

Economic Development Agency



Affordable Housing Development Loan Program 2009-10 HOME Program

Request For Proposals

To Acquire, Rehabilitate and Operate Multifamily Affordable Housing

RFP # CDH 2009/10 - 04

Requested by:

Department of Community Development and Housing
290 North D Street, Sixth Floor
San Bernardino, CA 92415-0040
(909) 388-0800

1) INTRODUCTION

Each year since funding was originally authorized by the Cranston-Gonzalez National Affordable Housing Act of 1990, the County of San Bernardino Department of Community Development and Housing (CDH) has administered funds provided by the Department of Housing and Urban Development (HUD) for eligible activities under Federal Regulations for the HOME Investment Partnerships (HOME) Program. HOME Rental Property Acquisition and/or Rehabilitation loans are awarded to eligible Applicants for specific projects ("Project(s)"). Funds are limited, and to be eligible, Projects must comply with all HOME Program Regulations.

Financial assistance can be provided to acquire land, and/or rehabilitate multifamily (four (4) or more) rental units for the purpose of providing affordable housing to lower income families and individuals. The County of San Bernardino HOME Program finances the purchase of rental property and/or improvements of a non-luxury nature to increase the supply of affordable rental housing units. Assisted projects must provide rental units that meet HUD Section 8 Housing Quality Standards (HQS) after rehabilitation, comply with all other applicable federal regulations, state laws, and locale ordinances, and be located in an eligible area of the County.

HOME Program loans are based on the individual needs of the project. HUD has established a minimum \$1,000 per unit subsidy is provided. The affordability period ("Affordability Period") is the number of years during which restrictions on rents and occupancy are required, and is established by federal regulations. Since the goal of County is to provide long-term affordability for all assisted Projects, restrictions will be imposed that will remain in effect for the longest feasible time. Rental units shall be affordable for a minimum period of twenty (20) years from the Certificate of Occupancy. Typically, the County will provide a loan with a term of twenty (20) years, with a corresponding Affordability Period.

The Department of Housing and Urban Development establishes HOME rent limits on an annual basis. The HOME rent limits include all utilities, except telephone and cable. Projects assisted under the HOME program must not exceed the HOME rents for a specified percentage of units during the Affordability Period. HUD also establishes income levels each year according to household size. The HOME-assisted units can only be rented to households meeting those income level restrictions as well.

In order for projects to be considered for assistance under the HOME program, a County of San Bernardino HOME Project Application must be submitted. CDH staff shall review the responses to this RFP for completeness and evaluate against the HOME program regulations. The CDH Loan Committee will perform a technical review of applications for eligibility, feasibility, and completeness. CDH Loan Committee shall be comprised of various CDH executive staff. If a Project is recommended for approval, a HOME Loan Agreement will be prepared and presented to County of San Bernardino Board of Supervisors for approval and execution. All Projects require annual monitoring for compliance for the duration of the Affordability Period.

2) PURPOSE

The County of San Bernardino, hereafter referred to as "County," is seeking proposals from interested San Bernardino County experienced and certified Community Housing Development Organizations (CHDOs), Non-Profit, and For-Profit organizations hereafter referred to as "Applicant(s)," to provide affordable housing within the County of San Bernardino. The County's service area ("Service Area") includes the unincorporated areas of San Bernardino County and the cooperating cities of Adelanto, Barstow, Big Bear Lake, Chino Hills, Colton, Grand Terrace, Highland, Loma Linda, Montclair, Needles, Rancho Cucamonga, Rialto, Twentynine Palms, Yucaipa, and the Town of Yucca Valley. This Request for Proposals (RFP) is being released to identify experienced and eligible Applicants wishing to acquire, and rehabilitate affordable housing within the County's Service Area. Priority will be given to projects that can expend funds by July 30, 2010, however, this is not a requirement.

PLEASE NOTE: This application is designed to identify Projects which are ready for acquisition, and/or rehabilitation activities. The application should not represent a Project that is conceptual in nature. Further, this application is intended to clearly state the entire scope and anticipated accomplishments of the housing activity proposed. If funded, under no circumstances, shall the applicant re-define, re-negotiate or otherwise change the scope or the original intent of the proposal. If for any purpose, the Project is thus re-defined with a change in the scope of purpose or any deviation from the original intent of the application, this application shall be deemed null and void.

Only County of San Bernardino Board of Supervisors can commit HOME funds.

3) FUNDS AVAILABILITY AND SUBMITTAL SCHEDULE

Funds Availability – Up to \$5,000,000 (subject to availability), minimum application of \$500,000.

HOME Submittal Schedule

The solicitation, receipt, and evaluation of submittals and the selection of Applicants will follow the following schedule.

NOTE: *Dates shown are subject to change.*

Release of RFP:	March 23, 2010
Proposal Submittal Deadline:	April 6, 2010, (should funds remain, then on first come, first served basis until June 30, 2010 or until funds are exhausted)
Review of Proposals:	April 7 th , (as needed thereafter)
Selection and Negotiation of Recommended HOME Projects and Loan Agreements:	April - June, 2010
HOME Loan Agreements Considered by Board of Supervisors for Approval:	May – June, 2010
Rehabilitation Completion Date:	Eighteen (18) months from contract execution date

- 4) ELIGIBLE APPLICANTS – CHDOs, non-profit or for-profit organizations (“Applicants”). The following prerequisites apply:
- a) Applicants must show experience and competency in the full range of activities required to successfully implement acquisition, rehabilitation, and operation of affordable housing.
 - b) Applicants must have financial capacity and working capital to undertake the project.
 - c) Applicants must have a minimum of five (5) years of housing experience.
 - d) Applicants must demonstrate professional development experience, a proven ability to undertake projects of this type, and have the ability to obtain sufficient financing as needed.
 - e) Applicants are encouraged to jointly propose a team of entities that can demonstrate as a group the capacity to perform all the necessary activities. If the Applicant is a team, CDH requires one entity to be designated as the **Lead Entity**. The Lead Entity must:
 - i) Hold title to the property acquisition;
 - ii) Enter into an agreement with the County for program participation;
 - iii) into letters of agreement, memorandums of understanding, or similar agreements with the other entities in the team in order to provide the needed services for the program;
 - iv) Perform all rehabilitation work pursuant to the County’s requirements;
 - v) Have responsibility for all work performed;
 - vi) Receive and be responsible for all funds under the program;
 - vii) Take responsibility for all required compliance and reporting; and
 - viii) Provide indemnification to County for any claims relating to work performed.
 - f) Prior to entering into an agreement with the County, Applicants shall complete their own due diligence relating to property acquisition. CDH makes no claims to the market conditions of any property.
- 5) APPLICATION PACKAGING AND SUBMITTAL - Applications (see **Appendix A**) must be submitted on forms provided and approved by CDH. Application forms must not be modified. A complete original, plus four (4) copies, must be received by CDH. The Application is available on CDH’s website at www.sbcounty.gov/eda/cdh/housing_dev/homeprograms.asp or www.sbcounty.gov/rfp/rfplist.htm. **Applications will first be accepted from March 23, 2010 until April 6, 2010 and ranked according to meeting the following priorities:** 1) Readiness to proceed, 2) Largest number of units, 3) units to be acquired were built in 1978 or later, and 4) High number of units at fifty percent (50%) AMI. **Should funds remain, then Applications will be accepted on a first come, first served basis until June 30, 2010 or until funds are exhausted, whichever occurs first.** Applications must be delivered to Mitch Slagerman, Director, County of San Bernardino, Department of Community Development and Housing, 290 North D Street, Sixth Floor, San Bernardino, CA 92415-0040. The cost of preparing an application, and any subsequent development or pre-development work, shall be borne by the Applicant and will not be reimbursed by CDH. Applications will be the property of CDH and subject to disclosure as required by law or order of a court or other body with jurisdiction.
- 6) RIGHT TO REJECT APPLICATIONS - CDH reserves the right, at its sole discretion, to suspend, amend, or to modify the provisions of this Program or to issue addenda. CDH reserves the right to reject any or all applications, in whole or in part, to negotiate

modifications of applications submitted, and to negotiate specific work elements with an Applicant into a project of lesser or greater magnitude than described in this application. CDH has no obligation to enter into an agreement with any party as a result of its application. CDH will review applications and make recommendation for funding to the County of San Bernardino Board of Supervisors (BOS). As the funding is time-sensitive, CDH reserves the right to re-allocate any returned funds, un-obligated or unused funds during project implementation and set funds aside for performance based developers.

- 7) SELECTION CRITERIA - The CDH RFP Selection Committee will perform a technical review of applications for eligibility, feasibility, and completeness. CDH RFP Selection Committee shall be comprised of various CDH executive staff. To be considered eligible, applications for funding must be consistent with the goals and priorities as identified in these procedures. Major criteria used to evaluate affordable housing applications include:
- a) Readiness to Proceed - The project schedule indicates that the project can be completed within eighteen (18) months of the contract execution date.
Preference will be given to projects that can close escrow by July 30, 2010.
Other criteria used, in no particular order:
 - b) Conceptual Soundness - The project design and scope of work respond to a locally identified housing need, is appropriate for the proposed residents, and elements of the project concept meet all threshold and eligibility requirements of the funding source.
 - c) Leverage of Other Funds - CDH funding participation is maximized by other public and private equity and debt in the project.
 - d) Financial Feasibility - Project sources and uses of funds are consistent, accurate, justified, and well documented.
 - e) Organizational Capacity - The skills and experience of the Applicant are appropriate to the size and complexity of the project.
 - f) Financial Capacity - Applicant must have financial capacity and working capital to undertake the project.
 - g) Marketing Capability and Strategy - Applicant's experience and ability to market to Very Low-Income households and provide a sound marketing strategy.
 - h) Rehabilitation Experience - Applicant must provide past acquisition and rehabilitation experience and include a detailed Acquisition and Rehabilitation Plan that reasonably supports timely completion of the project within budget.
 - i) Prevailing Wage Experience - Applicants with Davis-Bacon Act (40 U.S.C. 31) compliance experience are desired.
- 8) SELECTED APPLICANTS - Each selected HOME Applicant to receive a portion of available HOME funds, will be given specific time periods to demonstrate their capacity to implement the plan successfully. Should the applicant fail to perform, contracts will be cancelled and their funds re-allocated to other HOME activities.
- 9) ELIGIBLE PROPERTIES - Any multi-family property that meets all of the following minimum criteria:
- a) The property must be permanently fixed to a permanent foundation.
 - b) Contain four (4) or more units.
 - c) The property must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and comply with Federal laws and authorities of §58.5: Historic Preservation, Floodplain & Wetlands, Coastal Zone,

Aquifers, Endangered Species, Rivers, Air, Farmlands, HUD Environmental Standards and Environmental Justice.

10) HOME ASSISTANCE

- a) Form - HOME assistance will be in the form of three percent (3%) interest loans.
- b) Term - Loan Agreement for the use of HOME funds shall become effective upon approval by the County Board of Supervisors and continue in full force and effect for a period of twenty (20) years.
- c) Eligible Uses of HOME Funds
 - i) Appraisals. The property's purchase price must meet the Current Market Appraised Value.
 - ii) Preliminary title reports.
 - iii) Acquisition costs. Acquisition or purchase price of the property.
 - iv) Rehabilitation costs. Includes alteration, improvement, or modification of an existing structure.
 - v) Customary closing costs. Costs such as title binders and insurance, and recordation fees.
 - vi) Reasonable developer fee. The predetermined developer fee will be approved by CDH based on the scope of rehabilitation work required and expected total cost of the project. The maximum developer fee that may be included in eligible basis for acquisition/rehabilitation projects is the lesser of 1) fifteen percent (15%) of the unadjusted eligible construction related basis and five percent (5%) of the unadjusted eligible acquisition basis or 2) fifteen percent (15%) of total costs.
 - vii) Carrying cost and project delivery costs. Costs must be directly attributable to a specific address.
- d) Distribution of Funds - Disbursement of HOME funds for the acquisition of properties shall occur upon the satisfactory receipt of copies of escrow instructions signed by both parties. Prior to closing of escrow, Applicant shall provide estimated closing cost statements from escrow for the property. Any disbursement of HOME funds is expressly conditioned upon the satisfaction of conditions set forth in the HOME Loan Agreement. Subsequent to acquisition of the property, County will pay the remaining balance of the HOME Loan Agreement to Applicant for acquisition and/or rehabilitation costs on a "cost-as-incurred" basis for all eligible approved costs under a schedule set forth in the HOME Loan Agreement.
- e) Affordability Period - For multi-family rental units, the County will adopt the affordability periods required in the HOME Regulations defined in 24 CFR Part 92. The County will record a regulatory agreement against title to the property requiring affordable rents to Very Low-, and Low-Income households earning not more than eighty percent (80%) of the area median income. Rental units shall be affordable for a minimum period of twenty (20) years from the Certificate of Occupancy.

- 11) TIMELINESS - All Applicants must acquire properties within nine (9) months of the HOME Loan Agreement, Applicant may request an extension with CDH Director approval. Unused funds for acquisition of properties will be subject to recapture, reprogrammed and reallocated to another HOME project or HOME activity. As the funding is time-sensitive, CDH reserves the right to re-allocate any returned funds, unobligated or unused funds during the project.

- 12) REHABILITATION STANDARDS - Any HOME-assisted rehabilitation of a multi-family property shall be to the extent necessary to comply with applicable laws, codes, and other requirements relating to housing safety, quality, and habitability, in order to rent such properties. The rehabilitation should strategically incorporate modern, green-building, and energy-efficiency improvements (such as energy efficient appliances, energy efficient heating and cooling, weatherization, etc. See www.energystar.gov), thereby providing increased sustainability and attractiveness of housing and neighborhoods. Applicant should provide details as to how this will be accomplished. Each project is subject to Davis-Bacon Act requirements and wages, as described in **Section 13** of these procedures. With that in mind, each contract is different and CDH will monitor for adherence to contract compliance.
- 13) COMPLIANCE WITH LAWS AND REGULATIONS - Applicant will adhere to and comply with all federal, state, and local laws, regulations and ordinances. In particular, Applicant shall comply with the following as they may be applicable to HOME:
- a) HOME regulations - as set forth under 24 CFR 92 as it now exists and may hereafter be amended.
 - b) Other Federal requirements and non-discrimination - As set forth in 24 CFR Part 5, subpart A, Applicant is required to include the following requirements: non-discrimination and equal opportunity; disclosure; debarred, suspended, or ineligible contractors; and drug-free workplace.
 - c) Environmental Review - All potential HOME properties will be subject to an Environmental Review by CDH, prior to acquisition, demolition, rehabilitation, or new construction. The environmental effects of each activity carried out with HOME funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and related authorities listed at 24 CFR Part 58. The Applicant is required to address environmental conditions for each property and satisfy NEPA requirements. All HOME Applicants will be required to submit specific information for each property to be acquired in order for Environmental Review to be conducted. Projects are required to comply with Federal laws and authorities of §58.5: Historic Preservation, Floodplain & Wetlands, Coastal Zone, Aquifers, Endangered Species, Rivers, Air, Farmlands, HUD Environmental Standards and Environmental Justice.
 - d) Displacement, Relocation, and Acquisition - Under this activity, the County will not directly acquire or demolish properties. HOME will adhere to the relocation requirements of Title II and the acquisition requirements of Title III of the Uniform Relocation Act and Real Property Acquisition Policies Act of 1970 (Uniform Act), and the implementing regulations at 24 CFR Part 42.
 - e) Labor Standards - Every contract for the rehabilitation of housing that includes twelve (12) or more units assisted with HOME funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act.
 - f) Lead-based Paint - Housing assisted with HOME funds is subject to the lead-based paint requirements of 24 CFR Part 35, subparts A, B, J, K, and R, issued pursuant to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821, et seq.).
 - g) Conflict of Interest - In the procurement of property and services by Applicant, the conflict of interest provisions in 24 CFR § 92.356 shall apply.
 - h) Section 3 of the Housing and Urban Development Act of 1968 - To the greatest extent feasible, opportunities for training and employment arising from HOME funds will be provided to Low-Income persons residing in the Target Area. To

the greatest extent feasible, contracts for work to be performed in connection with HOME funds will be awarded to business concerns that are located in or owned by persons residing in the Target Area as outlined in CDH's Section 3 Contract Requirements (see **Appendix B**). Contracts funded from Section 3 must abide by the Section 3 Clause prescribed at 24 CFR 135.38.

- i) Compliance with anti-discrimination laws - Conformity with Title VI of the Civil Rights Act of 1964 (42 U.S.C. § 2000d *et seq.*), the Fair Housing Act (42 U.S.C. 3601-3619), and implementing regulations.
 - j) Affirmative marketing and minority outreach program - Applicant must adopt affirmative marketing procedures and requirements. These should include:
 - i) Methods for informing the public, owners, and potential tenants about Federal fair housing laws and the affirmative marketing policy.
 - ii) Requirements and practices that Applicant must adhere to in order to carry out the affirmative marketing procedures and requirements.
 - iii) Procedures to be used by Applicant to inform and solicit applications from persons in the housing market areas who are not likely to apply without special outreach.
 - iv) Records will be kept describing actions taken by Applicant to affirmatively market units and to assess the results of these actions.
 - v) Applicant should prescribe procedures to establish and oversee a minority outreach program to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned by minorities and women, including, without limitation, real estate firms, construction firms, appraisal firms, management firms, financial institutions, investment banking firms, underwriters, accountants, and providers of legal services, in all contracts entered into by Applicant with such persons or entities, public and private, in order to facilitate the activities of the County to provide affordable housing authorized under this Act or any other Federal housing law. Affirmative steps to assure that minority/women business enterprises are used when possible in the procurement of property and services are at 24 CFR 85.36(e).
 - vi) Anti-lobbying. The Applicant must comply with restrictions on lobbying required by 24 CFR Part 87.
 - k) **CDH CONSTRUCTION CONTRACT PROVISIONS.** The required "CDH CONSTRUCTION CONTRACT PROVISIONS" document of the HOME Loan Agreement is **located on the CDH website at www.sbcounty.gov/eda/cdh/housing_dev/construction/contractprovisions.pdf**.
- 14) PROJECT FINANCIAL ASSISTANCE - Financial assistance will only be provided after all due effort is made by the Applicant to procure alternative funding sources, and then only in an amount that, absent or **"but for"** such funding, the project would not be feasible due to the affordability restrictions established under this RFP ("Affordability Gap").

In accordance with HOME regulation title 92.250, the total amount of HOME funds that the County of San Bernardino may invest on a per-unit basis in affordable housing may not exceed the per-unit dollar limitations established under Section 221(d)(3)(ii) of the National Housing Act for elevator-type projects that apply to the area in which the housing is located. These amounts are applicable to all participating cities and the unincorporated areas of the County. (See Attachment C)

- 15) INSURANCE - Applicant and its contractors shall procure and maintain during the entire period of the project, at its sole expense, the following insurance coverage as a minimum:
- a) Worker's Compensation Insurance - As prescribed by the Laws of the State of California, Applicant and its contractors shall require any lessee or assignee to procure and maintain Worker's Compensation Insurance as required by law for the employees to be engaged on the project and, in case of any work that is contracted out, shall require that the contractor(s) and subcontractor(s) similarly provide Worker's Compensation Insurance for all of their respective employees engaged to work on the project.
 - b) Comprehensive Broad Form General Liability Insurance - Applicant and its contractors shall require any lessee, assignee, contractors or subcontractors to procure and maintain comprehensive broad form general liability insurance coverage including but not limited to damages for premises liability, contractual liability, products/completed operations, personal and advertising injury (broad form) protecting the County from claims for damages for personal injury, including accidental and wrongful deaths, as well as from claims for property damage, which may arise from or out of Applicant's operations, or the performance of its obligations hereunder, whether such operations, use or performance be by Applicant, by any subcontractor, vendor, or anyone employed directly or indirectly by either of them or volunteers serving either of them. Such insurance shall name County of San Bernardino as additional insured and the obligations hereunder with limits of not less than \$1,000,000 per occurrence.
 - c) Automobile Liability Insurance - Applicant and its contractors shall procure and maintain automobile liability coverage from an admitted insurance carrier, for any and all vehicles owned, operated and/or maintained by Applicant, that shall protect Applicant from claims for damages for personal injury, including, without limitation, accidental and wrongful death, as well as from claims for property damage, which may arise from Applicant's use of the property or the performance of its obligations hereunder, during the construction of the project, whether such use or conformance by Applicant, by any subcontractor, or by anyone employed directly or indirectly by either of them. Such insurance shall provide for limits of not less than \$1,000,000 per occurrence.
 - d) Certificate of Insurance - Applicant shall furnish the County with certificates of insurance showing that such coverage is in full force and effect, and that the County is named as an additional insured. Said certificates shall further contain the covenant of the insurance carrier that thirty (30) days' written notice shall be given to County prior to modification, cancellation, expiration, or any reduction in coverage of such insurance.
 - e) Records - All certificates, documents, and other written materials establishing compliance with the above enumerated conditions precedent are to be filed with County at the expense of Applicant.
- 16) FINANCIAL RECORDS - The Applicant shall maintain financial, programmatic, statistical, and other supporting records of its operations and financial activities in accordance with HOME requirements, and the regulations as amended promulgated thereunder, which records shall be open to inspection and audit by authorized representatives of the County, HUD, and the Comptroller General of the United States during regular working hours. County, HUD, and the Comptroller General, or any of their representatives, have the right of access to any pertinent books, documents, papers, or other records of the Applicant, in order to make audits, examinations, excerpts, and

transcripts. Said records shall be retained for such time as may be required by HOME regulations, but in no case for less than five (5) years after the project completion date; except that records of individual tenant income verifications, project rents, and project inspections must be retained for the most recent five (5) year period, until five (5) years after the affordability period terminates. If any litigation, claim, negotiation, audit, or other action has been started before the expiration of the regular period specified, the records must be retained until completion of the action and resolution of all issues which arise from it, or until the end of the regular period, whichever is later.

- 17) MARKETING OUTREACH AND PLAN - The success of marketing outreach will be determined by the Applicant's ability to market the rehabilitated/constructed rental properties to Low-Income households. Applicants must establish a plan to find, qualify, and successfully rent affordable units. Marketing Plans should:
 - a) Explain the methods of outreach that will be employed and support why it will be successful.
 - b) Identify obstacles that must be overcome.
 - c) Recognize team members, associates, and/or partners (such as Property Management) that will lease-up units. Applicants need to provide years of relationship and experience for each team member, associate, and/or partner.
- 18) RENTAL REQUIREMENTS
 - a) Income Limits - Rental will be limited to Very Low- and Low-Income households that do not exceed eighty percent (80%) area median income, adjusted by family size at the time of occupancy, for the County of San Bernardino with at least twenty percent (20%) of the units limited to Very Low-Income households that do not exceed fifty percent (50%) area median income.
 - b) Affordable Rents - Pursuant to California Health and Safety Code Section 50053 (b), for any rental housing development that receives assistance on or after January 1, 1991, and a condition of that assistance is compliance with this section, "affordable rent," including a reasonable utility allowance, shall not exceed:
 - i) For Very Low-Income households, the product of thirty percent (30%) times fifty percent (50%) of the area median income adjusted for family size appropriate for the unit.
 - ii) For Low-Income households, the product of thirty percent (30%) times eighty percent (80%) of the area median income adjusted for family size appropriate for the unit.
 - c) Occupancy Standard - All units must meet the occupancy standard as defined in the Housing Quality Standards (HQS), 24 CFR 982.401 that states, "The dwelling unit must have at least one (1) bedroom or living/sleeping room for each two (2) persons." Children of opposite sex, other than very young children, may not be required to occupy the same bedroom or living/sleeping room.
- 19) RECAPTURE - To insure that the HOME-assisted multi-family rental properties remain affordable to Very Low-, and Low-Income households, CDH is imposing a Recapture provision consistent with the HOME standards at 24 CFR 92.254 (a)(5)(ii).
- 20) CLOSING DOCUMENTS FOR ACQUISITION
The following closing documents must be submitted by the HOME Recipient:

- a) Property/Project Budget - The project budget for the HOME activity must show the amount for acquisition equivalent to the discounted purchase price. The total rehabilitation cost must match the rehabilitation budget provided.
- b) Rehabilitation Budget - The rehabilitation budget will be provided to the CDH Inspector on site visits for verification of work to be done.
- c) Estimated Closing Statement - The estimated closing statement or estimated HUD settlement statement must show the discounted purchase price.
- d) Request for Reimbursement (RFR) Form - The RFR form should reflect the acquisition amount needed to purchase property and close escrow.
- e) Wire Instructions - The wire instructions must be provided on HOME Recipient letterhead identifying the subject property address, bank name, bank address, ABA routing number, account number, referencing escrow company, escrow account name and escrow number.
- f) Deed of Trust (DOT) and Promissory Note (NOTE) - CDH will prepare the DOT and NOTE. The DOT and NOTE must be reviewed by HOME recipient. Upon mutual acceptance of the terms by HOME Recipient and CDH staff, the DOT and NOTE must be approved to form by County Counsel. The DOT and NOTE is sent to HOME Recipient for signature and notary. The documents are then sent to escrow for deposit.
- g) Instructions to Escrow - Instructions to escrow are generated as closing documents are submitted and then signed by the CDH Director. Instructions to escrow are then delivered to escrow for deposit with the DOT and NOTE.

21) PROPOSAL CONDITIONS

- a) Contingencies - Funding for this program is contingent on funding availability. This RFP does not commit County to enter into a HOME Loan Agreement. The County reserves the right to accept or reject any or all proposals if County determines it is in the best interest of County to do so. The County will notify all Applicants in writing, if County rejects all proposals.
- b) Modifications - County reserves the right, at its sole discretion, to modify this RFP, including the process by which projects are evaluated and funds are awarded.
- c) Incurred Costs - County will not pay any costs incurred in the preparation of a proposal in response to this request and Applicant agrees that all costs incurred in developing this proposal are the Applicant's responsibility.
- d) Right of Rejection - The County reserves the unqualified right to reject, at its sole discretion, any or all proposals, or to reject any portion thereof for any reason whatsoever. The County may, at its sole discretion, cancel this solicitation or any part of this solicitation at any time.
- e) Acceptance of Terms and Conditions - Submission of a proposal shall constitute acknowledgment and acceptance of all terms and conditions contained in this RFP, unless otherwise specified in the proposal. Any exceptions to the terms and conditions contained in this RFP would have to be accepted by and agreed to in writing by County. Applicant must indicate in writing and submit with its response, any exceptions to the terms and conditions stated herein (including the items contained in Section IV, Standard Terms and Conditions). Failure to raise any exceptions and submit therewith the response can result in a waiver of objection to the terms and conditions.
- f) Failure to Adhere to Specifications - The response to this request must be made according to the instructions herein. Failure to adhere to the requirements and provide complete responses may be cause for rejection of the proposal as non-

responsive. A recommendation, either to reject all proposals or to negotiate a HOME Loan Agreement, will be made by the Director of CDH. However, such recommendation shall, in no manner, bind the County concerning the final selection of an Applicant and the terms of a HOME Loan Agreement, if any. The County Board of Supervisors is the ultimate authority that has final approval of any Applicant and HOME Loan Agreement terms.

- g) Corrections and Resubmission - Any corrections and resubmission of the proposal if requested by CDH will not extend the closing date for submission of the proposal. Submissions or changes may not be accepted after the RFP deadline. It is up to Applicant to make certain the proposal is received in a timely manner.
- h) Withdrawal of Proposals - Each Applicant must verify its response to this RFP before submission by way of a certification and signature contained in the application. Unless approved by CDH, no response may be withdrawn or altered after being opened. Responses to this RFP, at the written request of Applicant, may be returned unopened prior to the scheduled proposal opening date and time.
- i) Negotiations - The County may require potential Applicant to participate in negotiations and to submit a cost, technical or other revisions to their proposal as may result from negotiations.
- j) Disclosure of Criminal and Civil Proceedings - The County reserves the right to request the information described herein from the Applicant selected for HOME Loan Agreement award. Failure to provide the information may result in a disqualification from the selection process and no award of a HOME Loan Agreement to Applicant. The County also reserves the right to obtain the requested information by way of a background check performed by an investigative firm. The selected Applicant also may be requested to provide information to clarify initial responses. Negative information provided or discovered may result in disqualification from the selection process and no award of HOME Loan Agreement.

The selected Applicant may be asked to disclose whether the firm, or any of its partners, principals, members, associates or key employees (as that term is defined herein), within the last ten (10) years, has been indicted or had charges brought against it or them (if still pending) or convicted of any crime or offense arising directly or indirectly from the conduct of the firm's business, or whether the firm, or any of its partners, principals, members, associates or key employees, has within the last ten (10) years, been indicted on or had charges brought against it or them (if still pending) or convicted of any crime or offense involving financial misconduct or fraud. If the response is affirmative, Applicant will be asked to describe any such indictments or charges (and the status thereof), convictions and the surrounding circumstances in detail.

In addition, the selected Applicant may be asked to disclose whether the firm, or any of its partners, principals, members, associates or key employees, within the last ten (10) years, has been the subject of legal proceedings as defined herein arising directly from the provision of services by the firm or those individuals. "Legal proceedings" means any civil actions filed in a court of competent jurisdiction, or any matters filed by an administrative or regulatory body with jurisdiction over the firm or the individuals. If the response is affirmative, the

Applicant will be asked to describe any such legal proceedings (and the status and disposition thereof) and the surrounding circumstances in detail.

For purposes of this provision, "key employees" includes any individuals providing direct service to County. "Key employees" do not include clerical personnel providing service at the firm's offices or locations.

APPENDIX A – APPLICATION
COUNTY OF SAN BERNARDINO HOME PROGRAM
RENTAL PROPERTY ACQUISITION AND/OR REHABILITATION APPLICATION

PLEASE COMPLETE ALL PARTS OF APPLICATION.

A. APPLICATION SUMMARY

1. Name of Applicant: _____

2. Applicant Address: _____

3. Chief Executive Name _____

Title & Signature: _____

4. Contact Person
Name and Title: _____

5. Telephone Number: _____ Fax Number: _____

PLEASE NOTE: Applicant will need to identify, **in writing**, any person(s) representing the project before any issues and/or any information relating to the project can be discussed or released to anyone other than the applicant.

6. Year Units Were Built: _____

NOTE: Projects built before 1978* are subject to HUD's new Lead-Based Paint Regulation 24 CFR Part 35, effective September 15, 2000. If this project was built before 1978, ALL Tenant households must sign the Lead-Based Paint Hazard Section on the Tenant Notification Letter.

7. Activities and Amounts Applying For:

(Check the appropriate box)

Acquisition ☐

Acquisition and Moderate Rehabilitation ☐
(\$1,000 - \$25,000 per unit)

Acquisition and Substantial Rehabilitation ☐
(\$25,001 - \$50,000 per unit)

Moderate Rehabilitation Only ☐
(\$1,000 - \$25,000 per unit)

Substantial Rehabilitation Only ☐
(\$25,001 - \$50,000 per unit)

8. Total HOME Funds Requested \$ _____

9. Total Project Costs (all costs associated with the project) \$ _____

***NOTE:** Projects built before 1978, and subject the HUD's new Lead-Based Paint regulation may require additional costs calculations pursuant to 24 CFR Part 35.

B. APPLICANT INFORMATION

1. Applicant is:

- | | |
|---|--|
| ☐ For-Profit Developer | ☐ Nonprofit Organization |
| ☐ Individual | ☐ Community Housing Development Organization (CHDO) |
| ☐ Partnership | ☐ Partnership |
| ☐ Corporation | ☐ Public Housing Authority |
| ☐ City | ☐ Other (Specify) _____ |
| ☐ Redevelopment Agency | |

C. CONTRACTOR/SUBCONTRACTOR INFORMATION

If the Applicant is retaining a Contractor/Subcontractor to provide specific services for the proposed project, please provide the information requested below. If services of more than one Contractor/Subcontractor are being used, please check this box ☐ and attach additional sheets, providing information for each.

1. Primary Contractor/Subcontractor Name: _____

2. Address: _____

3. Telephone Number: _____ Fax Number: _____
4. Contact Person: _____
Title: _____
5. Please provide narrative description of Contractor/Subcontractor's experience and skills for providing specified services for the affordable housing project. Please provide Contractor/Subcontractor resume and list all certifications, licenses, etc., of Contractor/Subcontractor applicable to specified services to be performed. If additional sheets are required for the narrative description please check this box ☐ and add additional sheets.

6. Please provide a detailed description of Contractor/Subcontractor services to be provided. (If more than one Contractor/Subcontractor is being used, please attach additional sheets as needed and check this box ☐.)

7. Please attach a copy of a letter(s) of intent from each Contractor/Subcontractor that is proposed to be used for this project. If letter(s) of intent is attached, please check this box. ☐
8. For supplemental items required in this Section C, please attach to this application and label as "Attachment 3-1 CONTRACTOR AND SUBCONTRACTOR INFORMATION".

D. PROPOSED PROJECT INFORMATION

1. Project Name: _____
2. Project Address: _____

3. Status of Property: ☐ Applicant intends to purchase
☐ Property is in Escrow and Scheduled to Close ____ / ____ / ____
☐ Applicant has Owned (Since _____)
4. Assessor's Parcel # _____ Census Tract # _____ Thomas Bros-Pg #: _____
Lot Size: _____ Location: ☐ City ☐ Unincorporated Area Zoning _____ Gen Plan _____
5. Type of Construction ☐ Stucco ☐ Wood ☐ Brick ☐ Other _____
6. Unit Sizes ☐ 1 BR ☐ 2 BR ☐ 3 BR ☐ 4 BR ☐ Other _____
7. Number of Buildings _____ Building Sq. Ft. _____ Number of Stories _____
8. Standard Features: (Included with each unit)
- ☐ Range ☐ On-Site Parking Number Parking Spaces/Unit _____
☐ Gas ☐ Electric ☐ Open ☐ Covered
☐ Heat ☐ Garage
☐ Gas ☐ Electric
☐ Central A/C ☐ Window A/C ☐ Evaporator ☐ Fan
☐ Refrigerator ☐ Dishwasher ☐ Disposal ☐ Drapes ☐ Carpets ☐ Pool
NOTE: HOME units should reflect the overall unit characteristics of the project. If features vary from unit to unit, please explain: _____

9. Special features / project amenities: _____

10. Total Number of Units in completed project _____ Number of HOME Units _____
11. Number of units occupied at present _____
NOTE: A copy of the current rent roll is to be submitted as part of this application, along with completed, *and signed* Tenant Notification Letter and Tenant Surveys for each occupied unit.
12. Current Appraised Value: \$ _____ Appraisal Date _____ / _____ / _____
After Rehabilitation Value: \$ _____ Copy of Appraisal Attached? ☐ Yes ☐ No
NOTE: Submission of a current property appraisal (indicating before and after rehab value) is required.

E. UTILITIES

- | | <u>Utilities</u> | <u>Paid By</u> | |
|--------------------------|------------------|--------------------------------|---------------------------------|
| 1. Payment Arrangements: | Water | ☐ Owner | ☐ Tenant |
| | Gas | ☐ Owner | ☐ Tenant |
| | Electric | ☐ Owner | ☐ Tenant |
| | Other _____ | ☐ Owner | ☐ Tenant |
2. Do all units have the same utility arrangement? ☐ Yes ☐ No If NO, please explain.

NOTE: Maximum HOME rents are based on unit size and cannot be exceeded for assisted units. These rents **INCLUDE** average monthly utilities costs, *except* for telephone. Documented average monthly utility costs for each size unit in the HOME project is required as part of the application.

F. PROPERTY MANAGEMENT INFORMATION

The property will be managed by:

☐ Owner ☐ On-Site Manager ☐ Licensed Property Management Firm

☐ Other _____

Name/Address/Phone of person/company responsible for management of property

G. HOUSING ASSISTANCE HISTORY

1. Is the building, any unit in the building or any tenant household now subsidized or assisted by any federal, state, or local **funding** program, or was any assistance received in the past twelve (12) months? If yes, identify the federal, state, or local **funding** program and circumstances.

2. Was any portion of this project funded with Mortgage Revenue Bonds? ☐ Yes ☐ No
Is Mortgage Revenue Bond financing being sought for this project? ☐ Yes ☐ No
3. Was this project constructed or rehabilitated with any Housing Tax Credits? ☐ Yes ☐ No
Are Housing Tax Credits being sought for this project? ☐ Yes ☐ No

H. ANTICIPATED PERMANENT DISPLACEMENT OR TEMPORARY RELOCATION

1. Will there be a need for temporary relocation of any current tenants during the rehabilitation period?

☐ Yes ☐ No If yes, how many tenants? _____ for how long? _____

2. **Will permanent displacement of any current tenants occur?**

☐ Yes ☐ No If yes, how many tenants? _____

NOTE: Applicant is required to submit completed and *signed* Tenant Notification Letter and Tenant Survey forms for each occupied unit.

I. CURRENT PROPERTY DEBT INFORMATION

1. Current Mortgage Information: (Primary Mortgage)

Lender Name: _____

Address: _____

Date of Purchase (Loan): ____ / ____ / ____ Purchase Price: \$ _____

Loan #: _____ Loan Amount \$ _____ Balance \$ _____ Maturity _____

Monthly Payment: \$ _____ Impounds Included? ☐ Yes ☐ No

Interest on loan is: ☐ Fixed Rate Mortgage ☐ Graduated Payment Mortgage
☐ Adjustable Rate Mortgage ☐ Other _____

2. Second Trust Deed

Lender Name: _____

Address: _____

Date of Purchase (Loan): ____ / ____ / ____ Purchase Price: \$ _____

Loan #: _____ Loan Amount \$ _____ Balance \$ _____ Maturity _____

Monthly Payment: \$ _____ Impounds Included? ☐ Yes ☐ No

Interest on loan is: ☐ Fixed Rate Mortgage ☐ Graduated Payment Mortgage
☐ Adjustable Rate Mortgage ☐ Other _____

3. Third Trust Deed

Lender Name: _____

Address: _____

Date of Purchase (Loan): ____ / ____ / ____ Purchase Price: \$ _____

Loan #: _____ Loan Amount \$ _____ Balance \$ _____ Maturity _____

Monthly Payment: \$ _____ Impounds Included? ☐ Yes ☐ No

Interest on loan is: ☐ Fixed Rate Mortgage ☐ Graduated Payment Mortgage
☐ Adjustable Rate Mortgage ☐ Other _____

J. AFTER ACQUISITION AND/OR REHABILITATION DEBT INFORMATION (Proposed Financing Structure)

Please list anticipated mortgage/debt information for the subject property assuming approval of the proposed project. This should reflect all project related financing – both interim (construction loans, etc.), and permanent financing in place after all improvements have been completed. Please list mortgages in the order expected to show on title, including all subsidies (HOME, Bonds, Other loans, etc.)

***NOTE:** It is expected that the appraised value of the project, after rehab, will be equal to or exceed the total debt.

	Name of Source	Amount	# of Years	Interest Rate, Special Terms or Conditions, etc.
Interim Financing				
First Mortgagor/Lien Holder				
Second Mortgagor				
Third Mortgagor				
Fourth Mortgagor				
Unsecured Loan(s)*				

Please provide a brief explanation of the proposed financing structure including status of each funding source. Explain the terms proposed and provide any documentation of the negotiations. Use additional sheets as necessary.

K. CURRENT PROJECT UNIT DESCRIPTION AND RENTS

	# of Bedrooms	# of Units	# of Baths	Gross Monthly Rent	Annual Total Rent
<u>All Units</u>	SRO			\$	\$
	Studio			\$	\$
	1 Bdrm			\$	\$
	2 Bdrm			\$	\$
	3 Bdrm			\$	\$
	4 Bdrm			\$	\$
	TOTAL UNITS			\$	\$

PROPOSED PROJECT UNIT DESCRIPTION AND RENTS

	# of Bedrooms	# of Units	# of Baths	Gross Monthly Rent	Annual Total Rent
Market-Rate	SRO			\$	\$
	Studio			\$	\$
	1 Bdrm			\$	\$
	2 Bdrm			\$	\$
	3 Bdrm			\$	\$
	4 Bdrm			\$	\$
	MR TOTAL			\$	\$
Low-Income Rents - Not To Exceed "Low" HOME 80% AMI	SRO			\$	\$
	Studio			\$	\$
	1 Bdrm			\$	\$
	2 Bdrm			\$	\$
	3 Bdrm			\$	\$
	4 Bdrm			\$	\$
	MI TOTAL			\$	\$
Very Low-Income Rents - Not to Exceed "Very Low" HOME 50% AMI	SRO			\$	\$
	Studio			\$	\$
	1 Bdrm			\$	\$
	2 Bdrm			\$	\$
	3 Bdrm			\$	\$
	4 Bdrm			\$	\$
	LI TOTAL			\$	\$

L. DESCRIPTION OF ANTICIPATED REHABILITATION AND IMPROVEMENTS

[illegible]

NOTE: Documentation of Costs will need to be provided during application review process.

M. TOTAL PROJECT DEVELOPMENT BUDGET

	Total Project	HOME Units
1. Acquisition Costs		
a. Purchase Price	\$ _____	\$ _____
b. Estimated Taxes Paid at Close of Escrow		
(Owner/applicant contribution)	\$ _____	\$ _____
c. Closing Costs (Owner/applicant contribution)	\$ _____	\$ _____
d. Down Payment (Owner/applicant to provide)	\$ _____	\$ _____
TOTAL ACQUISITION COSTS	\$ _____	\$ _____
2. Project "Hard" Rehabilitation Costs		
a. Rehab Costs: (Costs Associated Strictly w/Rehab)	\$ _____	\$ _____
b. On-Site Improvements:		
(Costs Associated w/New Improvements)	\$ _____	\$ _____
c. Handicapped Accessibility Modifications	\$ _____	\$ _____
d. Energy Conservation Improvements	\$ _____	\$ _____
e. Off-Site Improvements	\$ _____	\$ _____
f. Hard Cost Contingencies	\$ _____	\$ _____
(Shall not exceed 10% of Rehabilitation costs)		
TOTAL REHABILITATION COSTS	\$ _____	\$ _____
3. Project "Soft" Costs		
a. Local Permits / Fees	\$ _____	\$ _____
b. Architecture / Engineering	\$ _____	\$ _____
c. Job Site Supervision	\$ _____	\$ _____
d. Job Site Supplies, Utilities, Services	\$ _____	\$ _____
e. General Administrative Costs	\$ _____	\$ _____
f. Security Measures	\$ _____	\$ _____
g. Toxics / Environmental Survey	\$ _____	\$ _____
h. Real Estate Taxes: (Costs Paid During Rehab)	\$ _____	\$ _____
i. Insurances	\$ _____	\$ _____
j. Appraisal	\$ _____	\$ _____
k. Consultants: (Legal, Accountant, Development)	\$ _____	\$ _____
l. Loan Fees:	\$ _____	\$ _____
1. Acquisition Loan Fees	\$ _____	\$ _____
2. Construction Loan Fees	\$ _____	\$ _____
3. Permanent Loan Fees	\$ _____	\$ _____
m. Developer Fees		
i. Acquisition	\$ _____	\$ _____
ii. Rehabilitation	\$ _____	\$ _____
n. Relocation Expenses (If Applicable)		
1. Temporary	\$ _____	\$ _____
2. Permanent	\$ _____	\$ _____
o. Marketing/Rent-up	\$ _____	\$ _____
p. Contingency	\$ _____	\$ _____
q. Operating Reserves	\$ _____	\$ _____
TOTAL SOFT COSTS	\$ _____	\$ _____
TOTAL PROJECT COSTS	\$ _____	\$ _____
TOTAL PER UNIT COSTS	\$ _____	\$ _____

N. PROJECT INCOME AND EXPENSE ANALYSIS:**Monthly****Annual**

Scheduled Gross Income	\$ _____	\$ _____
Minus five percent (5%) Vacancy / Collection Loss	\$ _____	\$ _____
Adjusted Gross Income	\$ _____	\$ _____

Annual Operating Expenses

Advertising	\$ _____	\$ _____
Accounting	\$ _____	\$ _____
Legal	\$ _____	\$ _____
Manager On-Site	\$ _____	\$ _____
Management Off-Site	\$ _____	\$ _____
Supplies	\$ _____	\$ _____
Landscaping	\$ _____	\$ _____
Painting	\$ _____	\$ _____
Repair	\$ _____	\$ _____
Trash Removal	\$ _____	\$ _____
Electric	\$ _____	\$ _____
Gas	\$ _____	\$ _____
Water	\$ _____	\$ _____
Sewage	\$ _____	\$ _____
Insurance	\$ _____	\$ _____
Real Estate Taxes	\$ _____	\$ _____
Other	\$ _____	\$ _____

Total Operating Expenses

\$ _____ \$ _____

Net Operating Income \$ _____ \$ _____
(Adjusted Gross Income Minus
Total Operating Expenses)

Replacement Reserve \$ _____ \$ _____

Net Effective Operating Income \$ _____ \$ _____

Minus Debt Service \$ _____ \$ _____

Net Cash Flow \$ _____ \$ _____

O. ESTIMATED FIVE (5) YEAR CASH FLOW

	Year 1	Year 2	Year 3	Year 4	Year 5
1. Gross Income	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
2. Less Vacancy @ 5%	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
3. Other Income	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
4. Adjusted Gross Income	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
5. Less Operating Expenses	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
6. Net Operating Income	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
7. Less Debt Service	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
a. Primary	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
b. (HOME)	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
c. Other	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____
8. Net Cash Flow	\$ _____	\$ _____	\$ _____	\$ _____	\$ _____

P. CERTIFICATIONS

The Owner/Applicant certifies that he/she/they has not required any tenant to move without cause during the twelve (12) months previous to the date of this application; and exhibits contained in this application are true, correct and complete to the best of his/her knowledge under penalty of perjury.

Name of Owner/Applicant

Name of Partner(s) in this Project

Date

Signature of Owner/Applicant

Date

Signature of Partner(s) in this Project

Q. AUTHORIZATION

I / WE hereby authorize release of credit or employment and income information for my / our pending real estate loan application. I / WE acknowledge that there will be no responsibility on your institution or its officers and employees for having furnished the same. We understand that all information will be kept strictly confidential.

Name of Owner/Applicant

Name of Partner(s) in this Project

Date

Signature of Owner/Applicant

Date

Signature of Name of Partner(s) in this Project

ATTACHMENT A
LEAD-BASED PAINT PAMPHLET

ATTACHMENT B
SUPPLEMENTAL INFORMATION
HOME RENTAL PROPERTY ACQUISITION AND/OR REHABILITATION PROGRAM

The following excerpt from the HOME Regulations, § 92.252 Qualification as affordable housing, rental housing, applies to all HOME-assisted rental projects:

The HOME-assisted units in a rental housing project must be occupied only by households that are eligible as low-income families and must meet the following requirements to qualify as affordable housing. 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.

(a) *Rent Limitation* - HUD provides the following maximum HOME rent limits. The maximum 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 thirty percent (30%) of the adjusted income of a family whose annual income equals eighty (80%) 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.

(b) *Additional Rent Limitations* - In rental projects with five (5) or more HOME assisted rental units, twenty-five percent (25%) 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 thirty percent (30%) of the annual income of a family whose income equals fifty percent (50%) 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 (a) of this section, then the maximum rent for units under this paragraph is that calculated under paragraph (a).
- (2) The rent does not exceed thirty percent (30%) 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 thirty percent (30%) 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.

The most current Area Median Income (AMI) levels and the most current HOME Program Rents for this area are enclosed. Rents for HOME units **include** average monthly utility costs, which cannot exceed published amounts.

COMPLETED TENANT SURVEY FORMS FROM EACH TENANT ARE REQUIRED AS PART OF A HOME LOAN APPLICATION PACKAGE WHERE RENTAL UNITS ARE CURRENTLY OCCUPIED: The Tenant Notification Letter and the two-page Tenant Survey Forms, copies of which are enclosed, must be reproduced and distributed to **ALL** tenant households in the rental property for which a HOME loan is sought. **ALL** Tenant households are required to complete and sign these documents, which are to be returned to this office as part of the application. The Tenant Notification Letter and Survey requests information required to be reported to HUD, and also advise tenants of their rights under the Uniform Relocation Act (URA).

ADDITIONALLY, if the property for which a HOME loan is sought was **built prior to 1978**, and is not exempt under HUD's new Lead-Based Paint Regulation, the enclosed HUD Lead-Based Paint pamphlet must also be reproduced and distributed to each tenant household. **ALL** tenant households in units **built prior to 1978** will then need to sign the section of the Tenant Notification Letter regarding Lead-Based Paint Hazard Notification. By signing this section of the Tenant Notification Letter, the tenant household acknowledges receipt of the Lead-Based Paint Pamphlet and that he/she/they read and understood its content. HUD's new Lead-Based Paint Regulation effective September 15, 2000, 24 CFR 35 et al, applies to all HOME-assisted rental projects **built prior to 1978** (except those at § 24 CFR 35.115 Exemptions) **AND REQUIRES AT A MINIMUM:** (1) Notification of occupants about the existence of potential lead-based paint hazards so they can take proper precautions; (2) Identification of lead-based paint hazards before a child can be poisoned; (3) Control of the

lead-based paint hazards to limit lead exposure to residents. Should actual Lead-Based Paint hazards be identified at any point during the HOME loan application process, or during the project monitoring period, the project will be subject to **ALL** applicable Lead-Based Paint regulatory requirements, and for the duration of the affordability period.

Tenant Notification Letter

Date: _____

Dear Tenant(s):

An applicant has submitted an application to the County of San Bernardino for financial assistance regarding the property and building that you occupy.

This notice is to inform you that if the assistance is provided for this building, you will not be displaced. Therefore, we urge you not to move anywhere at this time. If you do elect to move for reasons of your choice, you will not be provided relocation assistance.

If the application is approved and federal assistance is provided for the building, you will be able to lease and occupy your present apartment (or another suitable, decent, safe and sanitary apartment) upon completion of the transaction. Of course, you must comply with standard lease terms and conditions.

After the assistance, your initial rent, including the estimated average monthly utility costs, will not exceed the greater of (a) your current rent/average utility costs, or (b) thirty percent (30%) of your average monthly gross household income. If you must move temporarily for any reason affected by the proposed project, suitable housing will be made available to you for the temporary period, and you will be reimbursed for all reasonable extra expenses, including all moving costs and any increase in housing costs.

If the financial assistance for this project is approved, you can be sure that we will make every effort to accommodate your needs. Because federal assistance would be involved, you would be protected by the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended.

This letter is important and should be retained. If you have any questions, please contact the property manager for applicant contact information.

I have received, read, and understand the above Tenant Assistance letter regarding the Uniform Relocation Act.

Signature _____ Date _____

Address _____

Telephone Number _____

THE FOLLOWING SECTION REGARDING LEAD BASED-PAINT HAZARDS NOTIFICATION MUST BE SIGNED BY TENANTS IF THE PROPOSED PROJECT WAS BUILT BEFORE 1978.

I have received, read, and understand the pamphlet entitled *Protect Your Family from Lead in Your Home* (EPA747-K-99-001) regarding Lead-Based Paint Hazards in the home.

Signature _____ Date _____

Address _____

Telephone Number _____

TENANT SURVEY FORM

A. GENERAL INFORMATION

Name of Tenant _____

Address _____
Street Unit # City/State Zip

Telephone Number _____ Social Security Number _____
Home Work/Message

Date First Occupied Unit _____ Head of Household ☐ Male ☐ Female ☐ Elderly ☐ Disabled
☐ Single ☐ Other _____

Total Occupants _____ No. Adults _____ No. Children (under 18) _____ No. Disabled _____

Ethnic Group of Household: ☐ White ☐ Black ☐ American Indian/Alaskan Native ☐ Hispanic
☐ Asian/Pacific Islander ☐ Other _____

Please identify all Household members living in unit:

Name	Sex	Age	Monthly Income	Annual Income	Source(s) of Income	Income Level (Leave blank)
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____	_____

B. EXISTING HOUSING CHARACTERISTICS

Unit Size: ☐ Efficiency ☐ 1 BR ☐ 2 BR ☐ 3 BR ☐ 4 BR ☐ Other _____

C. Utilities included in Rent: ☐ All ☐ Water ☐ Sewer ☐ Trash ☐ Electric ☐ Heat
☐ Other _____

D. Summary of Housing Costs: Monthly Rent \$_____ Average Monthly Utilities Costs \$_____
(not included in rent) Other Monthly Housing Costs \$_____ Total Monthly Housing Costs \$_____

E. TENANT HOUSING PREFERENCE/NEEDS

☐ Remain in present unit ☐ Move to another unit in building ☐ Rent elsewhere ☐ Purchase a Home
☐ Subsidized Housing ☐ Need different size unit _____ ☐ Other _____

Location/Neighborhood Considerations _____

Special Needs (Disabled access, pets, etc.) _____

TENANT SURVEY FORM (Continued)

TO BE SIGNED BY ALL ADULT HOUSEHOLD MEMBERS:

I/We do understand that the Tenant Survey Forms have been distributed in order to collect information required by the Department of Housing and Urban Development (HUD) for assisted affordable housing development. I/We do hereby declare under penalty of perjury that the information disclosed herein is true and accurate.

Signature	Print Name	Date
-----------	------------	------

Signature	Print Name	Date
-----------	------------	------

Signature	Print Name	Date
-----------	------------	------

Signature	Print Name	Date
-----------	------------	------

ATTACHMENT C – 221(d)(3) Maximum Per Unit Subsidy Limits

Below are the 221(d)(3) maximum per unit subsidy limits for affordable housing projects utilizing funding under the HOME Program.

HOME Investment Partnership Program 221(d)(3) Maximum Per Unit Subsidy Limits Effective January 1, 2009	
Bedrooms	HOME Maximum Subsidy
0	\$126,869
1	\$145,433
2	\$176,846
3	\$228,780
4+	\$251,131
Please note that the above amounts have been adjusted to the maximum 240 percent that is allowed under the HOME Program on a program-wide basis, therefore, the County may not request an increase in the subsidy limits.	

APPENDIX B - SECTION 3 CONTRACT REQUIREMENTS

Economic Opportunities for Low- and Very Low-Income Persons

The purpose of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) (Section 3) is to ensure that employment and other economic opportunities generated by certain HUD financial assistance shall, to the greatest extent feasible, and consistent with existing federal, state and local laws and regulations, be directed to Low- and very Low-Income persons, particularly those who are recipients of government assistance for housing, and to business concerns, which provide economic opportunities to low- and very Low-Income persons. Regulations for Section 3 can be found at 24 CFR Part 135.