabilitation may include counseling for those seeking to take part in the activity. 	
National Objective	Low Income Housing	
Activity Description	Acquisition and rehabilitation of foreclosed properties for use as rental housing. Please refer to NSP-1 Program description for activity details. Interest rate not to exceed 6%.	
Location Description	North Casper Redevelopment Area	
Budget	Source of Funding	Dollar Amount
	NSP3	\$1,449,946.73
	-(Other funding source)	\$_____
	-(Other funding source)	\$_____
Total Budget for Activity	\$1,449,946.73	
Performance Measures	Number of affordable rental units created for those households at 50% AMI—6 units estimated	
Projected Start Date	05/01/11	
Projected End Date	05/01/14	
Responsible Organization	Name	Wyoming Community Development Authority

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	Location	PO-Box 634, Casper, WY 82602
	Administrator Contact Info	Gayle Brownlee, 307-233-0029, brownlee@wyomingeda.com
Activity Number 3		
Activity Name	Redevelopment	
Use	Select all that apply:	
	<input type="checkbox"/>	Eligible Use A: Financing Mechanisms
	<input type="checkbox"/>	Eligible Use B: Acquisition and Rehabilitation
	<input type="checkbox"/>	Eligible Use C: Land Banking
	<input type="checkbox"/>	Eligible Use D: Demolition
<input checked="" type="checkbox"/>	Eligible Use E: Redevelopment	
CDBG Activity or Activities	 _____ (Enter 24 CFR 570.201 _____ (a) Acquisition _____ (b) Disposition _____ (c) Public facilities and improvements _____ (e) Public services for housing counseling, but only to the extent that counseling beneficiaries are limited to prospective purchasers or tenants of the redeveloped properties _____ (i) Relocation _____ (n) Direct homeownership assistance _____ 24 CFR 570.202 Eligible rehabilitation and preservation activities for demolished or vacant properties. _____ 24 CFR 570.204 Community based development organizations _____ HUD notes that any of the activities listed above may include required homebuyer counseling as an activity delivery cost. _____ 	
National Objective	Low Income Housing	
Activity Description	Redevelopment of vacant or demolished properties for use as rental housing. Please refer to NSP 1 Program description for activity details. Interest rate not to exceed 6%	
Location Description	North-Casper Redevelopment Area	
Budget	Source of Funding	Dollar Amount
	NSP3	\$2,982,164.27
	-(Other funding source)	\$ _____
	-(Other funding source)	\$ _____
Total Budget for Activity		\$2,982,164.27
Performance Measures	Number of affordable rental units created for those households at 50% AMI—27 units estimated	
Projected Start Date	05/01/11	
Projected End Date	05/01/14	

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Responsible Organization	Name	Wyoming Community Development Authority
	Location	PO Box 634, Casper, WY 82602
	Administrator Contact Info	Gayle Brownlee, 307-233-0029, brownlee@wyomingeda.com
Activity Number 4		
Activity Name	Demolition	
Use	Select all that apply:	
	<input type="checkbox"/>	Eligible Use A: Financing Mechanisms
	<input type="checkbox"/>	Eligible Use B: Acquisition and Rehabilitation
	<input type="checkbox"/>	Eligible Use C: Land Banking
	<input checked="" type="checkbox"/>	Eligible Use D: Demolition
<input checked="" type="checkbox"/>	Eligible Use E: Redevelopment	
CDBG Activity or Activities	<p>_____ 24 CFR 570.201</p> <p>_____ (d) Clearance for blighted structures only</p> <p>_____ 24 CFR 570.201</p> <p>_____ (a) Acquisition</p> <p>_____ (b) Disposition</p> <p>_____ (c) Public Facilities</p> <p>_____ (e) Public services for housing counseling, but only to the extent that counseling beneficiaries are limited to prospective purchasers or tenants of the redeveloped properties.</p> <p>_____ (i) Relocation</p> <p>_____ (n) Direct homeownership assistance (for persons whose income does not exceed 120% of median income)</p> <p>_____ 24 CFR 570.204</p> <p>_____ (a) The recipient may provide CDBG funds as grants or loans to any CBDO qualified under this section to carry out a neighborhood revitalization, community economic development, or energy conservation project.</p> <p>_____ New housing construction</p>	
National Objective	Low Moderate Middle Income Housing (LMMH)	
Activity Description	Clearance of blighted structures which may or may not result in housing. All units must meet the definition of blight in order to be eligible. Each request will be evaluated individually and must demonstrate a benefit to a LMMI household or the North Casper Redevelopment area. The funds will be secured by a deferred loan with a 0% interest rate and the term will vary based on the amount of NSP3 funds used for each individual demolition.	
Location Description	North Casper Redevelopment Area	

Attachment “H” NSP 3 Program Description

Budget	Source of Funding	Dollar Amount
	NSP3	\$67,889.00
	-(Other funding source)	\$———
	-(Other funding source)	\$———
Total Budget for Activity		\$67,889.00
Performance Measures	Number of blighted properties cleared—6 units estimated	
Projected Start Date	05/01/11	
Projected End Date	05/01/13	
Responsible Organization	Name	Wyoming Community Development Authority
	Location	PO Box 634, Casper, WY 82602
	Administrator Contact Info	Gayle Brownlee, 307-233-0029, brownlee@wyomingeda.com

Certifications

Certifications for State and Entitlement Communities

~~(1) **Affirmatively furthering fair housing.** The jurisdiction certifies that it will affirmatively further fair housing, which means that it will conduct an analysis to identify impediments to fair housing choice within the jurisdiction, take appropriate actions to overcome the effects of any impediments identified through that analysis, and maintain records reflecting the analysis and actions in this regard.~~

~~(2) **Anti-displacement and relocation plan.** The applicant certifies that it has in effect and is following a residential anti-displacement and relocation assistance plan.~~

~~(3) **Anti-lobbying.** The jurisdiction must submit a certification with regard to compliance with restrictions on lobbying required by 24 CFR part 87, together with disclosure forms, if required by that part.~~

~~(4) **Authority of jurisdiction.** The jurisdiction certifies that the consolidated plan or abbreviated plan, as applicable, is authorized under state and local law (as applicable) and that the jurisdiction possesses the legal authority to carry out the programs for which it is seeking funding, in accordance with applicable HUD regulations and other program requirements.~~

~~(5) **Consistency with plan.** The jurisdiction certifies that the housing activities to be undertaken with NSP funds are consistent with its consolidated plan or abbreviated plan, as applicable.~~

~~(6) **Acquisition and relocation.** The jurisdiction certifies that it will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended (42 U.S.C. 4601), and implementing regulations at 49 CFR part 24, except as those provisions are modified by the notice for the NSP program published by HUD.~~

Attachment “H” NSP 3 Program Description

~~(7) **Section 3.** The jurisdiction certifies that it will comply with section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u), and implementing regulations at 24 CFR part 135.~~

~~(8) **Citizen participation.** The jurisdiction certifies that it is in full compliance and following a detailed citizen participation plan that satisfies the requirements of Sections 24 CFR 91.105 or 91.115, as modified by NSP requirements.~~

~~(9) **Following a plan.** The jurisdiction certifies it is following a current consolidated plan (or Comprehensive Housing Affordability Strategy) that has been approved by HUD. [Only States and entitlement jurisdictions use this certification.]~~

~~(10) **Use of funds.** The jurisdiction certifies that it will comply with the Dodd-Frank Wall Street Reform and Consumer Protection Act and Title XII of Division A of the American Recovery and Reinvestment Act of 2009 by spending 50 percent of its grant funds within 2 years, and spending 100 percent within 3 years, of receipt of the grant.~~

~~(11) **The jurisdiction certifies:**~~

- ~~a. that all of the NSP funds made available to it will be used with respect to individuals and families whose incomes do not exceed 120 percent of area median income; and~~
- ~~b. The jurisdiction will not attempt to recover any capital costs of public improvements assisted with CDBG funds, including Section 108 loan guaranteed funds, by assessing any amount against properties owned and occupied by persons of low and moderate income, including any fee charged or assessment made as a condition of obtaining access to such public improvements. However, if NSP funds are used to pay the proportion of a fee or assessment attributable to the capital costs of public improvements (assisted in part with NSP funds) financed from other revenue sources, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than CDBG funds. In addition, with respect to properties owned and occupied by moderate income (but not low income) families, an assessment or charge may be made against the property with respect to the public improvements financed by a source other than NSP funds if the jurisdiction certifies that it lacks NSP or CDBG funds to cover the assessment.~~

~~(12) **Excessive force.** The jurisdiction certifies that it has adopted and is enforcing:~~

- ~~a. A policy prohibiting the use of excessive force by law enforcement agencies within its jurisdiction against any individuals engaged in nonviolent civil rights demonstrations; and~~
- ~~b. A policy of enforcing applicable state and local laws against physically barring entrance to, or exit from, a facility or location that is the subject of such nonviolent civil rights demonstrations within its jurisdiction.~~

Attachment “H” NSP 3 Program Description

~~(13) **Compliance with anti-discrimination laws.** The jurisdiction certifies that the NSP grant will be conducted and administered in conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.~~

~~(14) **Compliance with lead-based paint procedures.** The jurisdiction certifies that its activities concerning lead-based paint will comply with the requirements of part 35, subparts A, B, J, K, and R of this title.~~

~~(15) **Compliance with laws.** The jurisdiction certifies that it will comply with applicable laws.~~

~~(16) **Vicinity hiring.** The jurisdiction certifies that it will, to the maximum extent feasible, provide for hiring of employees that reside in the vicinity of NSP3-funded projects or contract with small businesses that are owned and operated by persons residing in the vicinity of NSP3 projects.~~

~~(17) **Development of affordable rental housing.** The jurisdiction certifies that it will abide by the procedures described in its NSP3 Abbreviated Plan to create preferences for the development of affordable rental housing for properties assisted with NSP3 funds.~~

David M. Haney _____ Date
Executive Director