



City of Lorain Department of Building, Housing and
Planning
HOME Investment Partnership Program
Policies and Procedures

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HOME Investment Partnership Program Policies and Procedures

The City of Lorain Department of Building, Housing & Planning (“BHP”) has created the HOME Investment Partnership Program Policies and Procedures manual as a guide to assist recipients of HOME funds understand their responsibilities under the program and how BHP staff views potential/actual projects.

It should be noted that the information contained within this manual shall not substitute for federal laws and regulations governing the program and the most stringent and applicable rules at all times shall apply. Recipients of funds are responsible for compliance with the HOME program and its requirements. Applicants for HOME program funding are encouraged to familiarize themselves with both this manual and the HOME Regulations which can be found on the U.S. Department of Housing and Urban Development’s website at: <https://www.hudexchange.info/programs/home/>

The policies and procedures contained in this manual apply to all projects receiving HOME funds from the City of Lorain in any capacity. Any violation of the requirements of the HOME program or policies contained herein will result in the repayment of HOME funds received by the recipient. These policies and procedures should be updated as the HOME program changes in the future or as needed.

INTRODUCTION

The HOME Investment Partnership Program (“HOME”) was created under Title II of the National Affordable Housing Act of 1990. The HOME program has been amended numerous times since its inception by subsequent legislation, most recently on July 23, 2013. Under the HOME program, the Department of Housing and Urban Development (“HUD”) allocates funds to a Participating Jurisdiction (“PJ”) to be used to implement housing strategies in accordance with the federal HOME regulations found at 24 CFR Part 92. The City of Lorain has been designated as the PJ to receive HOME funds from HUD.

Through the use of HOME funds, BHP strives to encourage and stimulate neighborhood revitalization, homeownership, and homeless prevention. As a HUD designated PJ, the City is charged with the proficient administration of these aforementioned funds. In an effort to increase the efficiency and effectiveness of HOME funds, and increase the impact of entitlement dollars in our community, the Department of Building, Housing and Planning has developed the following policies and procedures.

PURPOSES AND GOALS

The intent of the HOME program as established by HUD is to:

- Provide decent, safe, and affordable housing to low-income families, up to 80% of the Area Median Income ("AMI");
- Expand the capacity of nonprofit housing providers;
- Strengthen the ability of State and local governments to provide housing; and
- Leverage private sector participation through public, private and nonprofit partnerships to address affordable housing.

HOME funds may be utilized for the purposes of creating, maintaining and expanding affordable rental and homeownership housing for low-income families through the following eligible activities:

- Acquisition;
- New construction;
- Rehabilitation; and
- Down payment assistance

POLICIES AND PROCEDURES

APPLICATION FOR FUNDS

The Department of Building, Housing and Planning may hold an application workshop at a time and location to be determined each year and information will be advertised in a newspaper of general circulation, and the City of Lorain's webpage. Applications WILL NOT be released until the workshop.

Complete applications must be received in the Department of BHP at the time and date specified at the workshop. Faxed or email applications WILL NOT be accepted.

Three (3) original proposals with original signatures including a hardcopy of the required pro form pages must be submitted to:

Department of Building, Housing & Planning
HOME Program
200 W. Erie Avenue, 5th Floor
Lorain, Ohio 44052

Applications become the property of the City of Lorain and will not be returned. Inaccurate information contained in an application will disqualify the Applicant (s) from consideration. The Minimum Threshold Requirements for each HOME application are included in the Ranking Criteria. Applicants who fail to meet any of the minimum threshold requirements will not be considered for funding. Minor corrections to applications may be allowed, with request to do so submitted in writing. Applications requiring substantial revision or that are substantially incomplete will not be reviewed or ranked.

ALLOCATION

The amount of available funding varies from year-to-year due to a fluctuating allocations and previously budgeted projects/activities. The amount for eligible activities is the remainder of funds after deducting the fifteen percent (15%) required CHDO set-aside for a qualified project, which may be provided to an eligible City of Lorain CHDO in good standing. In addition, ten percent (10%) is deducted for the administration of the grant and its programs.

MAXIMUM FUNDING AMOUNT

When allocating funds, HOME considers the total amount of assistance from both the public and private sources needed to ensure project feasibility. Under no circumstances, shall a project developer not have "skin in the game" for a project seeking HOME funds. Applicants are strongly encouraged to request for only the amount of HOME funds needed as gap financing to make the project feasible. Requesting funds for administration is not permitted; however, applicants may request reasonable developer fees and soft costs in an amount corresponding to the following housing activities. All HOME costs, including soft costs MUST be tied to specific housing addresses or unit numbers when rental.

- Eligible Project Related Soft Costs, as described in 24 CFR 92.206 (d), are cost that can directly tie to an address of the project or individual assisted. These cost must be reasonable and necessary costs associated with the financing or development (or both) of new construction, rehabilitation, or acquisition of housing assisted units with HOME Funds. These include, but are not limited to the following:
 - Architectural, engineering, or related professional services required to prepare plans, drawings, specifications, or work write-ups. The costs may be paid if they were incurred not more than 24 months before the date that HOME funds are committed to the project and the participating jurisdiction expressly permits HOME funds to be used to pay the costs in the written agreement committing the funds.

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- Costs to process and settle the financing for a project, such as private lender origination fees, credit reports, fees for title evidence, fees for recordation and filing of legal documents, building permits, attorney's fees, private appraisal fees and fees for an independent cost estimate, builders or developers fees (limited).
- Costs of a project audit, including certification of costs performed by a certified public accountant, that the participating jurisdiction may require with respect to the development of the project.
- Costs to provide information services such as affirmative marketing and fair housing information to prospective homeowners and tenants as required by § 92.351.
- For new construction or rehabilitation, the cost of funding an initial operating deficit reserve, which is a reserve to meet any shortfall in project income during the period of project rent-up (not to exceed 18 months) and which may only be used to pay project operating expenses, scheduled payments to a replacement reserve, and debt service. Any HOME funds placed in an operating deficit reserve that remain unexpended after the period of project rent-up may be retained for project reserves if permitted by the participating jurisdiction.
- Staff and overhead costs of the participating jurisdiction directly related to carrying out the project, such as work specifications preparation, loan processing inspections, and other services related to assisting potential owners, tenants, and homebuyers, e.g., housing counseling, may be charged to project costs only if the project is funded and the individual becomes the owner or tenant of the HOME-assisted project. For multi-unit projects, such costs must be allocated among HOME- assisted units in a reasonable manner and documented. Although these costs may be charged as project costs, these costs (except housing counseling) cannot be charged to or paid by low-income families.
- For both new construction and rehabilitation, costs for the payment of impact fees that are charged for all projects within a jurisdiction.
- Costs of environmental review and release of funds in accordance with 24 CFR part 58 which are directly related to the project.
- **PLEASE NOTE**- Indirect Costs are not eligible soft costs.

Applicants should request only the level of funding necessary to carry out their projects and must be in combination with other proposed funding sources, to complete the proposed activities within the contract period.

ELIGIBLE APPLICANTS/SPONSORS AND CAPACITY

Applicants/Sponsors must have prior experience in developing and managing the type of project they plan to undertake. Applicants/Sponsors must demonstrate that they or their development team has the skills, experience, and capacity needed to develop and operate the property for a minimum affordability period. Collaborative efforts within experienced parties and/or experienced development teams will be considered.

The following types of organizations are eligible to apply for funds:

- Nonprofit organizations, including Community Housing Development Organizations (CHDO). The CHDO must be certified by BHP or by the Ohio Housing Finance Agency;
- For profit entities, including individuals, partnerships, corporation and limited liability companies; and
- Lorain Metropolitan Housing Authority.

In any and all circumstances, applicants must be legally registered with the Ohio Secretary of State to conduct business.

ELIGIBILITY REQUIREMENTS

Applicants are eligible to apply for additional HOME funds if:

- The applicant is in compliance with the project implementation schedule contained within its HOME funding agreement with BHP/City of Lorain for any open HOME-assisted housing project.
- There are no unresolved audit, monitoring, or performance findings for any previous HOME funding allocations to the applicant.
- All projects three years or older are completed and conditionally closed out (have submitted final draw and may just be awaiting the submittal of demographic information) before applying for additional funds.

CONSOLIDATED PLAN

HOME program applicants must submit proposals that are consistent with the City's current Consolidated Plan ("Con Plan"). Before submitting an application, the applicant must review the Con Plan (found on the City of Lorain's webpage) to ensure that activities are consistent with the Con Plan.

DISCLAIMERS

The Department of BHP reserves the right to not award any funds if proposals do not meet the project threshold and evaluation and funding criteria or do not address the program priorities. Funds not allocated during a funding cycle may be awarded during a subsequent application cycle. BHP also reserves the right to allocate these funds to projects during the course of the year, prior to the next application round.

BHP reserves the right to reserve and allocate HOME funds to any project which meets the regulatory guidelines as established by HUD and this document. BHP may deny HOME funds for any project, regardless of the ranking score under the project selection criteria, if it determines, in its sole discretion, the project is unacceptable based on, but not limited to the following.

- Negative comments or lack of support from community organization(s) and stakeholder(s), or
- Information that a particular market is saturated with affordable housing projects, or
- The likelihood that the project may not comply with HOME program requirements in a timely manner, or
- The applicant's (including any related party's) lack of or unacceptable prior experience and performance related to compliance with housing assistance or other government –sponsored programs, regardless of type and location, or
- Submission of information that disingenuous relative to the project(s).

USE OF CONTRACTORS

In accordance with federal regulations and City of Lorain policies, HOME funds may not be used to directly or indirectly employ, award contracts to, or otherwise engage the services of any contractor or subrecipient during any period of debarment, suspension, or placement of ineligibility status.

PROJECT THRESHOLD CRITERIA

All projects submitted for funding consideration through BHP's HOME Investment Partnership Program must meet the following threshold criteria to be eligible for a funding commitment:

CONTRIBUTES TO IMPLEMENTATION OF STRATEGIC GOALS OF THE CONSOLIDATED PLAN

Proposed projects must match one or more of the City of Lorain's Neighborhood Development Funding Priorities as listed in the most recent Consolidated Plan. Applicants must familiarize themselves with the City's Consolidated Plan. The current Five-Year plan was adopted August 3, 2015 and will be in effect until 2019.

SITE CONTROL

For projects that require site control, applicant(s) must have sight control or the opportunity of site control for all properties necessary for project completion. Applicant must provide proof of site control with its application for funding. Acceptable evidence of site control is a deed or lease. If grant funds will be used for acquisition, acceptable evidence of site control will be a purchase agreement. The owner, lessee, and purchaser shown on these documents must be the selected applicant identified in the application seeking funding assistance.

FINANCIALLY FEASIBLE PROJECT

Applicant has submitted a Project Development Pro forma and sources and uses of which must cover the entire HOME affordability period of the proposed project, that provides evidence of a financially feasible project, evidenced by a complete listing of committed and anticipated funding sources available to the project and a Pro Forma that illustrates reasonable assumptions regarding interests rates; confidence in availability of funds; and evidence of market need.

If the applicant has applied for tax credits from the Ohio Housing Finance Agency (OHFA), a copy of the OHFA Subsidy Layering Review must be included with the application.

PROJECT TIMEFRAME

Applicant has submitted a timeline for project completion that makes reasonable assumptions concerning land acquisition and site-preparation; funding cycles and parameters for all funding sources; construction time; sales absorption or rent-up period, and capacity of the development team. An applicant's history in project development/completion will also be considered.

LEVERAGE OF HOME FUNDS

Projects which serve very low-income households (50% or below AMI) may require higher public subsidies, and leveraging other funds with HOME and CDBG is strongly encouraged. For awarded projects, BHP will make conditional commitments early in the project development process to assist the developer in seeking funds from other sources. BHP may elect to transmit funds to projects later in the process.

Commitment of HOME funding (in the form of the signed Funding Agreement) will not occur until ALL project financing has been secured and a budget and project timeframe has been provided. The funding agreement must be signed within six months of the City's

fiscal year, commencing January 1st. The project must also be ready to expend funds within twelve (12) months of project commitment.

EVIDENCE AND CAPACITY OF THE DEVELOPMENT TEAM

Applicant(s) should possess a verifiable track record of successful project development, timely completion and projects-in-service, or in the case of a new or emerging developer, evidence of real estate development and project management expertise. The development team shall provide typewritten biographies of each member involved in the project, as well as references for existing projects with contact information.

The application should indicate what skills the nonprofit/for profit staff will be assuming and any other members of the project development team.

NOTE: BHP is interested in investing HOME Investment Partnership Funding only in viable projects that will provide quality, affordable housing in an efficient and timely manner. Housing developers with minimal to no development experience are encouraged to partner with experienced developers to enhance their ability to produce and deliver housing efficiently. All applications for HOME funding will be reviewed for tangible evidence that the capacity of the development and construction team is solid. Projects with strong development capability will receive higher consideration for HOME funding.

GENERAL POLICIES AND PROCEDURES

MINIMUM SUBSIDY

The minimum subsidy for any project is \$1,000 per unit in accordance with HOME regulations.

TYPES OF HOUSING

HOME Funds may be used for the construction or purchase of single-family (one unit) homes, doubles (two units sharing a common wall but owned individually), townhomes, cooperatives, and multi-unit rental apartments. All housing units developed with HOME assistance (homeownership and rental) must be affordable to the buyer and renter households earning 80% of the Area Median Income (AMI) or below. Construction may be one or a combination of several methods including stick-built, panelized, or modular. Mobile and manufactured homes are not eligible for HOME funding assistance. For the purposes of this manual, the following definitions shall apply:

- **Stick-built**- wooden house constructed entirely or largely on-site; that is, built on the site which it is intended to occupy upon its completion rather than in a factory or similar facility. This construction method may utilize some pre-constructed elements such as roof framing.
- **Panelized**- a house that is composed of prefabricated sections of walls, floors, or roofs that can be assembled at the building site. Panelized houses are stick-built houses with some of the components constructed off-site.
- **Modular**- A home which is stick-built in modules (two or more boxes) in a factory, transported to the site by truck, and placed on a permanent basement or crawl space foundation by crane. The modules are bolted together, finished and may also involve on-site additions i.e. porches, garages, and other customization. These houses are similar to stick-built on-site only the majority of the construction is accomplished in a controlled factory environment.
- **Mobile**- A house that is fully constructed in a factory on a steel chassis, brought to the site on wheels, but not permanently affixed to a foundation
- **Manufactured** – a house that is fully constructed as a single unit in a factory, brought to the site by truck and placed on fixed foundation.

EXPENDITURE TIMEFRAMES

All HOME funds for a project must be expended within twelve (12) months of project commitment (see information relative to project commitment). Exceptions may be made by BHP HOME program under special circumstances. Projects must be closed out (completion and demographic data submitted) within 90 days of the final request for funds.

PROJECT MAXIMUS

RENT LIMITS

For rental projects, HOME rent limits are published annually. The current rent limits can be found in Appendix 1 or accessed at:

https://www.hudexchange.info/resource/reportmanagement/published/HOME_RentLimits_State_OH_2016.pdf

It should be noted that the City of Lorain rent limits currently correspond with the Cleveland-Elyria, OH MSA.

PER UNIT SUBSIDY-RENTAL

HUD establishes basic statutory mortgage limits. The maximum per unit subsidy can be found in Appendix 2. HOME funding may not be utilized on projects that exceed these

maximum per unit subsidies. The 2015 limits are the most current, and these may change if HUD revises the limits.

HOMEOWNERSHIP VALUE LIMIT

HUD establishes, and updates periodically, the maximum allowable value for homeownership housing units. This is the after-rehab values for units that are either acquired or rehabilitated utilizing HOME funds. This is called the Homeownership Value Limits or the 95% limit.

Section 92.254 (a) (2) (iii) states that two (2) values will be established for the median purchase price/after rehab value. One is for newly constructed housing and one for existing housing. HOME funds may not be utilized on any property that exceeds these values. The current limits can be found at:

<https://www.hudexchange.info/news/fy-2016-home-and-htf-homeownership-value-limits/>

SECTION 504 AND FAIR HOUSING ACT

All projects receiving HOME funds must comply with Section 504 of the Rehabilitation Act of 1973 and the Fair Housing Act of 1988. It is the applicant's responsibility to become familiar with these legislative acts.

MONITORING

MONTHLY STATUS REPORTS

Monthly progress reports must be submitted to BHP and the Completion Reports must be provided to BHP within ninety (90) days of the final draw of funds allocated for a project. In addition, Annual Reports are due no later than June 30th of the year following funding and each subsequent year until the project's affordability period is completed. Failure to submit reports in a timely manner could result in retention of future funds or qualification for default.

ANNUAL MONITORING

At a minimum, BHP will annually monitor all HOME funded projects and activities. Construction projects will be monitored more frequently at the discretion of BHP. Follow-up monitoring inspections will be completed in accordance with established HUD Guidelines.

PAYMENT REQUESTS

At a minimum, agencies receiving HOME funding commitments should submit requests for payment on a quarterly basis. Failure to draw funds in a timely manner could result in a

reduction of funding. Requests for payment may be made as often as needed (i.e. does not necessarily need to be done by the 1st of the month)>

Request for payment must be on the prescribed BHP form and by the process within the established subrecipient agreement.

INCOME DETERMINATION AND ELIGIBILITY

Individuals receiving assistance through the HOME program must be determined to be income eligible using the most current Section 8 definition of Annual Gross Income. An income calculator is available at the HUD website to provide assistance with calculating income. The income determination is the responsibility of the agency providing assistance, not that of BHP. Income reevaluations must be completed annually during the affordability of the project.

Initial income must be verified via third-party documentation. Income must be re-certified annually in accordance with HOME regulations, utilizing third-party documentation every six (6) years.

Applicant requirements and documentation must be consistent for all participants of a project (i.e. criminal history checks, credit reports, etc.).

RECORD RETENTION

All records must be maintained and accessible for a minimum of five (5) years beyond the end of the affordability period.

GENERAL

The Department of Building, Housing and Planning will not accept proposals from any applicant(s) having projects that have not commenced that have received previous years' BHP HOME funding commitments.

In the event there is turnover in agency staff administering any HOME funding project, BHP must be notified within thirty (30) days in order to provide technical assistance to new and/or reassigned staff to ensure program compliance.

All applications for either homeownership projects containing more than one unit or rental projects **must** be accompanied by a 10 year or longer operating Pro Forma, as well as a "Sources and Uses Statement." Applications not containing this information will not be reviewed or funded.

MATCH REQUIREMENTS

All projects for HOME assistance must provide a minimum of 25% match.

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Eligible forms of match include:

- ✓ Cash contributions from non-federal sources;
- ✓ Participation of Federal Home Loan Bank Affordable Housing Program, Trust Fund, State and other public or private sources;
- ✓ Grants contributing to a below-market interest rate loan;
- ✓ Waived fees for a HOME-eligible project;
- ✓ Donation of real property; and
- ✓ Donated labor and/or sweat equity

Ineligible forms of match include:

- ✓ Owner equity or investment in a project;
- ✓ Interest rate subsidy attributable to the Federal tax-exemption on financing or Federal Tax Credits;
- ✓ Cash or other forms of contributions from applicants or recipients of HOME assistance (with the exception of sweat equity).

Documentation of match must be submitted to the Department of Building, Housing and Planning upon receipt of application. Agencies must also maintain documentation of match for a minimum of five (5) years after completion of the project.

AFFORDABILITY PERIOD

HOME project owners/buyers are required to maintain HOME funded properties as affordable for a minimum affordability period based on the amount of HOME funds spent on the project. These guidelines are as follows:

Under \$15,000 per unit	5 years
\$15,000 to \$40,000 per unit	10 years
Over \$40,000	15 years
New construction or acquisition within one year of construction (for rental projects)	20 years

A deed restriction and/or restrictive covenant will be prepared by BHP and must be signed by the owner/buyer. This agreement establishes occupancy and affordability requirements for the property as well as the owner's obligations to the City of Lorain. In signing the agreement, the owner agrees to the restrictions on the use of the property set forth in the document. This agreement will then be recorded by the Department of Building, Housing and Planning in the Office of the Lorain County Recorder and therefore binds the project owner and all subsequent owners for the full term of the agreement.

If a homebuyer sells the home before the HOME affordability period has expired, the City will recapture the pro-rated HOME subsidy out of the net available proceeds from the homeowner.

The Department of BHP will split the net available proceeds up to the amount of the HOME financial assistance to the Homeowner.

Failure to comply with affordability requirements will require repayment of all HOME funds extended to the project by the project sponsor, owner or developer.

COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS **(CHDO)**

CHDO

Federal guidelines require a minimum of 15% of the annual HOME allocation to the PJ ("City") be set-aside for housing projects that are owned, sponsored or developed by CHDOs. A CHDO is a non-profit organization that meets a variety of criteria outlined in the HOME regulations. HUD has specific requirements to qualify as the owner, sponsor or developer.

RENTAL HOUSING

OWNER- A CHDO that is an owner is required to own the HOME project during the Development and throughout the period of affordability, and is required to hire a project manager or have a contract with a development contractor to oversee all aspects of the development.

DEVELOPER- A CHDO that is a developer of rental housing must arrange for the Construction financing and is solely in charge of the construction, and must own the HOME-assisted housing through the period of affordability.

SPONSOR- A CHDO that is a sponsor of HOME-assisted rental housing "owns" and "develops" the rental housing project that it agrees to convey to a private, non-profit Organization at a predetermined time after completion of the development of the project.

HOMEBUYER PROJECTS

DEVELOPER- Housing is developed by a CHDO if it is the owner (in fee simple absolute, or long-term ground leases) and the developer of new housing that will be constructed or existing substandard housing that is owned or will be acquired by the CHDO and rehabilitated for sale to low-income families, in accordance with 92.254. The CHDO must arrange financing of the project and be in sole charge of the construction.

SOLE GENERAL PARTNER

-24 CFR 92.300 (a) (a1) requires that if a CHDO owns a project in partnership, or owns the project through its wholly-owned for-profit or non-profit subsidiary, it must be the managing general partner. This also is inclusive of LLCs.

CHDO COMMITMENT OF FUNDS

CHDO funds must be committed by BHP within 24 months of the beginning of the fiscal year. Funds may not be committed to a project until all necessary project financing is secured, a budget and time schedule are established and underwriting and subsidy layering review are completed. Construction must commence within twelve (12) months of project commitment.

BHP urges CHDOs, which plan to submit for projects, plan well in advance so that all financing is secured and the budget and time schedule are completed. This ensures that HOME funding may be utilized and that no funds will be withdrawn from the project for lack of being able to move forward and meet HOME requirements.

BHP will not undertake the underwriting and subsidy layering review until ALL funding has been identified. The CHDO and BHP will enter into a written agreement which will stipulate all of the conditions of the HOME funding as well as the legal documents that will need to be signed and/or recorded for the project.

As mentioned above, CHDOs must apply for certification as a City of Lorain CHDO or be registered as a State of Ohio CHDO at the time of project application. It is advisable to begin work on this process prior to application submission as it may take some time for BHP to certify.

CHDO CERTIFICATION

An organization that meets the requirements of a CHDO found at 24 CFR 92.300 may apply for City of Lorain CHDO Certification. This application must be done at the same time that the application for funding is made. BHP will certify only those organizations applying for CHDO set-aside funding each year. BHP reserves the right to make the final determination on whether an organization meets all of the requirements of the HOME regulations.

RENTAL PROJECTS

HOME funds may be used for acquisition, new construction or rehabilitation of affordable rental housing. Owners of the rental housing may be small property owners, for-profit developers, non-profit housing providers, CHDO's or government agencies. Owners will be monitored on an annual basis by BHP to ensure compliance in occupancy, rent restrictions, affordability requirements, and property standards.

GENERAL REQUIREMENTS

- ✓ Project records must be maintained by the owner for a minimum of five (5) years beyond the required affordability period;
- ✓ Owners **MUST** adopt a written tenant selection policy. A copy of the policy must be on file with BHP. Any changes to an existing policy must be provided to the Department of Building, Housing and Planning immediately;
- ✓ Tenant files must be well maintained on all HOME assisted units. Files must contain a current leased signed by the tenant, documentation of income, application and household information including family composition, documentation of Section 8 subsidy showing tenant and subsidized portions and documentation of correspondence with the tenant, yearly income verifications, as well as any other pertinent information on the tenant (i.e. background/criminal checks, etc.);
- ✓ Third party documentation of income must be verified to determine eligibility prior to the individual and/or family moving in. Income documentation must be no more than three (3) months old;
- ✓ Income must be verified annually to ensure compliance and maintained in the tenant(s) file(s). Third-party documentation must be performed every six (6) years;
- ✓ Tenant files must be maintained for a minimum of five (5) years after the tenant vacates the unit;
- ✓ All units must be maintained in compliance with HUD Housing Quality Standards and City of Lorain Property Maintenance Codes and/or other governing building codes;
- ✓ Owner must adhere to Equal Opportunity, Affirmative Marketing and Fair Housing practices (contained within these policies) in all marketing efforts, eligibility determinations and other transactions. Owners must solicit applications from persons in the housing market not likely to apply without special outreach efforts. All marketing efforts must be documented;
- ✓ The Equal Housing Opportunity Logo or statement must be used in all written communication and advertising of vacant units and must be displayed in the housing/rental office;
- ✓ A unit report must be submitted to BHP any time there is a tenant change;
- ✓ Prior to bidding work, the Owner must provide copies of the bid documents which includes the description of the work to be undertaken, construction contract(s) to be utilized, and a cost estimate. No bidding or contracting may occur prior to written authorization by BHP. **Failure to adhere to these requirements will cause the funding agreement to become void;**
- ✓ Progress inspections will be conducted by BHP in order to ensure that the work is progressing in a timely manner; that the work is completed in accordance with the codes and construction contract and documents, and to initiate a progress

- payment. No final payment of HOME funds will be made until all construction is complete and the unit is ready for occupancy;
- ✓ BHP will monitor the project during the period of affordability. This will include on-site inspections to determine if the unit(s) continues to meet the property maintenance codes as well as a monitoring of files as required by the HOME regulations. The Owner will be required to include a mandatory annual fee that will be invoiced to the owner by BHP to cover the cost of the on-going monitoring.

PROPERTY STANDARDS

NEW CONSTRUCTION

All newly constructed rental units must meet the applicable state and local residential and building codes upon project completion. All newly constructed units must also meet the accessibility requirements of 24 CFR Part 8 (implements Section 504 of the Rehabilitation Act of 1973) and Titles II and III of the Americans with Disabilities Act implemented at 28 CFR Parts 35 and 36, as applicable. Covered multifamily dwellings, (buildings consisting of four (4) or more dwelling units if such buildings have one or more elevators; and ground floor dwelling units in other buildings consisting of four (4) or more dwelling units) must also meet design and construction requirements at 24 CFR 100.205.

REHABILITATION

BHP has adopted the State of Ohio's Residential Rehabilitation Standards for all rehabilitation work. A copy of these standards is available online and within the Department of Building, Housing and Planning.

OCCUPANCY REQUIREMENTS

Upon initial occupancy, rents must be at or below 60% of the Area Median Income (AMI). If after initial occupancy the family's income increases above 80% AMI, the family may continue to occupy the unit with the stipulation that they pay at least thirty percent (30%) of their adjusted monthly income as rent. An exception is made for units financed with Low Income Housing Tax Credits, in which case tax credit regulations apply.

In a rental project of five (5) or more units, at least twenty percent (20%) of the HOME assisted units must be occupied by families with an annual gross income at or below fifty percent (50%) of the AMI. Rents for these units must be at or below the Low HOME Rents, no exceptions.

All HOME assisted units must be fully occupied within 18 months of construction/rehab completion. Project completion is specified below. If a unit is not occupied within 18 months, the Owner will be required to repay the HOME funds that have been invested in that unit.

All tenants in HOME assisted units must have a lease that meets all of the requirements of the HOME program.

1. Leases

- a) Lease must be for a minimum of one year
- b) Lease shall not contain any of the following provisions:
 - I. **Agreement to be sued:** Agreement by the tenant to be sued, to admit guilt or to a judgment in favor of the owner in a lawsuit brought in connection with the lease.
 - II. **Treatment of Property:** Agreement by the tenant that the owner may seize or sell property of household members without notice to the tenant and a court decision on the rights of the parties. This provision does not apply to the disposition of personal property left by a tenant who has vacated a property.
 - III. **Excusing the owner from responsibility:** Agreement by the tenant not to hold the owner or the owner's agents legally responsible for any action or failure to act, whether intentional or negligent.
 - IV. **Wavier of Notice:** Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant.
 - V. **Waiver of legal proceedings:** Agreement of the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties.
 - VI. **Wavier of a jury trial:** Agreement by the tenant to waive any right to a trial by jury.
 - VII. **Waiver of right to appeal court decision:** Agreement by the tenant to waive the tenant's right to appeal or to otherwise challenge in court a court decision in connection with the lease.
 - VIII. **Tenant chargeable with cost of legal actions regardless of outcome:** Agreement by the tenant to pay attorney's fees or other legal costs, even if the tenant wins a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.
 - IX. **Mandatory supportive services:** Agreement by the tenant (other than a tenant in transitional housing) to accept supportive services that are offered.
- c) Owners may terminate tenancy or refuse to renew a lease upon 30 days' written notice, and only under the following circumstances: serious or repeated violation of the terms and conditions of the lease; violation of applicable federal, state, or local law; completion of the tenancy period for transitional housing or for other good cause in accordance with 24 CFR 92.253 (c).

TENANT SELECTION

The Owner must comply with the Affirmative Marketing Policy (Appendix 4). The Owner must also adopt and follow written tenant selection policies and criteria 24 CFR 92.253 (d). The Owner must submit the tenant selection policies and criteria to the BHP with the funding agreement. These policies and criteria must be approved by BHP prior to leasing/renting of any properties.

FIXED/FLOATING UNITS

Owners must determine, at the time they sign the HOME Funding Agreement, if the HOME assisted units will be fixed or floating units. If fixed units, they must assign a permanent address to the assisted units.

RENT RESTRICTIONS

Owners of HOME projects must keep units affordable to low-income tenants during the entire Affordability period. Maximum rent limits are published by HUD annually and distributed to recipients of funds. Current rent limits are contained in Appendix 1. In the event that limits go below the rate published at the time of contract execution, owners will not be required to lower rents and may retain their current rates.

Owners may request an increase as rent limits change. However, the owners may not change a tenant's rent prior to the expiration date of the lease agreement. Owners must provide tenants at least forty-five (45) days of notification of rent increase.

SITE AND NEIGHBORHOOD STANDARDS

New construction rental projects must ensure that the project conforms to the "Site and Neighborhood Standards" as described in 24 CFR 983.6 (b).

PROJECT COMPLETION

Rental projects are considered complete once construction is completed and the units are ready for occupancy. All HOME units within a rental project(s) must be rented to an initial occupant within 18 months of project completion. All HOME funding will be required to be repaid to HUD by the Owner for units not occupied within the 18 month timeframe.

All HOME assisted units must be completed within four (4) years of signing the funding agreement between the Owner and the City of Lorain. Funds expended on units that are not completed within the required four (4) years will result in repayment of all HOME funds to the City of Lorain for reimbursement to HUD. Funding agreements must be signed within 12 months of the beginning of the program year.

FUNDING LEVELS

The minimum amount of funding that can be applied to a HOME assisted unit is \$1,000.00. The maximum amount of funding that can be applied to a HOME assisted units is the 221 (d) (3) limit as published each year and provided to BHP by HUD.

HOMEOWNERSHIP ACTIVITIES

CONSTRUCTION/REHAB OF HOMEOWNERSHIP UNITS FOR RESALE

City of Lorain HOME funds may be utilized by entities for the construction or rehabilitation of units for resale for homeownership to qualified low-income (up to 80% of AMI) individuals or families.

- ✓ Environmental and historical reviews must be conducted by BHP on every project. BHP will notify agency of documentation needed to complete the review. It is the responsibility of the owner/developer to insure that BHP has all the information necessary to complete the reviews. Environmental and historical reviews will be completed prior to the award of a Grant Agreement. Projects MAY NOT commence and funds may not be expended (both federal and non-federal) until the review is completed and HUD releases the project;
- ✓ Grant agreements will only be signed upon the submission of a project timeline and final commitment and proof of all funding sources;
- ✓ Construction plans and/or work specifications must be submitted to BHP to be reviewed within three (3) months of execution of the HOME Grant Agreement between the Department of Building, Housing and Planning and the owner/developer (non-profit). All plans must be approved prior to commencement of construction. Any changes to the approved plans must be submitted to BHP for approval;
- ✓ Funds MAY NOT be committed to a project until all necessary project financing is secured, a budget and time schedule are established and underwriting and subsidy layering review (if necessary) are completed. Construction must commence within 12 months of the project commitment. Grant agreements will not be signed until this information has been submitted to and approved by BHP.
- ✓ HOME Grant Agreements must be signed within fourteen (14) days of the recipient of the funding agreement from the BHP;
- ✓ Construction must begin within three (3) months of plans and/or work specification approval by the Department of Building, Housing and Planning;
- ✓ For the projects that require acquisition of land or property, the agency may obtain a purchase option agreement in lieu of full ownership. The agreement must state that the

purchase of the property is contingent upon the results of the environmental review and the release of funds by HUD.

- ✓ All legal notices and advertisements pertaining to construction of the project must be reviewed by BHP prior to publication;
- ✓ All homebuyer units must be sold no later than 9 months after construction completion. Any units not sold will be converted into rental units and rental requirements will apply including long-term affordability;
- ✓ All new construction projects must meet the federal energy efficiency standards and must meet and exceed building codes as established by the City of Lorain or State of Ohio;
- ✓ All rehabilitation projects must meet the Residential Rehabilitation Standards (RRS) adopted by BHP and be as energy efficient as possible and follow all local applicable building code;
- ✓ Construction files must be maintained and accessible for a minimum of five (5) years beyond the affordability period; and
- ✓ Contractors working on the project must be legally registered to conduct business in the State of Ohio and City of Lorain.

BID PROCEDURES

- All projects, excluding CHDO projects, must be sent out for public bid regardless of other funding sources in the project (Projects involving Low-Income Housing Tax Credit (LIHTC) funding may request a waiver of this requirement). Bid documents MUST be approved by BHP prior to advertisement. Failure to receive prior approval will result in the project be in non-compliance and termination of the funding agreement;
- Bid packets must be available for pickup for a minimum of two (2) weeks;
- Bids must be sealed when submitted to the agency. All bids will be opened by the agency at a pre-designated date and time;
- BHP staff and all bidders must be notified of the date and time of bid opening;
- Normally the lowest, responsive bidder will be awarded the contract. In the event that the agency selects a bid other than the lowest, they must submit the bids along with documentation to support the selection to BHP for approval. This may or may not be approved by BHP.

PAYMENT/RELEASE OF FUNDS

- Funds are disbursed on a reimbursement basis. If the Agency is unable to meet the cost of construction and/or services on a reimbursement basis, payment terms must be discussed and approved by BHP staff prior to construction;
- Agencies must submit one copy of a HOME request for Payment Form along with copies of the invoice from the contractor or service provider. Claims submitted without proper backup documentation will be returned to the Agency. No faxed copies of the "HOME REQUEST FOR PAYMENT" form will be accepted. However, a scanned color copy with an original signature in blue ink will be accepted;

- The Department of may hold payment including final payment for the project pending inspection and approval by BHP for possible Davis Bacon and all other federal requirements, as well as requirements of the Grant Agreement. The funds will not be released until BHP has received and approved all required documentation. All new construction projects must have a Certificate of Occupancy and/or a Certificate of Inspection from the City of Lorain. All rehab projects must be inspected by the City of Lorain/Building, Housing and Planning's building/housing inspector and have documentation indicating the property complies with building code regulations.

RELOCATION

HOME projects must comply with the Uniform Relocation Act (URA) whenever displacement occurs as a direct result of HOME-assisted rehabilitation, demolition or acquisition, including acquisition for homebuyer activities. If the proposed project is occupied at the time of application, contact BHP for detailed regulations. Failure to do so may result in disqualification of your application as you may be required to submit notifications as part of your application. It is the expressed policy of BHP to strictly comply with URA and to minimize displacement.

COST OVERRUNS

Applicants should make every effort to be realistic when developing construction and development budgets. Construction budgets should be comprehensive and should consider items such as the removal of lead based paint and asbestos, the effect of cost estimating now for work to be performed some months into the future, and contingencies.

BHP does not keep a reserve account for cost overruns, nor will funds be available to pay for cost overruns. Overruns will be the responsibility of the owner or developer. The protocol for payment of HOME funds to the project is:

- GAP
- Contingency
- Developer Fee

DEVELOPER FEES

Developer fees may not exceed 10% of the total project costs. These funds will be the last funds paid for the project. In the event of cost overruns, developer fees must be used as a contingency fund.

PROJECT COMPLETION

A Homeownership housing project is considered complete when:

- All necessary title transfer requirements and construction work are complete; and
- The project complies with the property standards under 24 CFR 92.251; and
- The final payment of HOME funds has been disbursed; and
- All project completion data has been submitted to BHP including demographic information on the homeowner and BHP and entered the completion data into IDIS.

Project must be completed within four (4) years of signing of the Grant Agreement with the City of Lorain. The grant Agreement must be entered into within 12 months of the beginning of the city's FY (January 1).

All units must be sold within the nine (9) month of certificate of occupancy. Units not sold within this timeframe must be converted to rental units.

Owner must provide a market study to ensure that the units will be sold within the required timeframe.

FUNDING LEVELS

The minimum amount of funding that can be applied to a HOME assisted unit is \$1,000.00.

The maximum amount of funding that can be applied to a HOME assisted unit is determined by the HOME Homeownership Value Limits as published each year and provided to BHP by HUD.

OWNER-OCCUPIED HOUSING REHABILITATION

I. Program Purpose

The City of Lorain Department of Building, Housing and Planning's Owner-Occupied Rehabilitation Program is designed to assist very-low and low-to-moderate income individuals and families in eliminating housing related code violations, incipient code violations and housing issues deemed urgent.

Funding from the Owner-Occupied (Full Rehabilitation Program) must bring the property up to local codes and standards, repair and/or replace *some structural components near failure, provide ADA and handicapped accessible modifications for the elderly and disabled, and energy efficiency upgrades. Owner-Occupied loans shall not exceed \$45,000.00 and are funded through the HOME Program. Twenty-percent (20%) of the

loan is payable through monthly installments, with the remaining 80% of the loan being deferred. A lien will be placed on the property for the full amount of the loan in the form of a mortgage and note. The loan terms are dependent upon the total amount of investment. This is a 0% deferred loan, but if payments are missed or late on the repayment portion of the loan, interest will be charged in the amount of 3%. To achieve these objectives, the City of Lorain (city) will offer deferred loans to income eligible property owners for the purpose of correcting code violations or incipient code violations in targeted areas of the City of Lorain, as provided in the most recent Consolidated Plan.

II. Eligibility Criteria

1. Applicants must be a U.S. citizen or permanent resident, with a valid Social Security card;
2. Permanent residents must provide a copy of their unexpired immigration documents;
3. Applicant(s) must be the owner-occupant of the property to be rehabilitated, and the property must be located within the City of Lorain limits, and in a designated target area as described by the city;
4. Applicant must have been residing in the home for a period not less than two (2) years;
5. Property must be a single family, owner-occupied home;
6. Applicant must meet 80% below income guidelines for eligibility as established by HUD for the Cleveland-Elyria- Metropolitan Statistical Area for the year of application;
7. Applicant(s) may not be delinquent on any debt to the City of Lorain or Lorain County. Debt includes but is not limited to: utilities; court fines; and income and/or property taxes;
8. Applicant may not have more than \$5,000 in short term assets which includes checking account(s), savings account(s), cash, Certificates of Deposits (CD's), and/or other investment(s);
9. Applicant(s) must provide income verification in order to determine his/her eligibility.
10. Applicant(s) may not receive any form of Rehabilitation funds if he/she is an employee of the Department of Building, Housing and Planning or a member of any employee's immediate household without written clearance from the City of Lorain Law Director, Lorain City Council, and the U.S. Department of Housing and Urban Development (HUD); and
11. No further assistance may be obtained through these programs or any other Building, Housing and Planning Department Program for a period of ten (10) years.

III. Eligible Improvements

Eligible improvements shall only be those necessary to correct any and all housing code deficiencies/violations on and in the property. If the property consists of two (2) units, repairs related to both units (e.g. roof, exterior walls, foundation, etc.) are eligible, but repairs related exclusively to the rental unit are prohibited for inclusion in this program. Homes must be brought up to code(s) adopted by BHP.

IV. Ineligible Improvements

Improvements that are defined as unnecessary cosmetic repairs, luxury items or fixtures that are not permanently affixed to the property, including but not limited to: additions, garages or out-buildings, fences, pools, fireplaces, landscaping, washers, dryers and microwaves.

V. Maximum Loan Amount

The maximum amount of an Owner-Occupied Rehabilitation loan is the amount required to repair all code related violations, but shall not exceed ~~\$45,000.00.~~ ^{#50K}

VI. Lien Priority

The City of Lorain's security interest in any of the Rehabilitation Loan will be in the first position. However, if there is adequate collateral in the property, then the City may consider a second or third position.

VII. Processing and Settlement Costs

The cost of processing and settling the loan, other than those services normally provided by the locality, and the costs necessary to obtain security for the loan are eligible costs that may be processed as part of the loan. These costs may include, but are not limited to the following:

- 1) Title reports and filing of legal documents;
- 2) Credit reports;
- 3) Appraisal fees;
- 4) Fees for an independent rehabilitation cost estimate; and
- 5) Other related costs which shall be disclosed to the borrower

VIII. Contingency Reserve

A contingency reserve fund may be included in the Owner-Occupied Rehabilitation loan to cover unanticipated construction costs, or to cover increases in other eligible

program costs. The contingency reserve is to be no more than five-percent (5%) of the total project cost.

IX. Screening Process

Initial Screening Process

In processing an Owner-Occupied Rehab Loan, the processor must determine the applicant's annual gross household income and give priority in the following order: and 1) to lower-income residents (30 percent or below the income threshold) 2) Senior Citizens age 62 years or older 3) Veterans/disabled household member 4) Residents at or below 80 percent income threshold as described by the U.S. Department of Housing and Urban Development.

Income and property verification of prospective borrower

The information obtained from the prospective borrower in the initial screening process must be verified by the processor in order to determine whether or not the prospective borrower is an acceptable credit risk. Specifically, the loan processor must verify or obtain the following:

1. The prospective borrower's income and the income of residents age 18 years or older residing in the household;
2. The prospective applicant's employment, if applicable;
3. The status of all mortgages and liens on the property to be repaired;
4. Verification of deposits;
5. Verification of Public Assistance, if applicable;
6. Verification of other assets;
7. Proof that City; State; and federal taxes are current;
8. Proof that real estate taxes are paid and current; and
9. The title to the property to be repaired is in the name of the applicant(s);

X. Pre-Construction and Contract Issues

The next step in processing an Owner-Occupied Rehabilitation loan involves the construction and contract issues that arise prior to settlement and actual construction. Please keep in mind that the contract for rehabilitation work between the homeowner and a contractor is a private contract for the rehabilitation of a homeowner's private property. Although the source of funding for the rehabilitation is from the U.S. Department of Housing and Urban Development (HUD); it is not a party to the construction contract, and neither HUD nor the City of Lorain accept any legal responsibility to the homeowner/applicant for the quality of rehabilitation work performed by the contractor. While the City imposes a number of terms and conditions on the program, both to meet specific federal requirements and for the protection of the fund provider, it is primarily the applicant's legal responsibility to meet these conditions.

The City's legal duty to the homeowner in connection with an Owner-Occupied Rehabilitation program is limited to the disbursement of funds to the rehabilitation escrow account for the loan, and to take any other action necessary to comply with HUD's requirements under the legal documents governing the program. The City will provide considerable technical assistance to complete the rehabilitation work in order to help protect the City's and/or homeowner's interests. Note that no change orders or trade-offs with regard to the rehab work may be made between the property owner and the contractor without an authorized Change Order signed by the borrower and the contractor and authorized in writing by the City. A change order must not delay the start of construction beyond the requirements detailed within the Construction Contract. All contracts must be approved by the City's Board of Control.

Definition of Change Order

A Change Order must describe precisely any modifications to the scope of work and any changes in the contract price. A modification might be relatively minor, or the change may be major. The scope of work of the Change Order must be prepared according to the standards of an acceptable work write-up. It must include the contractor's cost for the new work, and for the deleted work, if any. These cost changes must be verified as reasonable by the City. All Change Order must be on BHP approved forms.

Covering Additional Cost for Changes, if any

The cost of changes in the scope of work can be covered by deleting work that is not required (e.g., work to correct incipient code violations), by using the contingency reserve (if applicable), by having the borrower provide additional funds, or by having the contractor absorb the cost.

XI. Identifying qualified Contractors

All homeowners are required to obtain at least four (4) bids from qualified contractors for the work to be performed. All contractors participating in the City's rehabilitation programs must meet the following qualifications:

1. Recognized trade or Sub-Contractor- The contractor must be in business as a specific trade or sub-contractor with a recognized performance record. In addition, the contractor must be legally able to enter into a contract with the applicant to undertake rehabilitation work;
2. Licensing- The contractor must have all necessary State and local licenses (e.g. registered to do business in the State of Ohio and in the City of Lorain);
3. The contractor must not be delinquent on any City of Lorain, Lorain County, State of Ohio or Federal Taxes or debts to the City as described in Section II (7) ;

4. Not temporarily or permanently suspended- The contractor must not be on HUD's debarred list or be temporarily or permanently suspended or debarred by the City of Lorain because of poor past performance. The contractor must also not be on the U.S. General Services Administration's Consolidated List of Debarred, Suspended or Ineligible Contractors, which can be located at www.sam.gov/ or the Ohio Secretary of State's Debarred Contractor's list; and/or the City of Lorain's Debarred or Suspended Contractor's list.

Perspective borrowers may request information relative to contractors registered in the City of Lorain through the BHP Department. The City of Lorain and its sub-departments do not endorse any particular contractor(s) for any work performed on the applicant's home.

XII. Loan Settlement

Loans cannot be settled until a copy of the loan application has been officially approved by the City and funds have been obligated. Loan settlement documents will consist of the following:

1. Promissory note;
2. Mortgage Deed;
3. Right-to-Cancel Notice;
4. Rehabilitation Construction Contract;
5. Notice to Proceed; and
6. Rehabilitation Loan Agreement

XIII. Construction Inspections and Progress Payments

The contractor will be paid directly and allowed to make draws after completion of the code related and incipient items listed on the specifications.

The City/and or its program administrator is responsible for obtaining required and other necessary inspections on all properties. The City must ensure that inspections are made in a timely manner so as not to hold up payments to the contractor.

Payments must not be authorized for unsatisfactory items until the contractor has satisfactorily completed the necessary corrective action. Furthermore, homeowner must not be coerced in any way to approve work which is not in accordance to the terms of the contract.

Please note- Since the program proceeds are limited, the homeowner may also add his/her own funds from savings or a second conventional loan.

XIV. Walk Away Policy

The City, through its Department of Building, Housing and Planning, may determine that due to one or more of the following reasons, certain housing repair loan requests do not meet the program guidelines and therefore the City will be unable to provide the requested housing rehabilitation loan to the applicant(s):

1. High housing repair costs (exceeding the maximum allowable loan);
2. Property title issue(s)

The City and/or the program administrator shall notify the applicant by letter of this determination and include a copy of this correspondence in their client file.

DOWN PAYMENT ASSISTANCE

1. APPLICANT(S) ELIGIBILITY REQUIREMENTS

- 1) Homebuyer must be a U.S. Citizen or permanent resident, with a valid Social Security Card;
- 2) Permanent residents must provide a copy of their unexpired immigration documents;
- 3) Applicants must occupy the property as a principal place of residence and be prequalified for home purchase (Received approval and a first mortgage commitment for the purchase of the home from a mortgage lender);
- 4) Must have never owned real estate, or has not owned or had an ownership interest in his/her principal residence in the last three (3) years. An exception can be made for displaced single parents with divorce documentation;
- 5) Applicant(s) must NOT be delinquent on monies owed to the City of Lorain and/or Lorain County in any capacity, to be deemed eligible for this program;
- 6) Contribute a minimum of three (3%) percent of the purchase price as down payment;
- 7) Monthly payment of principal, interest, taxes and insurance shall not exceed 30% of homebuyer's gross monthly income;
- 8) Total household income must not exceed the 80% income limits as determined by the U.S. Department of Housing and Urban Development for the year of application. The household income from all persons age 18 years or older that will reside in the home must be provided, including nonrelated individuals, and shall not exceed the income dollar amounts* provided in the calendar year of program operation.
- 9) Must agree to mandatory Point of Sale inspection;
- 10) Must agree to and complete the mandatory Home Ownership Counseling offered by a HUD Approved Housing Counseling Agencies;
- 11) Applications are processed on a first come, first served, first qualified basis;

12) Program is subject to fund availability.

2. Terms of First Time Homebuyer Loan

1) Applicants may receive down payment assistance loan of up to seventeen percent (17%) of the purchase prices of a home up to a maximum loan of \$15,000.00 depending on income level;

2) The loan shall be at zero percent (0%) interest over a period of five (5) years. The loan is to be reduced to fifty percent (50%) of original value after (60) months of residency and occupancy of the property by the buyer(s). Remaining balance shall be recaptured upon resale, transfer or conversion of property into a rental unit(s);

3) If the owner(s) wishes to use the property as a source of collateral for a future loan, the City's policy is to NOT SUBORDINATE. In such cases, the owner(s) must reimburse the full amount of the loan. A lien will be placed on the property to secure the loan, but fifty percent (50%) of the loan is forgivable at the end of five (5) years provided the terms and conditions are met. If the owner violates this requirement, the owner will be notified by the City that the loan is due and payable within thirty (30) days thereof and if the payment is not received within such period the City will take legal action to reclaim the amount awarded.

3. Application Process:

- 1) Complete an application form and provide any applicable application fees;
- 2) Submit all required documents related to home purchase, income, employment and household status, and financing approval;
- 3) Applicant's eligibility determined by City of Lorain's Building, Housing and Planning staff or designated program administrator(s);
- 4) Applicant is notified of eligibility/ineligibility;
- 5) Purchase agreement and all documents required to qualify the home and the sale are submitted by the purchaser prior to funding the loan;
- 6) Applicant must complete a HUD approved Pre-Purchase Counseling;
- 7) A City Point-of-Sale inspection certificate is required for all applicable properties.
- 8) PLEASE NOTE- Recipients are required participate in a BHP approved Housing Maintenance Training Program.

4. Additional Information and Instructions:

- 1) There shall be no debt payoff included in the first mortgage;

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- 2) Only the following types of loans shall be acceptable:
 - a. VA, FHA or Conventional
 - b. Non-conforming, ARM or Interest Only loans cannot be taken as a primary mortgage loan, also no pre-payment penalties and no balloon payments are accepted;
 - c. Home to be purchased must be a single-family house, attached single family house or condominium housing unit located in the City of Lorain;
 - d. The purchase price of a home shall not exceed the calendar year amount established by HUD;
 - e. Home purchased shall be the borrower's primary residence and titled in the borrower's name. No co-signer's allowed;
 - f. Applicant is strongly cautioned to enter into a Purchase Agreement contingent upon being awarded a first-time homebuyer down payment assistance loan by the City of Lorain;
 - g. Applicant understands that participation in the 1st Place Homeownership Program is NOT a guarantee of down payment assistance;
 - h. Applicant understands that due to limited program funding, the number of first time homebuyers assisted through this program will be awarded on a first-come, first-served, first eligible basis;
 - i. Purchasers, those having received a commitment letter for down payment assistance from the City of Lorain are to schedule the closing date (Title Transfer Date) at minimum of 45 days after the purchase agreement is accepted. The City is not capable of preparing a down payment assistance loan in less time.
 - j. All loan commitments are contingent on the house and the sale qualifying. The sale must be a voluntary sale which does not displace existing occupants;
 - k. The 1st Place First Time Homebuyer Program is contingent on funding availability.

SUBSIDY LAYERING REVIEW GUIDELINES

Required Documentation:

Project Pro Forma including sources and uses of funds statement, operating pro forma (rate of return on equity investment), project development budget along with certification of federal assistance

SOURCES OF FUNDS

- a) Signed commitment letters with all terms and conditions for all mortgages, grants, subordination agreements, bridge (interim) loans and investment tax credits (historical, low-income, if applicable); and
- b) If a partnership, a copy of the partnership agreement, which indicates the case contribution by the general partner(s) and/or limited partner(s).

USES OF FUNDS

- a) Earnest money agreement; option or closing statement for land and/or buildings;
- b) Construction cost estimate;
- c) Construction contract or preliminary bid(s);

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Procedures

- d) Agreements governing the various reserves which are capitalized at closing (to verify that the reserves cannot be withdrawn later as fees or distributions);
- e) Appraisal (to substantiate the value of the land and the value of the property after rehabilitation or construction of the structure being built);
- f) If low-income tax credits (LIHTC) are utilized, documentation on the syndication costs (legal, accounting, tax opinion, etc) from the organization/individual who will syndicate and sell the offering to ensure that the project can support the fees necessary to syndicate/fund the project;
- g) Supporting documentation for all other costs specified in the Sources/Uses of funds statement.

CERTIFICATION OF FEDERAL ASSISTANCE

- a) Formal certification concerning any other governmental assistance provided or to be provided to the project-one certification for each funding source;
- b) If no other governmental assistance, certification to this affect;
- c) If this changes during the course of the project, BHP staff needs informed immediately in the form of a new certification.

UNDERWRITING STANDARDS:

The Department of Building, Housing and Planning will utilize the following criteria:

- 1. Developer fees and overhead and any consultant fees may not exceed the sum of:
 - a. 15% of total rehabilitation and new construction eligible basis; and
 - b. 5% of total acquisition eligible bases; however a fee up to 10\$ of total acquisition eligible bases will be permitted for projects that require the approval of HUD for transfer of the property.
- 2. Limits for Contractor fee, Contractor Overhead and General Requirements will be calculated as follows:
 - a. Contractor fee = 6% of hard construction costs
 - b. Contractor overhead= 2% of hard construction costs
 - c. General requirements= 6% of hard contraction costs.
- 3. Total soft costs may not exceed 35% of total eligible basis. Total soft costs equal the sum of general requirements, contractor overhead, contractor profit, architectural fees, survey costs, engineering fees, permanent loan fees, cost of tax-exempt bond issuance, taxes, appraisal, market study, environmental report, rent-up/marketing costs, title and recording fees, non-syndication legal fees, accounting fees, developer fees and overhead, consultant fees, organization fees, and syndication expenses.

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INTENTIONALLY LEFT BLANK**

APPENDIX 1

2016 HOME RENT LIMITS

PLEASE NOTE-THESE CHANGE ANNUALLY

----- 2016 HOME PROGRAM RENTS -----

PROGRAM	EFFICIENCY	1 BR	2 BR	3 BR	4 BR	5 BR	6 BR
Akron, OH MSA							
LOW HOME RENT LIMIT	505	587	753	870	971	1071	1170
HIGH HOME RENT LIMIT	505	587	786	1017	1077	1239	1400
For Information Only:							
FAIR MARKET RENT	505	587	786	1017	1077	1239	1400
50% RENT LIMIT	586	628	753	870	971	1071	1170
65% RENT LIMIT	765	821	988	1132	1244	1354	1464
Canton-Massillon, OH MSA							
LOW HOME RENT LIMIT	422	516	684	794	886	978	1069
HIGH HOME RENT LIMIT	422	516	684	873	938	1079	1219
For Information Only:							
FAIR MARKET RENT	422	516	684	873	938	1079	1219
50% RENT LIMIT	535	573	687	794	886	978	1069
65% RENT LIMIT	689	739	889	1018	1116	1213	1310
Cincinnati, OH-KY-IN HUD Metro FMR Area							
LOW HOME RENT LIMIT	509	600	787	927	1035	1141	1247
HIGH HOME RENT LIMIT	509	600	787	1102	1297	1492	1628
For Information Only:							
FAIR MARKET RENT	509	600	787	1102	1297	1492	1686
50% RENT LIMIT	625	669	802	927	1035	1141	1247
65% RENT LIMIT	848	909	1093	1255	1380	1504	1628
Brown County, OH HUD Metro FMR Area							
LOW HOME RENT LIMIT	439	492	648	749	836	922	1008
HIGH HOME RENT LIMIT	439	492	658	959	978	1125	1268
For Information Only:							
FAIR MARKET RENT	439	492	658	959	978	1125	1271
50% RENT LIMIT	505	540	648	749	836	922	1008
65% RENT LIMIT	668	716	862	987	1081	1175	1268
Cleveland-Elyria, OH MSA							
LOW HOME RENT LIMIT	499	614	750	866	966	1066	1165
HIGH HOME RENT LIMIT	499	614	773	1017	1073	1234	1395
For Information Only:							
FAIR MARKET RENT	499	614	773	1017	1073	1234	1395
50% RENT LIMIT	583	625	750	866	966	1066	1165
65% RENT LIMIT	773	829	997	1143	1255	1367	1478
Columbus, OH HUD Metro FMR Area							
LOW HOME RENT LIMIT	532	638	798	923	1030	1136	1242
HIGH HOME RENT LIMIT	532	638	831	1065	1243	1429	1581
For Information Only:							
FAIR MARKET RENT	532	638	831	1065	1243	1429	1616
50% RENT LIMIT	621	665	798	923	1030	1136	1242
65% RENT LIMIT	824	884	1063	1220	1341	1461	1581

For all HOME projects, the maximum allowable rent is the HUD calculated High HOME Rent Limit and/or Low HOME Rent Limit.

APPENDIX 2 PER UNIT SUBSIDY



ACTION: Notice.

SUMMARY: HUD is seeking approval from the Office of Management and Budget (OMB) for the information collection described below. In accordance with the Paperwork Reduction Act, HUD is requesting comment from all interested parties on the proposed collection of information. The purpose of this notice is to allow for 60 days of public comment.

DATES: *Comments Due Date:* January 19, 2016.

ADDRESSES: Interested persons are invited to submit comments regarding this proposal. Comments should refer to the proposal by name and/or OMB Control Number and should be sent to: Colette Pollard, Reports Management Officer, QDAM, Department of Housing and Urban Development, 451 7th Street SW., Room 4176, Washington, DC 20410-5000; telephone 202-402-3400 (this is not a toll-free number) or email at Colette.Pollard@hud.gov for a copy of the proposed forms or other available information. Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Relay Service at (800) 877-8339.

FOR FURTHER INFORMATION CONTACT:

Thann Young, Office of Rural Housing and Economic Development, Department of Housing and Urban Development, 451 7th Street SW., Room 7240, Washington, DC 20410; email Thann Young at Thann.Young@hud.gov or telephone 202-708-2290. This is not a toll-free number. Persons with hearing or speech impairments may access this number through TTY by calling the toll-free Federal Relay Service at (800) 877-8339. Copies of available documents submitted to OMB may be obtained from Ms. Pollard.

SUPPLEMENTARY INFORMATION: This notice informs the public that HUD is seeking approval from OMB for the information collection described in Section A.

A. Overview of Information Collection

Title of Information Collection: Indian Community Capital Initiative.

OMB Approval Number: 2506—New.

Type of Request: New Collection.

Form Numbers: SF 424; HUD 424CB; HUD 424-CBW; SF-LLL; HUD 2880; HUD 2990; HUD 2991; HUD 2993; HUD 2994A; HUD 27061; and HUD 27300.

Description of the need for the information and proposed use: The Indian Community Capital Initiative

(ICCI) is a collaborative effort among three federal agencies—the Department of Housing and Urban Development (HUD), the Department of the Treasury—Community Development Financial Institutions Fund (CDFI Fund), and the Department of Agriculture—Rural Development (USDA—RD). The ICCI's goal is to increase access to capital for business lending and economic development and entrepreneurship for Federally recognized Indian tribes.

Federally recognized Indian tribe means any tribal entity eligible to apply for funding and services from the Bureau of Indian Affairs by virtue of its status as an Indian tribe. The list of Federally recognized Indian tribes can be found in the notice published by the Department of the Interior on January 14, 2015 (Federal Register/Vol. 80, No. 9/Wednesday, January 14, 2015/Notices).

Respondents (i.e. affected public): Public.

Estimated Number of Respondents: 566.

Estimated Number of Responses: 566.

Frequency of Response: 1.

Average Hours per Response: 7211.

Total Estimated Burdens:

	Respondents	Annual responses	Total responses	Burden per response	Total annual hours	Burden cost per instrument
HUD-424CB	566	1	566	3.12	1,766	44,150
HUD-424CBW	566	1	566	3.12	1,766	44,150
HUD-2880	566	1	566	2.0	1,132	28,300
HUD-2990	566	1	566	0	0	0
HUD-2991	566	1	566	0	0	0
HUD-2993	566	1	566	0	0	0
HUD-2994A	566	1	566	.5	283	7,075
HUD-27061	566	1	566	1.0	566	14,150
HUD-27300	566	1	566	3.0	1,698	42,450
Total	5,094	5,094	7,211	180,275

B. Solicitation of Public Comment

This notice is soliciting comments from members of the public and affected parties concerning the collection of information described in Section A on the following:

(1) Whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;

(2) The accuracy of the agency's estimate of the burden of the proposed collection of information;

(3) Ways to enhance the quality, utility, and clarity of the information to be collected; and

(4) Ways to minimize the burden of the collection of information on those who are to respond; including through

the use of appropriate automated collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

HUD encourages interested parties to submit comment in response to these questions.

Authority: Section 3507 of the Paperwork Reduction Act of 1995, 44 U.S.C. Chapter 35.

Dated: November 4, 2015.

Harriet Tregoning,

Principal Deputy Assistant Secretary for Community Planning and Development.

[FR Doc. 2015-29461 Filed 11-17-15; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

[Docket No. FR-5886-N-01]

Annual Indexing of Basic Statutory Mortgage Limits for Multifamily Housing Programs

AGENCY: Office of the Assistant Secretary for Housing—Federal Housing Commissioner, HUD.

ACTION: Notice.

SUMMARY: In accordance with Section 206A of the National Housing Act, HUD has adjusted the Basic Statutory Mortgage Limits for Multifamily Housing Programs for Calendar Year 2015.

DATES: Effective date: January 1, 2015.

FOR FURTHER INFORMATION CONTACT:

Daniel J. Sullivan, Deputy Director, Office of Multifamily Development, Department of Housing and Urban Development, 451 Seventh Street SW., Washington, DC 20410-8000, telephone (202) 402-6130 (this is not a toll-free number). Hearing or speech-impaired individuals may access this number through TTY by calling the toll-free Federal Information Relay Service at (800) 877-8339.

SUPPLEMENTARY INFORMATION: The FHA Down Payment Simplification Act of 2002 (Pub. L. 107-326, approved December 4, 2002) amended the National Housing Act by adding a new Section 206A (12 U.S.C. 1712a). Under Section 206A, the following are affected:

I. Section 207(c)(3)(A) (12 U.S.C. 1713(c)(3)(A));

II. Section 213(b)(2)(A) (12 U.S.C. 1715e (b)(2)(A));

III. Section 220(d)(3)(B)(iii)(I) (12 U.S.C. 1715k (d)(3)(B)(iii)(I));

IV. Section 221(d)(4)(ii)(I) (12 U.S.C. 1715l(d)(4)(ii)(I));

V. Section 231(c)(2)(A) (12 U.S.C. 1715v(c)(2)(A)); and

VI. Section 234(e)(3)(A) (12 U.S.C. 1715y(e)(3)(A)).

The Dollar Amounts in these sections are the base per unit statutory limits for FHA's multifamily mortgage programs collectively referred to as the 'Dollar Amounts,' they are adjusted annually (commencing in 2004) on the effective date of the Consumer Financial Protection Bureau's adjustment of the \$400 figure in the Home Ownership and Equity Protection Act of 1994 (HOEPA) (Pub. L. 103-325, approved September 23, 1994). The adjustment of the Dollar Amounts shall be calculated using the percentage change in the Consumer Price Index for All Urban Consumers (CPI-U) as applied by the Bureau of Consumer Financial Protection for purposes of the above-described HOEPA adjustment.

HUD has been notified of the percentage change in the CPI-U used for the HOEPA adjustment and the effective date of the HOEPA adjustment. The percentage change in the CPI-U is 2.0% and the effective date of the HOEPA adjustment is January 1, 2014. The Dollar Amounts have been adjusted correspondingly and have an effective date of January 1, 2015.

The adjusted Dollar Amounts for Calendar Year 2015 are shown below:

BASIC STATUTORY MORTGAGE LIMITS FOR CALENDAR YEAR 2015*Multifamily Loan Program*

- Section 207—Multifamily Housing
- Section 207 pursuant to Section 223(f)—Purchase or Refinance Housing
- Section 220—Housing in Urban Renewal Areas

Bedrooms	Non-Elevator	Elevator
0	\$50,164	\$57,886
1	\$55,569	\$64,832
2	\$66,376	\$79,497
3	\$81,813	\$99,566
4+	\$92,622	\$112,581

- Section 213—Cooperatives

Bedrooms	Non-Elevator	Elevator
0	\$54,364	\$57,886
1	\$62,683	\$65,583
2	\$75,598	\$79,749
3	\$96,766	\$103,170
4+	\$107,803	\$113,251

- Section 234—Condominium Housing

Bedrooms	Non-Elevator	Elevator
0	\$55,474	\$58,378
1	\$63,962	\$66,923
2	\$77,140	\$81,377
3	\$98,742	\$105,276
4+	\$110,002	\$115,560

- Section 221(d)(4)—Moderate Income Housing

Bedrooms	Non-Elevator	Elevator
0	\$49,924	\$53,928
1	\$56,671	\$61,822
2	\$68,501	\$75,176
3	\$85,980	\$97,251
4+	\$97,156	\$106,754

- Section 231—Housing for the Elderly

Bedrooms	Non-Elevator	Elevator
0	\$47,465	\$53,928
1	\$53,062	\$61,822
2	\$63,364	\$75,176
3	\$76,255	\$97,251
4+	\$89,650	\$106,754

- Section 207—Manufactured Home Parks per Space—\$23,030

Dated: November 9, 2015.

Edward L. Golding,

Principal Deputy Assistant Secretary for Housing.

[FR Doc. 2015-29469 Filed 11-17-15; 8:45 am]

BILLING CODE 4210-67-P

DEPARTMENT OF THE INTERIOR**Fish and Wildlife Service**

[FWS-R8-FHC-2015-N217;
FXFR1334088TWGOW4-123-FF08EACT00]

Trinity River Adaptive Management Working Group; Public Meeting

AGENCY: Fish and Wildlife Service, Interior.

ACTION: Notice.

SUMMARY: We, the U.S. Fish and Wildlife Service, announce a public meeting of the Trinity River Adaptive Management Working Group (TAMWG). The TAMWG is a Federal advisory committee that affords stakeholders the opportunity to give policy, management, and technical input concerning Trinity River (California) restoration efforts to the Trinity Management Council (TMC). The TMC interprets and recommends policy, coordinates and reviews management actions, and provides organizational budget oversight.

DATES: *Public meeting:* TAMWG will meet from 9:30 a.m. to 4:30 p.m. Pacific Time on Thursday, December 10, 2015. *Deadlines:* For deadlines on submitting written material, please see "Public Input" under **SUPPLEMENTARY INFORMATION**.

ADDRESSES: The meeting will be held at the Trinity River Restoration Program Office, 1313 South Main Street, Weaverville, CA 96093.

FOR FURTHER INFORMATION CONTACT: Joseph C. Polos, by mail at U.S. Fish and Wildlife Service, 1655 Heindon Road, Arcata, CA 95521; by telephone at 707-822-7201 or by email at joe_polos@fws.gov or Elizabeth W. Hadley, Redding Electric Utility, by mail at 777 Cypress Avenue, Redding, CA 96001; by telephone at 530-339-7308 or by email at ehadley@reupower.com. Individuals with a disability may request an accommodation by sending an email to either point of contact.

SUPPLEMENTARY INFORMATION: In accordance with the requirements of the Federal Advisory Committee Act, 5 U.S.C. App., we announce that the Trinity River Adaptive Management Working Group will hold a meeting.

Background

The TAMWG affords stakeholders the opportunity to give policy, management, and technical input concerning Trinity River (California) restoration efforts to the TMC. The TMC interprets and recommends policy, coordinates and reviews management actions, and provides organizational budget oversight.



U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT
WASHINGTON, DC 20410-8000

ASSISTANT SECRETARY FOR HOUSING-
FEDERAL HOUSING COMMISSIONER

November 18, 2015

MORTGAGEE LETTER 2015-28

TO: ALL FHA APPROVED MULTIFAMILY MORTGAGEES

SUBJECT: Annual Base City High Cost Percentage and High Cost Area Revisions
for 2015

Maximum mortgage amounts were revised by the Consolidated Appropriations Act, 2008 (Public Law 110-161, approved December 26, 2007) (FY 2008 Appropriations Act). Section 221 of the General Provisions of Title II of Division K of the FY 2008 Appropriations Act revises the statutory exceptions to maximum mortgage amounts for the FHA Multifamily Housing Programs, listed in Section 221 of the FY 2008 Appropriations Act, by (1) substituting 170 percent for the 140 percent exception of any geographical area, and (2) substituting 215 percent for 170 percent as the maximum exception allowed for a specific project. Accordingly, the statutory revision allows the Secretary to grant exceptions to maximum mortgage limits for certain Multifamily Housing Programs by (1) up to 170 percent, (equivalent to a 270 percent multiplier) in geographical areas where cost levels so require or (2) up to 170 percent, or 215 percent in High Cost Areas, (equivalent to a 315 percent multiplier) where necessary on a project-by-project basis.

The law does not determine which areas are to be considered "High Cost Areas." Accordingly, the Office of Multifamily Production has developed a list of High Cost Areas for 2015. The threshold for a High Cost Area has been set for all areas (Special Limit Areas excepted) with a "calculated" High Cost Percentage (HCP) of 281.70 or greater, but because of the statutory cap of 170% or 270 multiplier, some localities have a higher HCP but still have the 270 multiplier.

The attached designated Annual Base City High Cost Percentages and High Cost Areas are effective January 1, 2015.

SPECIAL LIMIT AREAS

Guam, the U.S. Virgin Islands, and the states of Alaska and Hawaii are Special Limit areas. Care should be taken to ensure that the appropriate limits are used for corresponding programs. The HCP for Special Limit Areas is 405%.

Paperwork Reduction Act

There are no information collection requirements in this Notice and therefore the Paperwork Reduction Act of 1995 (44 U.S.C. 3501-3520) does not apply. In accordance with the Paperwork Reduction Act, an agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless the collection displays a currently valid OMB control number.

Edward L. Golding
Principal Deputy Assistant Secretary

Attachment

FHA MULTIFAMILY STATUTORY MORTGAGE PROGRAMS
BASE CITY HIGH COST PERCENTAGES

Effective January 1, 2015

Boston MA Hub	270%	Detroit MI Hub	270%
Hartford CT	270%	Grand Rapids MI	246%
Bangor ME	270%		
Manchester NH	270%	Minneapolis MN Hub	270%
Providence RI	270%	Milwaukee WI	270%
Burlington VT	270%		
		Fort Worth TX Hub	217%
New York NY Hub	270%	Little Rock AR	217%
Buffalo NY	270%	New Orleans LA	221%
Albany NY	270%	Shreveport LA	216%
		Albuquerque NM	247%
Philadelphia PA Hub	270%	Dallas TX	217%
Charlestown WV	270%	Houston TX	213%
Camden NJ	270%	Lubbock TX	209%
Newark NJ	270%	San Antonio TX	193%
Pittsburg PA	270%		
Wilmington DE	270%	Kansas City MO Hub	270%
		Des Moines IA	217%
Baltimore MD Hub	270%	Topeka KS	238%
Washington DC	270%	St. Louis MO	270%
Richmond VA	265%	Omaha NE	228%
		Oklahoma City OK	230%
Greensboro NC Hub	239%	Tulsa OK	226%
Columbia SC	244%		
		Denver CO Hub	270%
Atlanta GA Hub	258%	Helena MT	251%
Louisville KY	245%	Fargo ND	248%
Knoxville TN	227%	Sioux Falls SD	234%
Memphis TN	219%	Salt Lake City UT	266%
Nashville TN	223%	Casper WY	261%
San Juan PR	270%		
US Virgin Isl. (spec limit)	405%	Los Angeles CA Hub	270%
		Santa Ana CA (LA)	270%
Jacksonville FL Hub	250%	San Diego CA	270%
Birmingham AL	221%		
Jackson MS	217%	San Francisco CA Hub	270%
Miami FL	256%	Phoenix AZ	254%
Tampa FL	268%	Sacramento CA	270%
		Honolulu HI (spec limit)	405%
Chicago IL Hub	270%	Las Vegas NV	270%
Springfield IL	270%		
Indianapolis IN	251%	Seattle WA Hub	270%
		Anchorage AK (spec limit)	405%
Columbus OH Hub	256%	Boise ID	270%
Cleveland OH	270%	Portland OR	270%
Cincinnati OH	245%	Spokane WA	270%

Note: Offices with a "calculated" HCP of 281.70 (before the statutory cap of 270) or higher are designated "High Cost Areas" and are shaded. The Multifamily for Tomorrow (MFT) Transformation will be effective for all Hubs after Wave 5 is complete for the Western Region in approximately Summer of 2016. The next Mortgagee Letter on this topic will reflect the MFT changes with respect to the new organizational structure.

APPENDIX 3

HOMEOWNERSHIP VALUE LIMITS

HOME and Housing Trust Fund Homeownership Sales Price Limits - FY 2016
 (Data through June 2015; New limits posted April 2016)

		Existing Homes HOME/HTE Purchase Price Limit								
State	County Name	Metropolitan/FAA Area Name	1-Unit	2-Unit	3-Unit	4-Unit	Unadjusted Median Value	Years Worth of Sales Data*	Number of Sales for Unadjusted Median**	Geographic Area Used
OH	Lorain County	Cleveland-Elyria-Mentor, OH MSA	\$130,000.00	\$167,000.00	\$202,000.00	\$250,000.00	\$137,000.00	1	9,025	Metro

HOME and Housing Trust Fund Homeownership Sales Price Limits - FY 2016
 (Data through June 2015; New limits posted April 2016)

		New Home/HOME/HTF Purchase Price Limit								
State	County Name	Metropolitan/MR Area Name	1-Unit	2-Unit	3-Unit	4-Unit	Unadjusted Median Value	Years Worth of Sales Data*	Number of Sales in Time Period for Unadjusted Median**	Geographic Area Used
OH	Lorain County	Cleveland-Elyria-Mentor, OH MSA	\$228,000.00	\$292,000.00	\$353,000.00	\$438,000.00	\$240,000.00	0		Q Non-Metro National

APPENDIX 4
AFFIRMATIVE MARKETING POLICY