

CITY OF COLUMBIA
Notice of Funding Availability (NOFA)
HOME INVESTMENT PARTNERSHIPS PROGRAM (HOME)



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PROGRAM DESCRIPTION AND UNDERWRITING REQUIREMENTS

The City of Columbia (the City) provides financial assistance for development of low-and moderate-income housing. These programs are administered by City's Community Development Department.

City requirements are generally consistent regardless of the original source of funding. Applicants should assume that federal requirements will apply.

Funding Available

The City of Columbia has set-aside a total of **\$3,500,000.00** in HOME funds available to be used by eligible entities for affordable rental housing and single-family housing for sale or rental located in the incorporated city limits of Columbia.

Eligibility

I. *ELIGIBLE APPLICANTS*

For-profit or non-profit corporations, PHAs, general or limited partnerships, or limited liability companies or Community Housing Development Organizations (CHDO) with demonstrated experience and capacity in the development and management of affordable rental or ownership housing may apply. Applicants without the necessary experience may enter into joint venture agreements with experienced developers. Experienced applicants will receive preference in the scoring of the applications.

Eligible & Ineligible Projects, Activities, and Costs

II. *ELIGIBLE PROJECTS/ACTIVITIES*

New construction or rehabilitation of affordable rental property or single-family affordable homeownership projects. Projects are intended for occupancy by low-moderate income households. Mixed use projects (containing both residential and non-residential space) are eligible in this application cycle. Generally, living space should make up the majority of the development. In any case, only the affordable housing portion of the project will be assisted, and commercial costs need to be split out from the residential costs.

III. INELIGIBLE PROJECTS/ACTIVITIES

- Public housing modernization or operations
- Emergency Homeless Shelters
- Transitional Housing
- Permanent Supportive Housing
- Student Housing
- Properties previously assisted with other restricted funds that are still under an affordability period

IV. ELIGIBLE COSTS

- Property acquisition
- Demolition
- On-site improvements
- Off-site utility connections
- Construction costs necessary to construct a non-luxury project with suitable amenities in accordance with the property standards described below
- Soft costs associated with the development and financing of the project
- Reasonable developer fees
- Relocation costs

V. INELIGIBLE COSTS/USES

- Costs associated with construction items or materials of a luxury nature
- Furnishings (except where required for special needs projects)
- Most off-site improvements (utility connections into the adjacent street are eligible costs)
- Developer/sponsor administrative costs (other than included in the developer fee)
- Substitution of City funds for any source of funds that has been previously committed to the project or represented to any other funding source as being available for the project, is not permitted.
- Capitalized replacement reserve

AFFORDABILITY TARGETING

The HOME Program is designed to provide affordable housing to low-income and very low-income families and individuals. Therefore, the program has some key restrictions that are designed to foster HUD's commitment to long-term affordable housing, quality units and reasonable costs. These key restrictions are discussed below.

Income Eligibility and Verification

Homebuyers, homeowners or tenants-must be low-income or very low-income. "Low-income" is defined as an annual income that does not exceed 80 percent of area median income, as adjusted

by household size. “Very low-income” is defined as having an annual income that does not exceed 50 percent of area median income, as adjusted by household size. A household’s income eligibility is determined based on its annual income. Annual income is the gross amount of income anticipated by all adults in the household during the 12 months of following the effective date of the determination.

Developments must meet all HOME program affordability requirements for single-family homeownership or rental housing units. The rent limits apply to the rent plus the utilities or the utility allowance. The maximum HOME rents (High HOME Rents) are the lesser of:

(1) The fair market rent for existing housing for comparable units in the area as established by HUD under [24 CFR 888.111](#); or

(2) A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit. The HOME rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions.

In rental projects with five or more HOME-assisted rental units, at least 20 percent of the HOME- assisted units must be occupied by very low-income families and meet one of the following rent requirements:

(1) The rent does not exceed 30 percent of the annual income of a family whose income equals 50 percent of the median income for the area, as determined by HUD, with adjustments for smaller and larger families. HUD provides the HOME rent limits which include average occupancy per unit and adjusted income assumptions. However, if the rent determined under this paragraph is higher than the applicable rent under [paragraph \(a\)](#) of this section, then the maximum rent for units under this paragraph is that calculated under [paragraph \(a\)](#) of this section.

(2) The rent does not exceed 30 percent of the family's adjusted income. If the unit receives Federal or State project-based rental subsidy and the very low-income family pays as a contribution toward rent not more than 30 percent of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

Rents and tenant incomes will be annually reviewed for compliance.

MINIMUM AFFORDABILITY REQUIREMENTS

I. PROJECT REQUIREMENTS

- One hundred percent (100%) of units funded with City HOME funds must be restricted as affordable.
- One hundred percent (100%) of designated HOME-assisted affordable units must have annual rents plus utility allowance of no more than 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit (“high HOME rent units”).
- In rental projects with five or more HOME-assisted rental units, twenty percent (20%) of designated HOME-assisted affordable units must have annual rents plus utility allowance of no more than 30% of 50% AMI and be reserved for households earning no more than 50% AMI (“low HOME rent units”).

II. CITY FUNDING IN COMBINATION WITH SECTION 8

Projects may not increase rents above the HUD formula rents for tenants with tenant- based rental assistance (such as Section 8 vouchers). Units with project-based rental assistance (such as project-based Section 8), however, can rent for the maximum rent allowed under the rental

assistance program provided that they are rented to a very low-income household and the tenant contribution to rent is no more than 30% of the household income.

III. ADDITIONAL INFORMATION

Priority will be given to projects that exceed the threshold affordability minimums. Affordability restrictions apply for the full term of the regulatory agreement, regardless of whether another subsidy source (such as project-based Section 8 subsidy) continues to be available.

IV. ANNUAL RECERTIFICATION OF TENANT INCOME

Owners are required to re-examine tenant incomes annually for all restricted units to ensure that tenants continue to meet the income requirements of this and other applicable funding programs. Rent schedules and utility allowances, including any increases, must be reviewed and approved annually by the City. In the event that a tenant's income exceeds the applicable HUD income limits for lower income households, the tenant's rent must be increased to an amount equal to 30% of the tenant's adjusted income, less an allowance for tenant-paid utilities. Projects that are also assisted with Low Income Housing Tax Credits or other state sources will be subject to those relevant rules regarding over-income tenants.

QUALIFICATION AS AFFORDABLE HOUSING: HOMEOWNERSHIP

Acquisition with or without rehabilitation. Housing that is for acquisition by a family must meet the affordability requirements of [24 CFR 92.254\(a\)](#) (highlights are below, please see reference for full requirements).

1. The housing must be single-family housing.
2. The housing must be modest housing as follows:
 - i. **Newly Constructed Housing.** The HOME homeownership value limits for newly constructed HOME units is 95 percent of the median purchase price for the area based on Federal Housing Administration (FHA) single family mortgage program data for newly constructed housing. Nationwide, HUD established a minimum limit, or floor, based on 95 percent of the U.S. median purchase price for new construction for nonmetropolitan areas. This figure is determined by the U.S. Census Bureau. HUD has used the greater of these two figures as their HOME homeownership value limits for newly constructed housing in each area.
 - ii. **Existing Housing.** The HOME homeownership value limits for existing HOME units is 95 percent of the median purchase price for the area based on Federal FHA single family mortgage program data for existing housing and other appropriate data that are available nationwide for sale of existing housing in standard condition. Nationwide, HUD has established a minimum limit, or floor, based on 95 percent of the state-wide nonmetropolitan area median purchase price using this data. HUD has used the greater of these two figures as their HOME homeownership value limits for existing housing in each area.
3. The housing must be acquired by a homebuyer whose family qualifies as a low- income family and the housing must be the principal residence of the family throughout the period described in paragraph (a)(4) of [24 CFR 92.254](#).

4. Periods of affordability. As per 24 CFR 92.254(a)(4), the HOME-assisted housing must meet the affordability requirements for not less than the applicable period specified in the following table, beginning after project completion.

Homeownership assistance HOME amount per-unit	Minimum period of affordability in years
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15

QUALIFICATION AS AFFORDABLE HOUSING: RENTAL HOUSING

HOME-assisted rental housing projects must comply with regulations found in [24 CFR 92.252](#) (highlights are below, please see reference for full requirements).

The HOME-assisted units in a rental housing project must be occupied by households that are eligible as low- income families and must meet the requirements of this section to qualify as affordable housing. If the housing is not occupied by eligible tenants within six months following the date of project completion, HUD will require the participating jurisdiction to submit marketing information and, if appropriate, submit a marketing plan. HUD will require the participating jurisdiction to repay HOME funds invested in any housing unit that has not been rented to eligible tenants 18 months after the date of project completion. The affordability requirements also apply to the HOME- assisted non-owner-occupied units in single-family housing purchased with HOME funds in accordance with [§ 92.254](#). The tenant must have a written lease that complies with [§ 92.253](#).

1. **Rent limitation.** HUD provides the following maximum HOME rent limits. The rent limits apply to the rent plus the utilities or the utility allowance. The maximum HOME rents (High HOME Rents) are the lesser of:

- i. The fair market rent for existing housing for comparable units in the area as established by HUD under [24 CFR 888.111](#); or
- ii. A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit. The HOME rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions.

2. **Periods of affordability.** The HOME-assisted units must meet the affordability requirements for not less than the applicable period specified in the following table, beginning after project completion.

Rental housing activity	Minimum period of affordability in years
Rehabilitation or acquisition of existing housing per unit amount of HOME funds: Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15
New construction or acquisition of newly constructed housing	20

FINANCING GUIDELINES

I. MINIMUM AND MAXIMUM LOAN AMOUNTS

As per [24 CFR Part 92.205\(c\)](#), the minimum HOME investment in rental housing or homeownership is \$1,000 times the number of HOME-assisted. The minimum relates only to HOME funds, not to any other funds, including match that might be used for project costs. The minimum amount does not apply to tenant based rental assistance.

As per HOME program requirements, the maximum per unit HOME assistance amount will be based on the Section 234-Condominium Housing basic mortgage limits, for elevator -type projects in the [Annual Indexing of Basic Statutory Mortgage Limits for Multifamily Housing Programs; Annual Indexing of Substantial Rehabilitation Threshold](#). Annually, per HUD guidance, City Community Development staff will contact the CPD Division in the Columbia HUD Field Office to obtain the maximum HOME per-unit subsidy limits that apply.

Consistent with HUD’s direction in “HOME Maximum Per-unit Subsidy Limits” published in April 2023, city staff will not exceed HOME per-unit subsidy limits.

In all cases, the city will not invest any more HOME funds, alone or in combination with other governmental assistance, than is necessary to provide quality affordable housing that is financially viable for at least the period of affordability in § 92.252 or § 92.254 and that will not provide a profit or return on the owner's or developer's investment that exceeds the city’s established standards for the size, type, and complexity of the project.

REASONABLE DEVELOPMENT COSTS

I. CONSTRUCTION CONTINGENCY

For new construction developments, the contractor contingency may not exceed five percent (5%) of hard construction costs. For rehabilitation and adaptive reuse developments, the contractor contingency may not exceed ten percent (10%) of hard construction costs.

MAXIMUM DEVELOPER FEES, DEVELOPER OVERHEAD, AND CONSULTANT FEES (THE “FEES”)

The sum of fees may not exceed the following:

New Construction or Rehabilitation – fifteen percent (15%) of Total Development Costs less Land, Consulting Fees, Developer Fees, Developer Overhead, Other Developer Costs and Reserves.

The maximum amount of Fees is capped at award and may not increase thereafter.

GENERAL LOAN TERMS

If loan terms other than those listed below are sought for a project, this must be explicitly stated in the cover letter and a separate explanation provided in the application. Such requests are granted at the sole discretion of the City.

I. TIMELINE OF CITY COMMITMENTS

City conditional financing commitments are made for 12 months from date of approval. All other sources of funds must be committed within that time frame.

Community Development staff will review the project for feasibility and assess the likelihood of receipt of proposed funding. If the 12-month period elapses without the commitment of full project financing, the City funding commitment will be revoked and the project must re-compete for funds through the NOFA. The inability to meet a project schedule may also result in negative points for future NOFA applications.

- Projects funded with HOME must complete construction within four years of signing a written agreement with the City.
- Rental units assisted with HOME funds must be occupied within 3 months of project completion.

II. MONTHLY UPDATES

Upon commitment of funds from the City, borrower must provide written monthly updates to City staff. Monthly updates will allow City staff to anticipate upcoming approvals needed and to stay informed about efforts to move the project forward on schedule. If monthly updates are not provided in a timely manner, decreased developer capacity points may be assessed for the next NOFA application submitted by the project sponsor. Monthly updates must include a schedule projection related to the four-year completion deadline required by HOME program regulations.

III. SUBORDINATION

The City will subordinate its affordability covenants to the mortgages securing other lenders' financing, subject to staff approval and to the ratio of loan to total development cost. The affordability covenants control, among other things, the maximum income of tenants of project units, and the maximum rents allowed for project units. The City mortgage may be subordinated to private financing on a case-by-case basis.

LOAN TERMS

Loan terms for applicants will be negotiated and determined on a case-by-case basis. The loan term will match the affordability period. The maximum amortization is 30 years. At the end of the loan term, the balance of the loan amount shall be due and payable. At the end of the term, the City may extend the loan term provided that the affordability period is also extended. Payments of interest and principal will be due from excess cash flow from operations after payment of operating costs, senior debt, reserves, and deferred developer fee. All loans are due on sale, refinancing, transfer (except to a related entity, such as a limited partnership, subject to City approval) or at the end of the loan term.

City loans will be evidenced by a promissory note secured by a mortgage on the project. A loan agreement will specify all development obligations. Post-occupancy use restrictions will be enforced through a regulatory agreement recorded against the project including both the land and the improvements. The minimum term for affordability restrictions is 30 years.

DISBURSEMENT OF FUNDS

Funds will be disbursed to borrower only for costs actually incurred. Payment for construction costs will be made on a progress payment basis, subject to approval of each draw request by the City. The City will retain ten percent (10%) of the amount budgeted for construction as a performance retention, to be released upon recordation of a Notice of Completion, release of all liens, and satisfactory compliance with any other City requirements, including City contracting programs.

ADDITIONAL FINANCING GUIDELINES

VII. OPERATING BUDGET

Operating budgets and 30-year proformas must meet the following criteria:

- The operating budget must show positive cash flow inclusive of all fees within 18 months of initial rent-up and first year Debt Service Coverage ratio shall not be less than 1.15:1. Ideally, the budget should show sufficient cash flow to make a modest payment to residual receipt loans.
- Include operating and replacement reserves (See Replacement and Operating Reserve Requirements below).
- 5% annual vacancy/collection loss for family, senior, and preservation projects and 7% annual vacancy/collection loss for SRO or special needs projects.
- 3.0% annual increase for expenses (other than property taxes and replacement reserves deposits) and 2.0% annual increase for income.
- The operating budget will be reviewed to ensure it is sufficient for proper maintenance and management but is not excessive compared to other similar properties.
- If the project has a commitment for rental assistance, two operating proformas must be provided, one assuming rental assistance will be renewed and one assuming rental assistance will expire after the initial contract term. Rents must remain restricted according to City requirements even if the rental assistance is no longer available.

CASH FLOW/INCENTIVE MANAGEMENT FEE

For nonprofits, if a project has no monitoring findings or other violations of City or other agreements, and reserves are fully funded, excess cash flow (after payment of operating costs, reserves, senior debt, deferred developer fee, and current partnership/asset management fee) will be split between the developer/sponsor and the City, with 50% of excess cash flow paid to the City as a residual receipts loan payment and 50% for the developer/sponsor as an Incentive Management Fee.

If the project is owned by a partnership, the partnership agreement should clearly indicate that the Incentive Management Fee will be paid to the developer/sponsor. This fee shall be used for projects and activities contributing directly to the developer's (or its affiliate's) affordable housing programs and community development activities. If other lenders also require residual receipts payments, the developer/sponsor's proportion of the excess cash flow will be reduced to 25%. The lenders will receive distributions of the remaining 75% of the excess cash flow based on relative loan amounts. Staff should be included in any negotiations of residual receipts loan payments. Deferred partnership/asset management fee can only be paid from the developer sponsor's portion of the Incentive Management Fee.

REPLACEMENT AND OPERATING RESERVE REQUIREMENTS

City financing is generally in place far longer than other financing sources. As a result, the owner's ability to maintain and repair the project over the long term is extremely important to the City. Exceptions to the stated requirements will be granted in rare cases only. Use of replacement and operating reserves is subject to prior review and approval by the City.

- **Replacement Reserves:** 0.6% of the replacement cost of the structure annually, up to \$500 per unit for family developments and \$400 per unit for senior developments. For rehabilitation projects, developers will be required to submit a third-party replacement cost analysis in which the lifecycle and cost of major building systems is estimated and amortized over the number of units and years. Gut rehab projects should use reserve standards for new construction projects. The City reserves the right to request an updated replacement reserve analysis every five years.
- **Operating Reserves:** Annual deposits of not less than 1% of annual gross rental income are required until an operating reserve has been capitalized at a level equal to three months operating costs and debt service. The operating reserve must be maintained at the level of three months of operating costs during the term of the City regulatory agreement.

MARKET DEMAND AND DESIGN GUIDELINES

I. MARKET DEMAND

Projects should be planned and designed according to market demand. A market study needs assessment must be submitted with the application to ensure there is adequate demand for the proposed project.

II. LIVABILITY STANDARDS

The City's provision of affordable housing financing is a long-term investment. Underwriting includes assuring that each development will be well-designed and well-constructed to provide

decent, safe affordable housing over the long term for a population that does not have a wide range of housing choices.

The quality and marketability of any housing unit is affected by its size and the livability of the space including the space's ability to accommodate the potential number of occupants and the necessary furniture. A larger unit does not guarantee the successful accommodation of a particular furniture layout over a more efficiently laid out smaller one. The project must meet all code requirements imposed by Planning and Development Services, but it may be appropriate to exceed these requirements for certain projects.

- Windows/Lighting/Ventilation – Units must be designed so that there is adequate natural light and ventilation.
- Parking – In general, the minimum number of spaces required for the particular site shall be provided. Any reductions in that number must be approved by the Planning and Development Services staff.
- Building Shape and Appearance – The structure should respond to its context, enhance the neighborhood, and create a pride of place for its residents.
- Landscaping – The design should be appropriate for the intended use of all of the residents.
- Quality of Building Materials – Materials must be of a quality and durability to assure long term viability of the structures.
- Open Space/Storage Space - The project must address adequate levels of the following, based on the type of project, location and target group. Examples of acceptable open space/storage space include:
 - common space (e.g., community room);
 - secure, on-site laundry facilities;
 - children's play area (family projects);
 - storage space (both inside and outside of the unit)
 - open space (public and private space within the housing complex)

For projects including rehabilitation, the City's "HOME Program Housing Standards Guide" is attached as **Appendix A**.

GREEN OR ENERGY EFFICIENCY DESIGN

Applicants will receive points for Energy Efficiency and Green Elements as described in the Evaluation Criteria for the application.

INCLUSION OF COMPUTER TECHNOLOGY AND TUTORING SPACE

Projects must provide the capacity for high-speed internet access in each unit by a means that does not impede use of the primary telephone line. For multi-family housing, projects are strongly encouraged to go beyond this minimum by providing and maintaining computers in a common area, providing computer training, or providing free high-speed internet access to all units as an element of their Resident Services Plan. Designing spaces to make available for tutoring programs is also highly encouraged. Broadband infrastructure must be installed at all buildings consisting of more than four units, as this term is defined at [24 CFR 5.100](#).

OTHER GUIDELINES AND CITY REQUIREMENTS

I. SITE CONTROL

At the time a development proposal is submitted, the developer must demonstrate that it has, and will maintain, until the land is acquired, site control of the property for which funding is being requested.

An application must include one of the following documents executed by a Principal:

- a. a recorded deed;
- b. a purchase option (not options on other options) with date certain performance;
- c. a purchase contract with date certain performance;
- d. a land lease or option on a land lease either of which must not be for a term of less than fifty (50) years in term; or
- e. a legally valid assignment of one of the above.

II. APPRAISALS

If acquisition is included in the development budget, applicants are required to submit a recent appraisal of the project site and any existing improvements as part of the application. Appraisals must have been completed within six months of the application deadline, or, if the project has already been acquired, within six months of acquisition. See the *Application Instructions* below for more specific submission guidelines.

III. DONATED PROPERTY

If land or buildings have been donated for the project, the value of the donated property should be included in the total development cost both as an acquisition cost and as a source of funds. If the property was donated by the City, the value of the donated property will be included when calculating the percentage of City subsidy.

IV. PHASE I AND II

Applications must include a Phase I Environmental Assessment. If recommended by the Phase I, a Phase II must be provided before a project will be approved. With the Phase II, applicants must also provide a discussion of mitigation measures, the impact of any recommendations on the project budget, design, etc.

V. MANAGEMENT AND MARKETING

A Preliminary Management Plan and Marketing Plan must be submitted in the application. A Final Management and Marketing Plan will be required 120 days prior to construction completion and a Management Contract must be submitted to the City 30 days prior to construction completion. The final Marketing Plan must be approved prior to beginning rent-up activities, including marketing flyers and application materials.

A complete market study for the project must be reviewed and approved by the City of Columbia prior to loan closing.

VI. FAIR HOUSING

42 U.S.C. §§ 3601-19

Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), as amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing -related transactions, because of race, color, religion, sex (including gender, gender identity, sexual orientation, and sexual harassment), familial status, national origin, and disability. It also requires that all federal programs relating to housing and urban development be administered in a manner that affirmatively furthers fair housing.

Title VI of the Civil Rights Act of 1964

42 U.S.C. § 2000d-1

Title VI prohibits discrimination on the basis of race, color, and national origin in programs and activities receiving federal financial assistance.

Section 504 of the Rehabilitation Act of 1973

29 U.S.C. § 794

Section 504 prohibits discrimination based on disability in any program or activity receiving federal financial assistance.

Section 508 of the Rehabilitation Act of 1973

29 U.S.C. § 794d

Section 508 requires federal agencies to ensure that the electronic and information technology they develop, procure, or use allows individuals with disabilities to have ready access to and use of the information and data that is comparable to that of individuals without disabilities.

Title II of the Americans with Disabilities Act of 1990

42 U.S.C. §§ 12131 – 12165

Title II of the ADA prohibits discrimination based on disability in programs and activities provided or made available by public entities. HUD enforces Title II with respect to housing -related programs and activities of public entities, including public housing, housing assistance and housing referrals.

Title III of the Americans with Disabilities Act of 1990

42 U.S.C. § 12181 – 12189

Title III of the ADA prohibits discrimination based on disability in the goods, services, facilities, privileges, advantages, and accommodations of places of public accommodations owned, leased, or operated by private entities. The Department of Justice enforces Title III of the ADA, but certain HUD recipients and private entities operating housing and community development programs are covered by Title III of the ADA.

Architectural Barriers Act of 1968

42 U.S.C. § 4151 et seq.

The Architectural Barriers Act requires that buildings and facilities designed, constructed, altered, or leased with certain federal funds after September 1969 must be accessible to and useable by persons with disabilities.

Section 109 of Title I of the Housing and Community Development Act of 1974

42 U.S.C. § 5309

Section 109 prohibits discrimination on the basis of race, color, national origin, sex (including gender, gender identity, sexual orientation, and sexual harassment), and religion in any program or activity funded in whole or in part under Title I of the Community Development Act of 1974, which includes Community Development Block Grants.

Title IX of the Education Amendments Act of 1972

20 U.S.C. §§ 1681-83, 1685-88

Title IX prohibits discrimination on the basis of sex (including gender, gender identity, sexual orientation, and sexual harassment) in any education programs and activities that receive federal financial assistance. HUD enforces Title IX when it relates to housing affiliated with an educational institution.

Violence Against Women Act

42 U.S.C. § 14043e-11

VAWA provide housing protections for victims of domestic violence, dating violence, sexual assault, and stalking in many of HUD's housing programs. VAWA also requires the establishment of emergency transfer plans for facilitating the emergency relocation of certain tenants who are victims of domestic violence, dating violence, sexual assault, or stalking.

Age Discrimination Act

42 U.S.C. §§ 6101 – 6107

The Age Discrimination Act of 1975 prohibits discrimination on the basis of age in programs and activities receiving federal financial assistance.

VII. COST CERTIFICATION

Developers must arrange for an independent cost certification on completion of a project. Approval of this certification is a requirement for the City's release of a substantial portion of the developer fee.

The Cost Certification must include a final source and uses budget based on all the line items of the original City approved budget. The developer must show all sources in lien order and include limited and general partner contributions, if applicable. This should include loans or equity contributions that were spent and expenses that were incurred during the development period.

The developer must show the total proposed initial sources and uses and the actual sources and uses by line item. The analysis must explain any difference for line items that are over or below 10% of the original sources and uses budget. Please note that the City's approved budget must be used for this analysis. The City will use this analysis to ensure that all of the City's final uses were spent on HOME eligible costs.

VIII. RELOCATION

Federal relocation law will apply for projects that will temporarily or permanently displace current business or residential occupants, and relocation assistance and benefits may be required which can add substantially to the project cost. See the *Application Instructions* for more information.

IX. RESIDENT SERVICE AND SPECIAL NEEDS UNITS

Supportive and social service coordination reasonable for the population being served may be included as a cost paid by building operations. However, direct service provision may not be paid for from the building's operating funds unless the direct service is required by another funding source.

"Special needs units" are defined as units reserved for populations including the following: veterans, developmentally disabled, survivors of physical abuse, persons with chronic illness including HIV/AIDS or mental illness, displaced teenage parents (or expectant teenage parents), individuals exiting from institutional settings, youth exiting foster care, chronic substance abusers, or another specific group as approved by the City of Columbia

X. MIXED-INCOME PROJECTS

In mixed income properties, the affordable units must not be substantially different from the market-rate units. All lower income units must be of the same construction type as market rate units, but need not contain the same interior amenities or the same amount of floor space as long as livability is maintained. The exterior of the lower income units must be indistinguishable from the exterior of the market rate units. Lower income units should be reasonably distributed throughout the project and should not be isolated or segregated in only one portion of the project.

XI. PLANNING AND ZONING

Ensure the site is properly zoned for the proposed use is required as part of the Application. Applicants must submit with their application a "Zoning Verification Letter" signed by the appropriate staff at the City's Planning and Development Services Department.

XII. INSURANCE

During development, developers must obtain comprehensive general liability and property (hazard) insurance coverage of not less than \$1 million per occurrence and \$2 million dollars aggregate. The City also requires property damage or builder's risk insurance in an amount equal to 100% of the replacement cost of the structure, with a lender's loss payable endorsement in favor of the City. Construction contractors will be required to obtain liability and builders risk insurance in an amount equal to \$2 million. Automobile insurance, professional liability, workers compensation, and employer's liability coverage are also required.

After completion, similar levels of liability and hazard coverage are specified by the regulatory agreement. All policies must name the City as an additional insured; property insurance must have a lenders loss payable endorsement. For more information on insurance requirements, please contact Housing Development staff.

XIII. PAYMENT AND PERFORMANCE BONDS

As per 2 CFR Part 200.326, for projects exceeding \$250,000, general contractors will be required to provide payment and performance bonds equal to 100% of the construction contract amount.

ENVIRONMENTAL REVIEW AND ASSESSMENT (NEPA)

NEPA: HOME funded projects must be assessed in accordance with the National Environmental Policy Act of 1960 (NEPA) prior to loan closing. NEPA review should be coordinated with the Council on Environmental Quality (CEQ) review to the extent possible.

Choice-Limiting Actions Prohibited During NEPA Review. Because of the likelihood that federal funds will be awarded, applicants must refrain from undertaking activities that would have an adverse environmental impact or would otherwise limit the choice of reasonable alternatives between the times of application submittal and when the City has completed its environmental review process. Such activities include acquiring, rehabilitating, converting, leasing, repairing or constructing property, any kind of site preparation, or committing or expending HUD or non-Federal funds for HOME program activities with respect to any project eligible under this NOFA. If the applicant has entered into a purchase agreement or contract for any of the above activities prior to applying for NOFA funds, work may continue pursuant to that contract. However, you may not enter into amendments to the contract or new contracts. HOME funds may not be used to reimburse an applicant for project related costs incurred after the applicant has submitted the application for funding and before the completion of the City's environmental review process except for activities that are excluded and not subject to federal environmental review requirements, and for certain relocation costs.

City Community Development staff will seek to obtain NEPA approval in a timely manner. Completing the NEPA review, including local and federal noticing periods, takes a minimum of 8 - 12 weeks after receipt of all necessary information.

In accordance with [24 CFR Part 58](#), recipients, owners, developers, sponsors or any third-party partners cannot undertake any physical actions on a site; commit, expend, or enter into any legally binding agreements that constitute choice-limiting actions for any HUD or non-HUD funds before the environmental review process has been completed, can be submitted with application and approved; and, if required, the City has received a Release of Funds from HUD. Choice-limiting actions are defined by HUD as expenditure of funds or entrance into a legally binding agreement for property acquisition, demolition, movement, rehabilitation, conversion, repair or construction. Any violation of this provision will result in the automatic denial of this funding request (or de-obligation of the CDBG/HOME/HOPWA funds, if already awarded). Non-profit agencies meeting the non-environmental requirements for funding approval will enter into a conditional funding agreement with the City of Columbia. Funding will be conditioned upon the completion of the environmental review. Once the environmental review is complete, the City will issue a Notice of Environmental Clearance and release the funding condition. The agency may then proceed with the contractor selection process.

SECTION 3 CLAUSE

The following clause must be included in all Section 3 covered contracts in its entirety:

The work to be performed under this contract is subject to the requirements of Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (Section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance or HUD-assisted projects covered by Section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients

of HUD assistance for housing.

The parties to this contract agree to comply with HUD's regulations in [24 CFR Part 75](#) which implement Section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with 24 CFR Part 75 regulations and reporting requirements.

The contractor agrees to send to each labor organization or representative of workers with which the contractor has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this Section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the Section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

The contractor agrees to include this Section 3 clause in every subcontract subject to compliance with regulations in 24 CFR Part 75, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this Section 3 clause, upon a finding that the subcontractor is in violation of the regulations in 24 CFR Part 75. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR Part 75 or has failed to comply with Section 3 reporting requirements.

The contractor will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR Part 75 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR Part 75.

Noncompliance with HUD's regulations in 24 CFR Part 75 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

All HOME funded projects must comply with applicable federal statutes and laws, including, but

FEDERAL REQUIREMENTS

not limited to:

- Section 3 of the U.S. Housing Act of 1968, as amended
- Equal Opportunity and related requirements in 24 CFR Section 982.53
- Section 504 of the Rehabilitation Act of 1973
- Americans with Disabilities Act of 1990
- Architectural Barriers Act of 1968
- Fair Housing Act of 1988
- National Environmental Protection Act (NEPA)
- Federal prevailing wage requirements
- Labor Standards Provisions / Davis Bacon

DISABLED AND SENIOR ACCESSIBILITY

Developments assisted by the City must meet the requirements of the Americans with Disabilities Act and the Fair Housing Act, among other local, state, and federal laws. Projects with any federal funds must also meet the more stringent accessibility requirements of Section 504 of the Rehabilitation Act of 1973 (24 CFR 100.205 and Part 8). Section 504 sets minimum percentages of accessible units, and calls for fully accessible common areas, among its numerous requirements. For projects funded with HOME, 5% of the total number of units must be accessible to people with physical disabilities, and an additional 2% of units must be accessible to people with auditory and visual disabilities, as defined in the Uniform Federal Accessibility Standards (UFAS).

1. Where Section 504, the Fair Housing Act, or ADA apply, the developer and project architect must make a written certification of compliance.

LEAD-BASED PAINT

The use of lead-based paint on City funded projects is prohibited. Testing and abatement of lead-based paint hazards in rehabilitation projects may be required. Projects must follow the federal guidelines 24 CFR part 35 and 40 CFR part 745, which require lead-safe work practices and notification to prospective residents of potential lead-based paint hazards, among other requirements. If applicable, Project sponsors should be aware of the EPA regulation that requires all renovators of pre-1978 homes and child-occupied facilities to be trained in lead-safe work practices and certified by the EPA.

For more information go to www.epa.gov/lead/pubs/renovation.htm.

NONDISCRIMINATION

All applicants must agree not to discriminate on the basis of race, color, ancestry, national origin, religion, sex, sexual preference, age, marital status, family status, source of income, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC), or any other arbitrary basis.

CONFLICT OF INTEREST PROVISIONS:

The AWARDEE warrants and covenants that it presently has no interest and shall not acquire any interest, directly or indirectly, which could conflict in any manner or degree with the performance of its services hereunder. The AWARDEE further warrants and covenants that in the performance of this contract, no person having such interest shall be employed.

HOME conflict of interest provisions, as stated in 24 CFR Part 92.356, apply to the award of any contracts under the agreement and the selection of tenant households to occupy HOME-assisted units.

No employee, agent, consultant, elected official, or appointed official of the AWARDEE may obtain a financial interest or unit benefits from a HOME-assisted activity, either for themselves or

those with whom they have family or business ties, during their tenure or for one (1) year thereafter. This prohibition includes the following:

- Any interest in any contract, subcontract or agreement with respect to a HOME-assisted project or program administered by the AWARDEE, or the proceeds thereunder; or
- Any unit benefits or financial assistance associated with HOME projects or programs administered by the AWARDEE, including:
 - Occupancy of a rental housing unit in a HOME-assisted rental project;
 - Receipt of HOME tenant-based rental assistance;
 - Purchase or occupancy of a HOME buyer unit in a HOME-assisted project;
 - Receipt of homebuyer acquisition assistance; or
 - Receipt of HOME owner-occupied rehabilitation assistance.

This prohibition does not apply to an employee or agent of the AWARDEE who occupies a HOME assisted unit as the on-site PROJECT manager or maintenance worker.

In addition, no member of Congress of the United States, official or employee of HUD, or official or employee of the CITY shall be permitted to receive or share any financial or unit benefits arising from the HOME -assisted project or program.

Prior to the implementation of the HOME -assisted activity, exceptions to these provisions may be requested by the AWARDEE in writing to the CITY. The AWARDEE must demonstrate and certify that the policies and procedures adopted for the PROJECT will ensure fair treatment of all parties, and that the covered persons referenced in this policy will have no inside information or undue influence regarding the award of contracts or benefits of the HOME assistance. The CITY may grant exceptions or forward the requests to HUD as permitted by 24 CFR Parts 92.356.

APPLICATION INSTRUCTIONS:

Application Submission

Applications may be **obtained** from the Community Development web site at www.columbiasc.gov/community-development “News” tab under “Solicitations”.

The City of Columbia Community Development
1401 Main Street, 4th Floor/ Columbia, SC 29201
Office (803) 545-3373
Email: HousingLoanPrograms@columbiasc.gov

Applications may be submitted to the City during regular business hours during the application cycle. Applications may be delivered by hand, by mail, or other shipping services; however, facsimile and /or e-mail transmissions will not be accepted.

Questions on the application or program can be submitted to staff via the email above. Responses will be posted on the City’s CD website News tab under Solicitations:

www.columbiasc.gov/community-development

All applications must be received not later than **12:00 pm**, Eastern Standard Time on October 20, 2023. **Applications received after the deadline will not be considered and will be returned to the Applicant.**

Applicants must submit **one (1) original and one (1) copies of the application package in a 3-ring binder** appropriately separated with the tabs provided. Complete applications must include all pages of the application and all items identified on the Rental Application Tab Checklist along with any supporting documentation. Applicant shall provide USB drive of complete package with submission.

All applications including copies and USB drive must be in one complete package. The City will not rely on any previously submitted information, written or verbal, to evaluate application.

Any cost incurred by the Applicant in the preparation, transmittal, or presentation of the application package is the responsibility of the Applicant.

Other Application Information

Any revisions that are made by the City to the HOME Application or Manual will be prepared in the form of a bulletin, posted on the City’s Community Development website News tab under Solicitations, and disseminated through email. It is the Applicant’s responsibility to check the City’s web site for any revisions that may occur.

The City reserves the right to:

- Award Applicants less than the amount of HOME funds requested
- Reject any and all applications received

- Waive or modify minor irregularities in applications upon notification to the Applicant
- Receive clarification from the Applicant to ensure an understanding of the application submitted
- Adopt or utilize all or any part of the application unless covered by legal copyright, patent or property rights in which case the City must be notified
- **Negotiate with the Applicant to serve the best interest of the City**

HOME agreements will have deadlines imposed for committing and expending funds and time constraints in which to provide the City with required documentation.

HOME Agreements may be terminated by the City at any time prior to the Agreements end date due to the lack of project productivity.

All **final** financial commitments must be submitted to the City within **ninety (90) days** of the reservation letter date.

No member, officer, agent, or employee of the City shall be personally liable concerning any matters arising out of or in relation to the commitment of HOME program funds with regard to feasibility of viability of the proposed project.

Program Suspension/Debarment

Any of the following actions may result in a one (1) year suspension from participating in **all** City administered programs.

- a) Failure to complete a development by the project completion deadline specified in the Award Agreement and Implementation Schedule.
- b) Failure to complete or comply with the environmental review requirements as specified by 24 CFR Pars 50 and 58 as amended.
- c) Failure to provide **Form M 36 – Developer/Owner construction Management Certification** or providing a false or inaccurate certification that a development meets the above standards when, in fact, it does not, will result in the disqualification of the developer and the architect. The City will also file a complaint against the architect with the S.C. Department of Labor, Licensing and Regulation.
- d) Any of the following actions will result in the permanent debarment from participating for funding from all City administered programs:
 1. Any Applicant who provides false or misleading information to the City with regard to a development seeking HOME funds, in any capacity whatsoever, regardless of when such false or misleading information is discovered. Any award received on the basis of such false or misleading information shall be void. Each Applicant shall be given written notice by the Development director stating the reason for which the sanction of debarment was imposed.
 2. Any partnership and/or developer agreement, written or otherwise, that attempts to circumvent City requirements regardless of when the violation is discovered.

The City, in its sole discretion, may determine other acts to be infractions of the program that

require suspension or debarment. All suspensions and debarments are conducted as outlined in the City’s Debarment and Program Suspension Policy.

Review Process

City staff will review the project applications based on the process below:

1. Applications that do not meet the threshold criteria, compliance with federal and state laws, or HOME program requirements will be rejected.
2. Once applications are reviewed for completeness, Applicants will receive written notification of any deficiencies (missing or incomplete information) of their applications. Applicants with **four (4)** or more missing and /or incomplete items will be disqualified. Applicants with less than **four (4)** missing and/or incomplete items will have **seven (7)** business days from the date of notification to provide the information to the City. Failure to provide the information to the City within the timeframe will result in an automatic disqualification of the application.
3. Project applications will undergo an underwriting evaluation and will be reviewed for financial feasibility. Applications deemed to be financially feasible, require subsidy and are consistent with HOME policies, will be recommended to the Director, Loan Committee for funding starting with the highest scoring application until all available funding is depleted.
4. **If the entire HOME project allocation is not exhausted** the Community Development Department reserves the right to utilize the funds for the good of the general public and administer the funds in accordance with the annual action plan.

It is anticipated that a Letter of Conditional commitment for HOME awards will be issued within ninety (90) days of the application deadline. A **tentative** schedule is provided below:

HOME Application Open Date	September 19, 2023
Questions Deadline	September 29, 2023
Final Submission of Applications	October 20, 2023
Complete Initial Reviews for Threshold and Criteria	November 3, 2023
Underwriting Review	December 1, 2023
Loan Committee Approval	December 19, 2023
Conditional Letter of Commitment	December 22, 2023

Threshold Requirements

1. Applicants proposing a project requesting HOME funds must provide commitment letter(s) of other sources of funding with Twelve (12) months of conditional award. The City will not fund no more than 80% of total development project cost (excluding land, consulting fees, development fees and overhead).
2. Before HOME funds may be committed to a project, an underwriting review must be conducted along with an assessment of the Applicant’s financial capacity. The Applicant

must submit with the application current financial statements compiled, reviewed or audited by an independent CPA licensed by the South Carolina Board of Accountancy. The financial statements must include a balance sheet dated on or after December 31, 2021. An applicant or applicant group must have minimum restricted liquid assets of \$50,000.

3. Any participating organization, developer(s), general partners(s), or managing member(s) will be automatically disqualified if any of the following issues of noncompliance are demonstrated:
 - a) Uncorrected non-compliance violations with the City.
 - b) Not in good standing with other City administered programs (which includes payments due to the City such as late fee, late loan payment, etc.);
 - c) Debarred from participation in other federal programs (**i.e. HUD, CDBG, CDBG- DR, CDBG-M IT, HOPWA, ESG, FHLB, etc.**) as well as any other City administered programs (**i.e. LIHTC, HTF, NSP, NIP, etc.**)

The City has sole discretion in the determination of non-compliance, and it is not subject to interpretation (appeal) or final resolution of the non-compliance violation.

4. HOME Applicants must have a designated **Project Manager** (on staff or under contract) that will be responsible for the coordination of the project (i.e., project implementation through project completion). The project manager cannot be affiliated with the general contractor for the project. The project manager must make periodic progress inspections during construction.
5. A market study needs assessment is required and must include information as outlined in **Appendix B: Market Study Needs Assessment Report Guidelines**.
6. For Projects involving relocation, Applicants must be in compliance with the [Uniform Relocation Act](#) (URA) and must provide proof of compliance with this federal requirement. For more information, please visit: https://www.hud.gov/program_offices/comm_planning/relocation

Evaluation Criteria:

Experience: The following will be used to evaluate proposals. The project financial feasibility and alignment with the City's housing goals and priorities as outlined in the [5-Year Consolidated Plan](#) is important criterion. The location site, quality of proposed construction and or improvements with green features for energy efficiencies will be viewed favorably.

a. Financial Feasibility, Leveraging and Development Cost (20 points)

- i. Project is financially feasible with a high probability of moving forward (evidence of commitments from other funding sources, appropriate DCRs, reasonable rents, etc.) **(5 points)**
- ii. Project cost per square foot (excluding land) in addition to costs per bedroom are reasonable, as compared to similar projects **(5 points)**
- iii. Amount of City Subsidy per unit, as compared to similar projects. **(10 points)**

b. Site Location and Market (25 points)

- i. Proximity to appropriate services and /or employment centers and transportation. **(10 points)**
 - ii. A market study must show there is a market for the housing in the area. **(5 points)**
 - iii. Project will be located in one of the City’s identified targeted communities or Neighborhood Statistical Revitalization Area (NSRA) or the City’s “prioritized” target areas as outlined in the [5-Year Consolidated Plan](#). **(5 points)**
 - iv. Project site control. **(5 points)**
- c. Readiness to Proceed (30 points)**
- i. Project has already passed through City approval and permitting processes such as the Planning and Development Services Plan Review. **(10 points)**
 - ii. Project has completed Phase I Environmental Site Assessment (ESA) confirming site is not contaminated. If contaminated, include environmental due diligence documents such as Phase II ESA, Response Activity Plan (RAP) or a Baseline Environmental Assessment (BEA). **(6 points)**
 - iii. Project has completed an Environmental Assessment as outlined in 24 CFR Part 58. **(4 points)**
 - iv. Applicant has funding commitments for other sources. **(10 pts)**
- d. Organization Capacity (20 points)**
- i. Proposal demonstrated the skill and expertise of applicant appropriate for size and complexity of project. **(10 points)**
 - ii. Experience with successfully completing HOME funded projects on time and within budget over the past 10 years. **(5 points)**
 - iii. Experience of property Management Company for rental or sales team for homeownership. **(5 points)**
- e. Sustainability (5 points)**
- i. New Construction Development use of materials to support Green Building Standards for new construction by achieving industry recognized certification; e.g. ENERGY STAR, Enterprise Green Communities, ICC-700 National Green Building Standard or any equivalent comprehensive green building program. **(5 points)**
 - ii. Rehabilitation Development use of HUD CPD Green Building Retrofit Checklist on rehabilitation construction projects. **(5 points)**

Maximum Points Available

100 Points

Minimum Point Threshold

65 Points