

CITY OF GASTONIA
Community Housing Development Organization (CHDO)
Request for Proposals

Application and Project Profile

OVERVIEW-COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO)

REQUEST FOR PROPOSALS FROM QUALIFIED AGENCIES

Through funds received from the HOME Investment Partnerships (HOME) Program as part of the Gaston County HOME Consortium, the City of Gastonia allows for a comprehensive approach to address affordable housing issues. Beginning Tuesday, December 9, 2025, the City of Gastonia will accept proposals from qualifying agencies for certification and set-aside funding for designation as a Community Housing Development Organization (CHDO). Qualifying agencies may also request operating funding as available. Regional and local non-profit organizations may view full application and proposal details at <https://www.gastonianc.gov/> or request information by emailing zsuzsi.kadar@gastonianc.gov and danette.dye@gastonianc.gov or calling (704) 866-6745. **The proposal deadline is Thursday, January 22, 2026, at 4:00 pm.**

WHAT IS A CHDO?

A Community Housing Development Organization (CHDO) is a private nonprofit, community-based service organization that has staff with the capacity to develop affordable housing for the community it serves. The definition of a CHDO, as well as other regulations regarding CHDOs, can be found in the Code of Federal Regulations Title 24 (Housing and Urban Development), Part 92.2.

TO QUALIFY AS A CHDO

To be certified or re-certified as a CHDO, the non-profit organization must: (1) meet HUD's legal and regulatory requirements as a CHDO; (2) meet the additional criteria regarding proposing and constructing an affordable housing development project(s); and (3) submit a completed CITY OF GASTONIA CHDO application for consideration and be approved by the Gaston County HOME Consortium. To qualify for certification and/or be recertified as a CITY OF GASTONIA CHDO, an organization must meet certain criteria and be certified/re-certified by the Gastonia-Gaston Home Consortium. All existing CITY OF GASTONIA CHDOs must be recertified on a biennial basis (every other year) throughout the development of the project and during the affordability period for the rental housing project that the CHDO owns. The criteria (24 CFR 92.2) include legal status, organizational structure, capacity, experience, and financial standards as described below:

OBJECTIVE

The purpose of the project profile is to provide a detailed compilation of data necessary for review of project feasibility. The CHDO certification is needed to determine whether an organization qualifies under the guidelines established by HUD as a Community Housing Development Organization (CHDO) pursuant to Subpart A Section 92.2 of the HOME Final Rule (24 CFR Part 92) and revised to reflect the 2013 HOME Final Rule and the 2013 HOME Appropriations Law.

CHDO CERTIFICATION REQUIREMENTS

Any organizations that apply to the City of Gastonia for HOME funding under the CHDO Set-Aside must be certified prior to any commitment of funding. Organizations must apply for CHDO certification in conjunction with the application for funding. Information obtained from this certification request package will be used only to determine the organization's eligibility as a CHDO and is not an approval. Approval is completed in two stages: (1). CHDO eligibility and (2). Project approval.

PROJECT SELECTION

All CHDO project proposals will be evaluated using a standardized scoring rubric that measures organizational capacity, project feasibility, readiness to proceed, financial and compliance preparedness, and alignment with local housing priorities. The City of Gastonia reserves the right to fund one or more projects based on overall score, available HOME funds, and geographic distribution.

Key Evaluation Criteria include:

- Project Type and Alignment with Priorities (1-20 points): Consistency with City and Consortium priorities such as preservation of existing affordable housing, infill development, and neighborhood revitalization. **Both rehabilitation and new construction projects are eligible. However, preference will be given to rehabilitation projects, whether homeownership or rental—that preserve the existing housing stock, prevent blight, and stabilize neighborhoods.**
- Development and Organizational Capacity (1-20 points): Demonstrated experience developing or managing affordable housing projects of similar size and scope, availability of qualified paid staff, and financial management systems meeting federal standards.
- Project Feasibility and Readiness (1-20 points): Evidence of site control, appropriate zoning, environmental readiness, secured financing commitments, and the ability to begin construction within six (6) months of contract execution.
- Financial and Compliance Readiness (1-15 points): Strength of financial structure, leveraging of other funding sources, and capacity to meet HOME Program and Uniform Guidance compliance requirements.
- Community Impact and Engagement (1-15 points): Depth of community involvement in project planning, outreach to low-income residents, and contribution to local revitalization, stability, and long-term affordability.
- Project Sustainability and Design Quality (1-10 points): Quality of project design, energy efficiency, and commitment to sustainability and long-term maintenance.

Proposals must achieve a minimum total score of 70 out of 100 points to be considered for funding. The City's Housing and Community Engagement staff will evaluate, score, and recommend projects for award. Final approval and funding allocations are subject to City Council authorization and availability of HOME funds.

2013 REGULATORY CHANGES FOR CHDOs

In 2013 HUD made numerous changes to the HOME Program. Most significant, to qualify as a CHDO, an organization must now have paid staff and demonstrate both capacity and experience that applies to the specific project for which it is applying. Prior to completing an application to be certified as a CHDO, organizations are strongly encouraged to review the applicable subject matter on HUD Exchange (<https://hudexchange.info>) for further information and guidance.

PROPOSAL REVIEW

All proposals are subject to a review of CHDO threshold requirements, staff capacity and HOME Program project underwriting criteria.

Please note that incomplete applications can impact the overall review process and may render the potential

applicant ineligible for funding. Care should be taken to review and complete all required components and submit information accordingly.

Applications may be submitted via
mail, email or in-person to:

City of Gastonia
HOUSING AND COMMUNITY ENGAGEMENT DEPARTMENT
ATTN: Housing and Community Engagement
Director
PO Box 1748
150 S. York Street
Gastonia, NC 28053-1748
Or
Email: danette.dye@gastonianc.gov
and zsuzsi.kadar@gastonianc.gov
(704) 866-6745

If you have any questions, contact Danette Dye, Housing and Community Engagement Director, at danette.dye@gastonianc.gov or Zsuzsi Kadar, Affordable Housing and Unsheltered Population Coordinator at (704) 866-6745 or via email at zsuzsi.kadar@gastonianc.gov.

PRE-PROPOSAL CONFERENCE:

Wednesday, December 17, 2025, at 3:00 pm

Meeting Link

<https://cityofgastonia.webex.com/cityofgastonia/j.php?MTID=mb108bf0bba03ddc807be97fc41658c2d>

Meeting Number

Meeting number (access code): 2532 472 0993

Meeting password: f58Jj5tgfZt (35855584 when dialing from a video system)

Calling from a mobile device

+1-650-479-3208,,25324720993## United States Toll

PROPOSAL SUBMISSION DEADLINE:

Thursday, January 22, 2026, at 4:00 pm

**CITY OF GASTONIA
Community Housing Development Organization (CHDO)**

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APPLICATION FOR COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) CERTIFICATION

I. INTRODUCTION

The National Affordable Housing Act of 1990 (the Act) created the HOME Investment Partnerships Program (HOME). The Act's objectives include promoting partnerships between states, local governments and nonprofit organizations and increasing the capacity of nonprofit organizations to develop and manage affordable housing.

To help achieve these objectives the Act requires that participating jurisdictions (PJs) set-aside at least 15% of their HOME funds for housing that is developed, owned, or sponsored by Community Housing Development Organizations (CHDOs). CHDOs are a specific type of nonprofit organization defined in the HOME Final Rule (24 CFR Part 92).

This application for CHDO certification covers the following topics:

1. Provides the HOME Program definition of a CHDO;
2. Outlines the criteria for qualifying as a CHDO;
3. Describes the eligible uses of CHDO set-aside funds;
4. Describes the City of Gastonia's process for certifying CHDOs;
5. Provides supplemental material for organizations interested in becoming a CHDO and information on technical assistance available to nonprofits; and
6. Provides reference materials as appendices.

II. DEFINITION OF A CHDO & QUALIFYING CRITERIA

The HOME Program definition of a CHDO is found in 24 CFR 92.2. The definition outlines the criteria that an organization must meet to qualify as a CHDO. The criteria focus on the legal status of the organization, its capacity and experience, the organizational structure, and the relationship of the CHDO to for-profit entities. The CHDO Application/Checklist outlines these criteria in detail. The following is a summary of some of the key criteria to qualify as a CHDO.

A. Legal Status

1. The CHDO must be organized under state law.
2. One of the purposes of the organization must be the provision of decent housing that is affordable to low-income and moderate-income persons.
3. The CHDO must have nonprofit status under §501(c)(3) or (4) of the Internal Revenue Code of 1986.
4. The organization must have a clearly defined geographic service area that is not the whole state.

B. Capacity and Experience

This application has been updated to reflect the 2013 HOME Appropriation Act Capacity and Experience Requirements.

Experience:

1. The CHDO must have at least one year of experience serving the community.

2. The organization must show that its key staff members have the capacity to implement housing activities.
3. The CHDO must have financial management systems that meet the federal standards outlined in 24 CFR 84.21. The most recent version of OMB Circulars A-110 (24 CFR 84) and A-133 may be obtained at <http://www.whitehouse.gov/omb/circulars> or by contacting the City of Gastonia.
4. The CHDO must have completed at least one CHDO-eligible development in the past two (2) years. Eligible developments are: Acquisition and/or rehabilitation of rental housing; Construction of new rental housing; Acquisition and/or rehabilitation of properties for home ownership; and new construction for home ownership.

C. Organization Structure

1. At least one-third of the organization's board of directors must be representatives of the low-income community; no more than one-third can be representatives of the public sector.
2. The CHDO must also involve low-income program beneficiaries in affordable housing project design. (This is in addition to serving on the board of directors.)

D. Relationship to For-Profit Entities

The CHDO cannot be controlled by for-profit organizations or individuals.

III. THE CHDO SET-ASIDE: ELIGIBLE USES AND ROLES

At least 15% of the state's HOME allocation must be invested in housing developed, owned, or sponsored by a CHDO (see Section IV). Other nonprofit organizations not meeting CHDO criteria can receive HOME funding for projects they develop, own, or sponsor, but these projects do not count toward the CHDO set-aside. CHDOs and other nonprofits can also receive HOME funds as a sub recipient, but these funds also do not count toward the 15% CHDO set-aside.

At the discretion of the selected developer and based on the proposal submitted, CHDO activity may include either new construction, or rehabilitation of ownership or rental projects that align with the City of Gastonia Affordable Housing Plan, approved by the City Council in November 2023. However, preference will be given to rehabilitation projects, as reflected in the scoring criteria.

A. Eligible CHDO Set-Aside Activities

Only certain types of activities count toward the 15% set-aside. The eligible activities (when carried out by a CHDO acting as a developer, owner or sponsor) are:

1. Acquisition and/or rehabilitation of rental housing;
2. Construction of new rental housing;
3. Acquisition and/or rehabilitation of properties for home ownership;
4. New construction for home ownership.

B. Ineligible CHDO Set-Aside Activities

The following activities are not eligible for the CHDO set-aside:

1. Tenant-based rental assistance;
2. Rehabilitation of owner-occupied properties;
3. Direct home buyer assistance for existing housing (not developed, owned, or sponsored by the CHDO).

C. CHDO as a Subrecipient

A CHDO, as well as other organizations, may also participate in the HOME-funded programs as a subrecipient. Basically, this occurs when a CHDO undertakes an activity that is not an eligible activity for the CHDO set-aside (e.g., housing rehabilitation for owner-occupants). In these projects the CHDO enters into a contract with the Agency to administer all or part of a program for the Agency.

D. ALTERNATIVE CHDO ROLES

The 15% CHDO set-aside can only be used for projects in which a CHDO is the developer, owner, or sponsor. For a more detailed description of the alternative CHDO roles, see [HUD Notice CPD 97-11](#) and [HUD 2013 Final Rule](#) (also located in the appendix).

IV. PROCESS FOR CHDO CERTIFICATION

The following is the process for obtaining CHDO certification for a specific project that will be funded from the City of Gastonia's program award:

1. Submit the [CHDO Applicant and Project Profile](#) and supporting material to the City of Gastonia.
2. If the application material submitted is complete and meets the criteria for qualifying as a CHDO the City of Gastonia will notify the organization in writing of certification and application approval.
3. If the application is incomplete or fails to meet requirements, a letter will be sent to the organization describing any deficiencies.

V. RESOURCE MATERIALS AVAILABLE TO CHDOs

Agency staff members are available to assist CHDOs in structuring project proposals to best meet Agency program requirements as well as to assist CHDOs in implementing these projects once they are funded. ([SEE APPENDIX – TECHNICAL ASSISTANCE RESOURCES](#)).

HIGHLIGHTS OF FEDERAL AND LOCAL REQUIREMENTS

AFTER REHAB VALUE

The after-rehabilitation value or sales price of homeownership units assisted with HOME funds cannot exceed 95 percent of the area median purchase price for single unit housing. This is referred to as the HOME Maximum Purchase Price. The current HOME Maximum Purchase Price for single unit existing housing and new construction can be found at:

<https://www.hudexchange.info/resource/2312/home-maximum-purchase-price-after-rehab-value/>

and are subject to revisions by HUD.

HOME OWNERSHIP HOUSING CONVERSION TO RENTAL

Housing acquired or rehabilitated for homeownership that is not sold within nine (9) months of completion of construction must be converted to rental units OR funds repaid. The City of Gastonia is therefore imposing the requirement that HOME-assisted rental housing must achieve initial occupancy within five (5) months of project completion. This action is necessary for the CHDO and City staff to collaborate and address any issues to ensure compliance with the federal requirement.

RENT LIMITS

Rental housing must comply with the HOME Rent Limits established by HUD. The HOME rent limits can be found at <https://www.hudexchange.info/programs/home/home-rent-limits/>.

INCOME REQUIREMENTS

Each HOME assisted homebuyer unit must benefit a household with an income at or below 80% of area median income and the unit must be their primary residence throughout the affordability period. More information about HOME income limits can be found at: <https://www.hudexchange.info/programs/home/home-income-limits/>.

HOMEBUYER COUNSELING

All homebuyers purchasing HOME assisted property must receive housing counseling. HOME regulations require that assisted units remain affordable for a period from 5 years to 20 years depending on the type of activity and amount of HOME funds invested in the property. The affordability period will be determined as a part of the underwriting process for the project and will be included in the terms and conditions of the contract. The City of Gastonia may require affordability periods exceeding the minimum required by HOME regulations. A recorded document enforcing the affordability period (i.e. second mortgage, restrictive covenant) will be required.

COMPLIANCE

The HOME Maximum Per-Unit Subsidy, HOME Maximum Purchase Price, HOME Rent Limits, and HOME Income Limits described above are provided as informational purposes only and are subject to change prior to awarding of funds from this Request for Proposal. The CHDO is responsible to ensure adherence to all updated provisions/limits and should review the HUD links/resources noted in the appendix on a regular basis to guarantee compliance.

HIGHLIGHTS OF FEDERAL AND LOCAL REQUIREMENTS

AFFORDABILITY PERIOD

The following is the affordability period as prescribed by HUD:

HOME AFFORDABILITY PERIOD		
ACTIVITY	FUNDING AMOUNT	MINIMUM AFFORDABILITY PERIOD
REHAB AND/OR ACQUISITION OF EXISTING HOUSING	< \$15,000	5 year
	\$15,000- \$40,000	10 years
	>\$40,000	15 years
REFINANCE OF REHABILITATION PROJECT	Any amount	15 years
NEW CONSTRUCTION OR ACQUISITION OF NEW HOUSING	Any amount	20 years

The chart above references the minimum HOME affordability period. The City of Gastonia reserves the right to impose increased affordability periods as part of its underwriting review.

EXPERIENCE AND CAPACITY

Special consideration will be given to agencies who demonstrate experience working with HOME funded projects of similar size, scope, and level of capacity to proposed project and who are able to leverage additional funding from supplementary sources.

ADDITIONAL REQUESTS

Any requests for CHDO Operating Expenses, Capacity Building Costs, or Technical Assistance and Site Control Loans should be noted in the application.

AVAILABLE PROPERTY(IES)

The City of Gastonia will not be providing land as part of this Request for Proposals. All proposers must demonstrate site control by owning or having a legally enforceable option to purchase the land proposed for development. Proposals that do not include documentation of site control (e.g., deed, purchase agreement, option contract, or long-term lease) will be deemed ineligible.

TIMELINE

A timeline of significant events should be included as part of the project application.

CONSTRUCTION

Construction for The proposed project must be scheduled and start within six months of contract execution.

I. CHDO Applicant And Project Profile			
APPLICANT PROFILE			
Legal Name of Organization:			
Tax ID:		DUNS #	
Officer Name/Title:		Email Address:	
Contact Phone:		Fax#	
Mailing Address:		City, State, Zip:	
Mission Statement:			
Executive Officer's Name (Print)	Executive Officer's Signature		
PROJECT PROFILE			
Project Name:			
Project Description <i>(attach all supporting documentation):</i>			
Proposed Funding Sources <i>(List all and attach all supporting documentation):</i>	Source:	Amount: \$	
	Source:	Amount: \$	
Total Estimated Project Cost:	\$		
CHDO Role:	<input type="checkbox"/> Owner <input type="checkbox"/> Developer <input type="checkbox"/> Sponsor		
Definition of CHDO roles can be found at 2013 HOME Rule			

Project Profile	<p>Include as an attachment a brief summary of the proposed project and the CHDO's role in the project. At a minimum, the narrative and proforma should address the project type and scope, number of units, anticipated financing, anticipated development and construction costs, and proposed development team.</p> <p>Attached: <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>NOTE: A <u>multi-family or single-family proforma and HOME underwriting</u> must be completed and submitted in conjunction with this application. If needed, a sample proforma is <u>available upon request</u>. If the applicable proforma (<i>based upon the project type</i>) is not submitted along with the application, the application will be deemed incomplete. <u>Incomplete applications will not be considered for funding.</u></p> <p><i>Home Underwriting: https://www.hudexchange.info/programs/home/</i></p> <p><i>Low-Mod Census Tracts in Gaston County: Projects located within Low- and Moderate-Income (LMI) Census Tracts will be prioritized, particularly those that support neighborhood stabilization and reinvestment goals.</i></p> <table border="1" data-bbox="409 627 1465 692"> <tr> <td>Gaston County, NC</td> <td>301.03</td> <td>303.02</td> <td>306.01</td> <td>306.02</td> <td>308.02</td> <td>309.01</td> <td>309.02</td> <td>310.04</td> <td>312.02</td> <td>313.03</td> <td>315.00</td> <td>317.06</td> </tr> <tr> <td></td> <td>318.00</td> <td>319.01</td> <td>319.02</td> <td>320.00</td> <td>323.02</td> <td>328.01</td> <td>328.02</td> <td>331.00</td> <td>332.03</td> <td>332.04</td> <td>334.00</td> <td>335.01</td> </tr> </table>													Gaston County, NC	301.03	303.02	306.01	306.02	308.02	309.01	309.02	310.04	312.02	313.03	315.00	317.06		318.00	319.01	319.02	320.00	323.02	328.01	328.02	331.00	332.03	332.04	334.00	335.01
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LIHTC	<p>LIHTC Project: <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>LIHTC Application Year: _____</p>																																						
Project Type (check all that apply)	<p><input type="checkbox"/> <u>Single-Family Housing</u> <input type="checkbox"/> <u>Multi-Family Housing</u> <input type="checkbox"/> Rental <input type="checkbox"/> Homeownership <input type="checkbox"/> Acquisition/Rehab <input type="checkbox"/> Rehabilitation Only <input type="checkbox"/> Acquisition/New Const. <input type="checkbox"/> Other: _____</p> <p>Total proposed number of units: _____</p>																																						

Site Control	Do you have site control or mechanisms in place for site control? <input type="checkbox"/> Yes <input type="checkbox"/> No Explain: _____		
FOR CITY OF GASTONIA STAFF USE ONLY			
Date Received: _____	Received by: _____	CHDO Project #: _____	Analyst: _____

II. Experience And Qualifications

Legal Name of Organization:

PROJECT EXPERIENCE

Is this the developer's first housing project? Yes No

If no, list completed projects below:

COMPLETED PROJECTS

PROJECT NAME/ DESCRIPTION	YEAR COMPLETED	NUMBER OF UNITS	TYPE	RENTAL OR HOME OWNERSHIP
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<input type="checkbox"/> New	<input type="checkbox"/> Rental
<input type="checkbox"/> Rehab	<input type="checkbox"/> Homebuyer
<input type="checkbox"/> New	<input type="checkbox"/> Rental
<input type="checkbox"/> Rehab	<input type="checkbox"/> Homebuyer
<input type="checkbox"/> New	<input type="checkbox"/> Rental
<input type="checkbox"/> Rehab	<input type="checkbox"/> Homebuyer
<input type="checkbox"/> New	<input type="checkbox"/> Rental
<input type="checkbox"/> Rehab	<input type="checkbox"/> Homebuyer
<input type="checkbox"/> New	<input type="checkbox"/> Rental
<input type="checkbox"/> Rehab	<input type="checkbox"/> Homebuyer
<input type="checkbox"/> New	<input type="checkbox"/> Rental
<input type="checkbox"/> Rehab	<input type="checkbox"/> Homebuyer

STAFF EXPERIENCE

Name/Title	Years of Experience	Summary Description of Experience (include resume for additional details)	Employment Status (Full-time, Part-Time, Volunteer, etc.,)	Working on this project (Y/N)

III. LEGAL STATUS

- A. The nonprofit organization is organized under the State of North Carolina as evidenced by:
 - Charter Articles of Incorporation

- B. No part of its net earnings benefits any member, founder, contributor, or individual, as evidenced by:
 - Charter Articles of Incorporation

- C. It has a tax exemption ruling from the Internal Revenue Service (RIS), as evidenced by:
 - 501(c)(3) **OR**
 - A group exemption letter under Section 905 from the IRS that includes the CHDO

- D. It has among its purposes the provision of decent housing that is affordable to low- and moderate-income persons, as evidenced by a statement in the organization's
 - Charter Articles of Incorporation
 - By-laws Resolutions

IV. CAPACITY

- A. The organization has standards of accountability that conform to 24 CFR 84.21, "Standards of Financial Management Systems," as evidenced by:
 - A HUD-approved audit summary, **OR**
 - A certification from a Certified Public Accountant

- B. The organization has a history of serving the community with affordable housing through the assistance of HOME funds will be used, as evidenced by:
 - A statement that documents at least one year of experience in serving the community **OR**
 - For new organizations, documentation that the parent organization has at least one year of experience in serving the community.

- C. The organization has paid staff with demonstrated capacity and experience with projects of a similar size, scope and level of complexity, relevant to its proposed role as Owner, Developer or Sponsor.
 - Narrative description of organizational and staff capacity and experience, **AND**
 - Resumes and job descriptions for key staff, **AND**
 - Organizational Chart
 - Payroll report, W-2 or W-4 **OR**
 - A contract for employment and a W-9 and 1099 (at the end of the year) for contract staff

V. ORGANIZATIONAL STRUCTURE

- A. The organization maintains at least one-third (1/3) of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elections by representatives of low-income neighborhood organizations, as evidenced by the organization's:
 - Charter
 - Articles of Incorporation
 - By-laws
- B. It provides current information on the governing board's membership as evidenced by:
 - A completed governing board list
 - Governing body self-certification form for all members
- C. It provides a formal process for low-income program beneficiaries to advise the organization in all of its decisions regarding the design, siting, development and management of all HOME-assisted affordable housing projects, as evidenced by:
 - By-laws
 - Resolutions
 - A written statement of operating procedures approved by the governing body
- D. If the CHDO is chartered by a State or government, the following restrictions apply:
 - (1) The State or local government may not appoint more than one-third of the membership of the organization's governing body;
 - (2) The board members appointed by the State or local government may not, in turn, appoint the remaining two-thirds of the board members; and
 - (3) No more than one-third of the governing board's members are public officials. This is evidenced in at least one of the following documents:
 - Charter Articles of Incorporation
 - By-laws Not Applicable because this organization is not chartered by a unit of government
- E. If the CHDO is sponsored or created by a for-profit entity, the following restrictions apply:
 - (1) the for-profit entity may not appoint more than one-third of the membership of the CHDO's governing body;
 - (2) the board members appointed by the for-profit entity may not, in turn, appoint the remaining two-thirds of the board members. This is evidenced in at least one of the following documents:
 - Charter
 - Articles of Incorporation
 - By-laws
 - Not applicable* - this organization is not sponsored by a for profit entity
- F. If the CHDO is sponsored by a religious organization, the CHDO is a separate secular entity from the religious organization, with membership available to all persons, regardless of religion or membership criteria, as evidenced by:
 - Charter
 - Articles of Incorporation
 - By-laws
 - Not applicable* - this organization is not sponsored by a religious entity

VI. RELATIONSHIP WITH FOR-PROFIT ENTITIES

A. The CHDO is not controlled, nor does it receive directions from individuals or entities seeking profit from the organization, as evidenced by either:

By-laws A Memorandum of Understanding (MOU)

B. If sponsored by a for-profit entity, the for-profit entity's primary purpose does not include the development or management of housing, as evidenced by:

By-laws The for-profit organization's By-laws

VII. GEOGRAPHIC AREA

A. Please list the geographic area and neighborhoods to be served.

Description and Map attached

VIII. CERTIFICATION

The applicant understands that the City of Gastonia will not be responsible for any costs incurred by the applicant in developing and submitting this application and that all applications submitted become the property of the *City of Gastonia*.

I, _____, declare under penalty of perjury, under the laws of the Federal Government and the State of North Carolina, that all statements contained in this application and any accompanying documents are true and correct, and made with full knowledge that all statements given are subject to investigation and that any false or dishonest answers may be grounds for denial or subsequent revocation of CHDO certification.

Prepared by: _____ Date: _____ Signature: _____
(Print)

**STATE OF NORTH CAROLINA
COUNTY OF GASTON**

I, _____, a Notary Public of the aforesaid County and State, do hereby certify that _____ personally appeared before me this day and acknowledged that she is the City Clerk of the City of Gastonia and that by authority duly given and as the act of the municipal corporation, the foregoing instrument was signed in its name by its Mayor, sealed with its corporate seal and attested by her as its City Clerk.

WITNESS my hand and Notarial Seal, this the _____ day of _____, 20_____.

Notary Public

My Commission Expires: _____

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) Governing Board List

Please list all board members and complete all columns. Include a signed Governing Body Self-Certification form for each.
 Attach additional sheets if necessary.

Name	Address	Employer	Board Term Expiration Date	Low-Income Representative (Y/N)1	Public Official (Y/N)2

¹ At least 1/3 of the governing board of a CHDO is required to be low-income representatives of the community and fit one of the following criteria: 1) The person is a low-income resident of the community; 2) The person lives in a low-income neighborhood where 51% or more of the residents are low-income; 3) The person was elected by a low-income neighborhood organization to serve on the CHDO board.

² A maximum of 1/3 of the governing board of a CHDO can be “public officials.” For purposes of the CHDO certification, a “public official” is any elected or appointed representative of the City of Gastonia. Employees of the City of Gastonia, as well as other employees of governmental agencies including State or Federal agencies that are located in or serve the City are also considered a “public official.” A public official is any employee, elected or appointed representative of the City. Their role as a public sector representative supersedes their residency or income status. Therefore, the official would be counted towards the 1/3 public-sector limitation and not towards the 1/3 low-income representation requirement.

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) Governing Body Self-Certification

Select Only One:

Public Official or Governmental Employee

I currently hold a publicly elected or appointed office, or I am an employee of a governmental agency.

For the purposes of this certification, a "public official" is any elected or appointed representative of City of Gastonia. Employees of the City of Gastonia, as well as other employees of governmental agencies including State or Federal agencies that are located in or serve City of Gastonia are also considered a "public official."

Member of a Low-Income Household

I am low-income resident of _____, a community in the applicant's service area.

In order to qualify, the board member must be a low-income resident of a community that the CHDO is planning to serve or currently serves. Low-income is defined as 80% or less of area median family income.

Resident of a Low-Income Area

I am a resident of _____, a low-income neighborhood in the applicant's service area. *In order to qualify, the board member must live in a low-income neighborhood where 51% or more of the residents are low-income. The board member does not have to be low-income.*

Elected Representative of a Low-Income Group

I am an elected representative of _____, a neighborhood organization whose membership is open to all residents of a defined neighborhood in which at least 51% of the households are low-income. My position on our governing body is primarily as a representative of that neighborhood organization. *In order to qualify, the board member must be elected to serve on the CHDO board by a neighborhood organization composed primarily of residents of a low-income neighborhood. The neighborhood organization's primary purpose must be to serve the interests of the neighborhood residents. Attach a copy of the signed resolution from the neighborhood organization naming the individual as their representative to the CHDO*

Not a Low-Income Representative

Signature: _____ Date: _____

Printed Name: _____ Title: _____

For Reference:

HUD INCOME LIMITS: Charlotte - Gastonia- Rock Hill NC-SC HMFA

To obtain the current year's income limits visit: [FY 2025 Income Limits Documentation System -- Summary for Gaston County, North Carolina](https://www.huduser.gov/portal/datasets/il.html)

OR

<https://www.huduser.gov/portal/datasets/il.html>

80% & below Income Limit(s)	1 Person	2 person	3 person	4 person	5 person	6 person	7 person	8 person
--------------------------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------	-------------

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO)

Conflict of Interest Policy

No employee, agent, consultant, elected official, or appointed official of _____ (the “CHDO”) 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 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 CHDO or the proceeds thereunder; or
- Any unit benefits or financial assistance associated with HOME projects or programs administered by the CHDO 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 homebuyer unit in a HOME-assisted project;
 - Receipt of HOME homebuyer acquisition assistance; or
 - Receipt of HOME owner-occupied rehabilitation assistance.

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

In addition, no member, employee, agent, consultant, elected official, or appointed official of the CHDO 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 CHDO in writing to the City of Gastonia. The CHDO must demonstrate and certify that the policies and procedures adopted for the activity will ensure fair treatment of all parties, and that the covered persons referred to in this policy will have no inside information or undue influence regarding the award of contracts or benefits of the HOME assistance. The City of Gastonia may grant exceptions or forward the requests to HUD as permitted by 24 CFR 92.356, 85.36 and 84.42, as they apply.

Signature: _____

Date: _____

Printed Name: _____

Title: _____

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO)
SECONDARY EMPLOYMENT QUESTIONNAIRE

Organization Name		
Name		
Employer		
Title		
Are you currently employed in a job other than the one listed above?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If you answered yes, please complete the following.		
Name and Address of Secondary Employer		
Position	Length of Service	
Work Hours	Work Days	
Do you have an interest in any business?	Yes <input type="checkbox"/>	No <input type="checkbox"/>
If you answered yes, please complete the following.		
Type of Interest		
Name and Address of Business		
Nature of Business		

I certify that all the information contained on this form is complete and accurate. I am also aware that I am required to immediately complete a new questionnaire upon changes in any of the above information. I am further aware that all secondary employment must not pose a conflict of interest with the goals and objectives of this agency or the City of Gastonia.

Signed: _____

Approved Date: _____

HUD INCOME LIMITS: Charlotte - Gastonia- Rock Hill NC-SC HMFA To obtain the current year's income limits visit: https://www.huduser.gov/portal/elist								
80% & below Income Limit(s)	1 person	2 person	3 person	4 person	5 person	6 person	7 person	8 person

Appendices

APPENDIX A – 2013 CHDO ROLE, DEFINITIONS AND CHANGES

2013 HOME Final Rule- Definitions of Developer, Owner, Sponsor

Owner of rental housing. A CHDO that is an "owner" of rental housing is defined at §92.300(a)(2). The CHDO is required to own (in fee simple absolute or long-term ground lease) multifamily or single-family housing that is rented to low-income families, in accordance with §92.252. The CHDO must own the HOME project during development and throughout the period of affordability and is required to oversee all aspects of the development process. At a minimum, the CHDO can own the property and hire a project manager or contract with a development contractor to oversee all aspects of the development. Under the 2013 Rule at §92.300(a)(2), a CHDO is also permitted to acquire housing that is in standard condition (and meets the property standards at §92.251) provided it owns the housing throughout the affordability period. This new definition facilitates participation of community-based nonprofit organizations that have the capacity to own and operate affordable rental housing in their communities, but do not have the capacity to develop such housing. Consequently, this new definition creates additional opportunities for nonprofit organizations to access the CHDO set-aside funds to address their neighborhoods' affordable housing needs. The new definition of "owner" should also assist rural States, which consistently experience great difficulty in developing and retaining capable CHDOs.

Developer of rental housing. A CHDO that is a "developer" of rental housing is defined at §92.300(a)(3). The CHDO is the owner (in fee simple absolute or long-term ground lease) and developer of the project and must be in sole charge of all aspects of the development process, including obtaining zoning, securing non-HOME funds, selecting contractors, overseeing the progress of work, and determining reasonableness of costs. The CHDO must own the HOME-assisted housing during the development process and throughout the period of affordability. This is a change from the pre-2013 Rule in that the CHDO must own the property; it no longer has the option to be under contract with an owner to develop the property.

Sponsor of rental housing. The 2013 Rule provides two definitions of a "sponsor" of HOME-assisted rental housing:

1. §92.300(a)(4) clarifies the requirement for CHDOs to maintain effective project control when acting as "sponsor" of rental housing. A CHDO "sponsors" rental housing when the property is "owned" or "developed" by:
 - a. A subsidiary of the CHDO (in which case the subsidiary, which may be a for-profit or nonprofit organization, must be wholly owned by the CHDO);
 - b. A limited partnership (in which the CHDO or its wholly owned subsidiary must be the sole general partner); or
 - c. A limited liability company (in which the CHDO or its wholly owned subsidiary must be the sole managing member).

If the limited partnership or limited liability company agreement permits the CHDO to be removed as sole general partner or sole managing member, respectively, the agreement must require that the removal be "for cause" and that the CHDO must be replaced by another CHDO. In addition, HOME funds must be provided to the entity that owns the project.

2. §92.300 (a)(5) codifies the pre-2013 Rule definition of "sponsor." It states that a CHDO "sponsors" HOME-assisted rental housing in situations in which the CHDO owns and develops the housing and agrees to convey the housing to a private nonprofit organization (that does not need to be a CHDO but cannot be created by a governmental entity) at a predetermined time after completion of the project development. Such arrangements typically occur when a CHDO has development expertise, and the nonprofit organization has the capacity to own and operate the housing. The CHDO is required to own the property before the development phase of the project and is required to select the nonprofit organization before entering into an agreement with the PJ that commits HOME funds to the project. The nonprofit organization assumes the CHDO's HOME obligation (including any repayment of loans) for the project. If the property is not transferred to the nonprofit organization, the CHDO sponsor remains liable for HOME assistance and the HOME project.

Developer of housing for homeownership. For HOME-assisted homebuyer projects, the housing is "developed" by the CHDO if it is the owner (in fee simple absolute) and developer of new housing that will be constructed or existing substandard housing that is owned or will be acquired by the CHDO and rehabilitated for sale to low-income families, in accordance with §92.254. To be the "developer," the CHDO must arrange financing for the project and be in sole charge of construction. As part of its set-aside funds, the CHDO can provide direct down payment assistance to a buyer of the housing it has developed with HOME funds in an amount not to exceed 10 percent of the amount of HOME development funds. In this role, the CHDO is not a subrecipient. This definition is very similar to the pre-2013 definition.

Sponsor of housing for homeownership. Under the pre-2013 Rule a CHDO was able to serve as a "sponsor" of homebuyer housing. There is no equivalent "sponsor" role for homebuyer housing in the 2013 Rule.

<https://www.onecpd.info/home/home-final-rule/section-by-section-summary/subpart-g/#qualification>

APPENDIX A – 2013 CHDO ROLE, DEFINITIONS AND CHANGES

Community Housing Development Organization (CHDOs) – CHANGES

There are several changes to the definition of CHDO that impact the criteria that qualify a nonprofit organization as a CHDO.

Nonprofit Status (Paragraph 4)

The pre-2013 Rule requires that a nonprofit organization, in order to qualify as a CHDO, must be organized under the Internal Revenue Code of 1986 (IRC) at 501(c)(3) or 501(c)(4). The 2013 Rule expands this definition to include: (1) a subordinate of a central organization under IRC 905 (this was previously permitted in practice, but is now codified); or (2) a wholly-owned entity that is regarded as an entity separate from its owner for tax purposes (e.g., a single member limited liability company that is wholly-owned by an organization that qualifies as tax-exempt), when the owner organization has a tax exemption ruling from the IRS under section 501(c)(3) or 501(c)(4) of the IRC. The nonprofit must meet the other qualifying criteria outlined in the CHDO definition.

CHDO and For-Profit Entities (Paragraph 3)

The requirements of paragraph 3 ensure that the CHDO is not controlled by, or significantly influenced by, a for-profit entity. In addition to the pre-2013 requirements that remain unchanged, paragraph 3(iv) adds a new criterion that if a for-profit entity creates or sponsors a potential CHDO, while the officers and employees of the for-profit entity can serve as Board members of a CHDO (subject to the one-third appointment limitation), they cannot serve as officers or employees of the CHDO.

CHDO and Governmental Entities (Paragraph 5)

Paragraph 5 is revised to state that a governmental entity may create a CHDO, and while officers and employees of the governmental entity can serve as Board members to the CHDO (subject to the one-third appointment limitation), they cannot serve as officers or employees of the CHDO. The additional limitations of the pre-2013 Rule on the involvement of a public entity remain unchanged.

CHDO Capacity and Staffing (Paragraph 9)

Paragraph 9 changes how a nonprofit demonstrates its capacity to undertake affordable housing activities. To qualify as a CHDO, the 2013 Rule requires that a nonprofit has paid employees with housing experience appropriate to the role the nonprofit expects to play in projects (i.e., developer, sponsor, or owner) in order to receive a CHDO designation. Note, the definition of “owner” has been significantly revised in the 2013 Rule at §92.300. The Rule now permits a CHDO to own and operate housing that it does not develop. Therefore, a nonprofit that will undertake development activities must demonstrate development capacity. A nonprofit that will undertake property ownership and management must demonstrate ownership/management experience. The requirement for development capacity can no longer be demonstrated through the use of consultants with development experience, except during the first year of operation as a CHDO, provided that the consultant trains the CHDO staff. In addition, the capacity requirement cannot be met through the use of volunteers or staff that is donated by another organization. Consultants or volunteers can continue to fill occasional skill gaps or undertake activities that are required only on a periodic basis (e.g., project underwriting) but cannot be the basis of a determination that a nonprofit has the capacity to be designated as a CHDO.

APPENDIX B-UNIFORM GUIDANCE

Notice of Uniform Guidance Requirements

City of Gastonia Federal Pass-Through Agencies

Due to regulations that are effective either 01/01/2018 OR 07/01/2018, the following information may have an impact upon your agency when contracting with the City of Gastonia for federally funded activities, more specifically funds received from the U.S. Department of Housing and Urban Development (HUD). So that you are aware, please review the information below and take action as necessary.

SUMMARY

In December 2014, OMB together with federal awarding agencies issued an interim final rule to implement the *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Uniform Guidance replaces the multiple OMB Circulars currently in place. <https://www.federalregister.gov>

REQUIREMENT

Several extensions for implementation of the requirements were set in place, however, the final compliance date is 07/01/2018. ALL entities that receive Federal funds ARE REQUIRED to have board adopted written purchasing policies and these written policies must state that purchases funded with Federal grant funds must conform to the applicable Federal law and the standards for purchasing identified in the OMB Uniform Guidance, codified at 2 C.F.R, Subpart D (Section 200.317-326).

DEFINE OPERATIONAL YEAR

It will be necessary for your agency to provide written documentation as to your operatiodn year, whether fiscal or calendar year. If your agency's year-end is June 30 then a written purchasing policy must be in place by July 1, 2018; If the year-end is December 31, agency procedures should have been in place as effective January 1, 2018. If the policy is already in place, please provide a copy of the policy and the date effective.

SUBMIT POLICY DOCUMENTATION

Copies of these policies must be provided to our office for maintenance in our records, and a copy must be submitted annually each year thereafter or prior to each written agreement, as applicable. Your agency's compliance with the OMB Uniform Guidance will be verified prior to the execution of any future written agreements/contracts with the City of Gastonia.

RESOURCE(S)

https://www.hud.gov/program_offices/public_indian_housing/reac/products/mf_news

<https://www.ecfr.gov/current/title-2 subtitle-A/chapter-II/part-200>

ADDITIONAL RESOURCE(S)

<https://www.councilofnonprofits.org/omb-uniform-guidance-nonprofits-know-your-rights>

<https://www.councilofnonprofits.org/nonprofit-audit-guide/federal-law-audit-requirements>

Additional guidance will be provided prior to future approved transactions. Should you have any questions concerning this policy, feel free to contact staff as follows:

STAFF	TELEPHONE	EMAIL
Danette Dye, Housing and Community Engagement Director	(704) 866 - 6758	Danette.dye@gastonianc.gov
Zsuzsi Kadar, Affordable Housing and Unsheltered Population Coordinator	(704) 866-6745	zsuzsi.kadar@gastonianc.gov

APPENDIX C - Checklist

COMMUNITY HOUSING DEVELOPMENT ORGANIZATION (CHDO) – Certification and Attachments

Please submit the CHDO application and all supporting documents - using the following tab headings:

TAB 1 – Applicant and Project Profile

- Completed Profile with Signature Page
- Project Experience
- Staff Experience

TAB 2 – Legal Status, Organizational Structure and Capacity

- Charter
- Articles of Incorporation
- A 501(c)(3) or 501(c)(4) Certificate from the IRS
- By-laws
- Resolutions
- Organizational Chart
- Narrative describing organization's development experience and capacity
- Resumes and job descriptions for key housing staff
- Payroll report, W-2 or W-4 for key housing staff
- Contracts for Employment, W-9 and 1099 for contract staff (if applicable)
- A certification from a Certified Public Accountant, OR
- A HUD approved audit summary
- Definition of operational year
- Policies complying with OMB requirements
- Other: _____
- Other: _____

TAB 3 – Governing Board

- Governing Board List
- Signed CHDO Board Member Certifications for all board members
- Secondary Employment Questionnaire
- Signed Conflict of Interest Statements for all governing board members and staff (including contract staff and consultants if applicable)
- Signed Secondary Employment Questionnaire for governing board members and staff (including contract staff and consultants if applicable)
- Other: _____

Tab 4 – Project Details

- Project Description
- Multi-family proforma OR single-family proforma (*Samples available*)

TAB 5 (Items for applicant review prior to submission for review)

- HOME High- and Low- Rents
- HOME Subsidy Limits

APPENDIX D-RESOURCES AVAILABLE TO CHDOS

COMMUNITY HOUSING DEVELOPMENT HOUSING ORGANIZATION (CHDO)

Additional Resources and Tools

Additional resource materials are available as follows:

- Policy Guidance and Frequently Asked Questions
<https://www.hudexchange.info/programs/home/topics/chdo/#policy-guidance-and-faqs>
- Guidebooks and Tools
<https://www.hudexchange.info/programs/home/topics/chdo/#guidebooks-and-tools>
- Video and Training Materials
<https://www.hudexchange.info/programs/home/topics/chdo/#videos-and-training-material>
- Code of Federal Regulations concerning Community Housing Development Organizations (24 CFR 92 Subpart G) <http://www.gpo.gov/fdsys/pkg/CFR-2003-title24-vol1/pdf/CFR-2003-title24-vol1-part92-subpartG.pdf>
- HOME Ownership Value: Maximum purchase price/after rehab value
<https://www.huduser.gov/portal/datasets/home-ownership-value-limits.html#>
- HUD Rent Limits
<https://www.hudexchange.info/programs/home/home-rent-limits/>
- HUD Income Limits
<https://www.hudexchange.info/programs/home/home-income-limits/>
- HUD Maximum Per Unit Subsidy
<https://www.hudexchange.info/news/hud-publishes-limits-for-home-maximum-per-unit-subsidies/>

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**FY 2025-26 Community Housing Development Organization (CHDO)
Request for Proposals (RFP) - Schedule - FY2025**

Advertisement and RFP Posting	Tuesday, December 9, 2025
Pre-Proposal Conference	Wednesday, December 17, 2025, at 3:00 pm
Deadline for Written Questions	Monday, January 5, 2026
Answers to Written Questions Posting	Thursday, January 8, 2026
Proposal Submission Deadline	Thursday, January 22, 2026, by 4:00 pm
Evaluation Committee Review	Wednesday, January 28, 2026
CCRHCE Committee Authorization	TBD
Council/Consortium Approval #1	Tuesday, March 3, 2026
Environmental Review	Wednesday, March 4, 2026 – Tuesday, June 9, 2026
Council/Consortium Approval #2	June/July 2026
Contract Execution	June/July 2026
Permits	July/August 2026



Part I: Community Housing Development Organization (CHDO) Underwriting Guide

The City of Gastonia will use this tool to verify the feasibility and appropriateness of awarding HOME funds to a CHDO. This tool ensures a comprehensive review of all critical aspects, including project terms, budget, financial viability, risk factors, and compliance with HOME regulations (24 CFR Part 92).

This underwriting guide includes four (4) parts:

- Part I. Underwriting Guide
- Part II. Underwriting Checklist
- Part III. Multi-Family Underwriting
- Part IV. Single-Family Underwriting



Community Housing Development Organization (CHDO) Underwriting Guide

1. Project Overview

1. **Project Name:** _____
2. **CHDO Name:** _____
3. **Project Type:** (Select one)
 - o Rental Housing: Acquisition | Rehabilitation | New Construction
 - o Homebuyer: Acquisition | Rehabilitation | New Construction
 - o Other (Specify): _____
4. **Requested HOME Funds:** _____
5. **Total Project Cost (TDC):** _____
6. **IDIS Activity Number** (if applicable): _____
7. **Project Location:** _____
8. **Evaluation Completion Date:** _____

2. Project Eligibility & Compliance

Objective: Ensure that the project meets all eligibility criteria for HOME funding and complies with federal regulations.

- HOME Eligibility:**
 - The project is HOME-eligible (low-income housing, not ineligible types of housing such as public housing or shelters).
 - All proposed HOME-funded costs are eligible under the HOME program.
 - HOME funds will only be used to assist eligible low-income units.
- HOME-Assisted Units:**
 - All units will serve low-income households.
 - The rent or sale prices meet HOME limits (if applicable).
 - Compliance with the affordability period (minimum of 5-20 years based on project type).
- Property Standards:**
 - The project will meet local property standards upon completion.
 - For pre-1978 buildings, lead-based paint (LBP) requirements are met.
 - The project complies with accessibility standards (Section 504, Fair Housing Act, and Americans with Disabilities Act, if applicable).
- Environmental Review:**
 - Environmental clearance can be obtained.
 - NEPA and statutory checklist requirements are met.
- Labor Standards** (if applicable):
 - For projects with 12+ HOME-assisted units, confirm Davis-Bacon labor standards are applied.
- Relocation Compliance** (if applicable):
 - If relocation is required, confirm compliance with URA/Section 104(d) standards.
- Other Federal Compliance Requirements:**
 - Fair Housing Act, Affirmative Marketing, VAWA, and Conflict of Interest provisions are addressed.



3. Financial Feasibility

Objective: Analyze the financial viability of the project, including the budget, funding sources, and long-term sustainability.

Development Budget:

- Acquisition cost is supported by an appraisal or evidence of market value.
- Hard Costs: Construction/rehabilitation costs are reasonable and supported by a detailed scope of work and market comparisons.
- Soft Costs: Non-construction costs (professional fees, permits) are reasonable and necessary.
- Include a contingency for cost overruns in the construction budget.

Developer Fees:

- Developer fees, including consulting fees, are reasonable compared to market rates and project scope.

Subsidy Layering:

- Ensure the project is not over-subsidized. Review all other funding sources, including private, state, and federal contributions, to confirm that HOME funds are only filling a necessary gap.

Reserves and Contingencies (Rental Projects):

- Operating Reserves: Sufficient reserves are included for initial operating deficits and future replacements.
- Capitalization: Ensure adequate reserves are set aside for rent-up periods and ongoing maintenance.

Proposed Leverage:

- Ratio of non-HOME funds to HOME funds.
- Include private, state, or other federal subsidies leveraged for the project.

4. Risk Analysis

Objective: Assess project risk based on market conditions, CHDO capacity, and project execution risk.

A. Market Risk

- Market Trends:** General market conditions (e.g., vacancy levels, pricing trends) support the development of additional units at the proposed pricing.
- Neighborhood Conditions:** The immediate project area shows positive market trends and neighborhood conditions conducive to development.
- Affordability:** The project pricing and rents are affordable for the target population.
- Target Population:** A sufficient pool of eligible low-income households exists in the primary geographic area to support timely occupancy or sales.

Risk Rating:

- Acceptable
- Tolerable with adjustments
- Too Risky

B. Borrower/CHDO Risk

- CHDO Mission Alignment:** The project aligns with the CHDO's mission and capacity
- Board and Staff Capacity:** The board and staff have the experience, skills, and stability to oversee and execute the project.
- CHDO Liquidity:** The CHDO has sufficient financial reserves to handle project emergencies or



delays.

- Equity/Pre-Development Funding:** The CHDO has sufficient funds to cover pre-development costs and organizational overhead.

Risk Rating:

- Acceptable
- Tolerable with adjustments
- Too Risky

C. Project Risk

- Budget Cost Reasonableness:** The total development cost (TDC) is reasonable compared to market standards.
- Firmness of Budget:** Budget estimates are reliable, with proper contingencies included.
Project Schedule: The project schedule is realistic, and any delays will be managed effectively.
- Long-Term Viability:** For rental projects, operating projections are sufficient to ensure affordability and long-term property maintenance.

Risk Rating:

- Acceptable
- Tolerable with adjustments
- Too Risky

5. HOME Fund Allocation & Gap Analysis

Objective: Ensure the appropriate allocation of HOME funds and that the funding gap is minimized.

Gap Analysis:

- Rental Projects:** Calculate the maximum debt by dividing the Net Operating Income (NOI) by the Debt Service Coverage Ratio (DSCR). Subtract other sources (equity, loans, subsidies) from TDC to determine the gap filled by HOME funds.
- Homebuyer Projects:** Subtract net sales proceeds from TDC to determine the HOME development subsidy.

HOME Subsidy Per Unit:

- Calculate the per-unit subsidy, ensuring that the amount of HOME funds allocated complies with HOME limits and doesn't exceed the necessary amount to achieve affordability.

6. Recommended Terms of Investment

Objective: Establish the terms for HOME funding, including loan/grant structure, compliance period, and repayment terms.

- Subordination:** Determine if other debt will take priority over the HOME lien.
- Loan Term:** The loan should reflect at least the minimum HOME compliance period and repayment expectations.
- Interest Rate:** Determine if interest will accrue and under what conditions.
- Forgiveness:** Specify if any portion of the loan will be forgiven after the compliance period.
- Legal Mechanism:** Identify required legal documents (note, mortgage, deed restriction, etc.) to secure the HOME investment.
- Recaptured Funds:** Confirm the use and accounting of any recaptured funds from HOME-assisted units.



7. Certification of Underwriting Completion

This is to certify that the underwriting process has been completed, and the project has been evaluated according to the City of Gastonia's underwriting policies and procedures. The findings, recommendations, and determinations comply with all HOME Investment Partnerships Program regulations.

Date Evaluation Completed: _____

Authorized Signature:

Name: _____

Title: _____

Signature: _____

Date: _____



Part II: Community Housing Development Organization (CHDO) Underwriting Checklist

COMPONENT	CHECK	COMMENTS
PROJECT OVERVIEW		
Project Proposal Reviewed	<input type="checkbox"/>	
CHDO Organizational Capacity Evaluated	<input type="checkbox"/>	
Experience with HOME Funds Verified	<input type="checkbox"/>	
FINANCIAL FEASABILITY		
Financial Viability Analysis Completed	<input type="checkbox"/>	
Review of CHDO Financial Statements	<input type="checkbox"/>	
Developer Free Analysis	<input type="checkbox"/>	
All Funding Sources Verified	<input type="checkbox"/>	
Subsidy Layering Review Completed	<input type="checkbox"/>	
PROJECT BUDGET & COSTS		
Development Budget Reviewed	<input type="checkbox"/>	
Hard & Soft Costs Evaluated	<input type="checkbox"/>	
Cost Contingency & Reserves Verified	<input type="checkbox"/>	
Leverage of Other Funds Evaluated	<input type="checkbox"/>	
RISK ASSESSMENT		
Market Study Conducted/Reviewed	<input type="checkbox"/>	
Borrower (CHDO) Risk Evaluated	<input type="checkbox"/>	
Project Risk (Budget, Schedule, Viability)	<input type="checkbox"/>	
Underwriting Findings Report Completed	<input type="checkbox"/>	
HOME Compliance		
HOME- Assisted Units Verified	<input type="checkbox"/>	
Property Standards (Local & Federal) Met	<input type="checkbox"/>	
Environmental Review Completed	<input type="checkbox"/>	
APPROVAL		
Project Approval/Denial Documented	<input type="checkbox"/>	

REVIEWER

PRINT NAME _____ SIGNATURE _____ DATE _____

in



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PART III: Community Housing Development Organization (CHDO) Multi-Family Underwriting Template

City of Gastonia
 Housing and Community Development Department
 Community Development Division
 PO Box 1748 * Gastonia, NC 28053-1748

Project Information

Project Name:	
Address:	
Developer:	
Date of Analysis:	
City:	
State:	
Development Type:	

NOTES ON KEY HOME REQUIREMENTS AND THIS TEMPLATE

This HOME Multi-Family Underwriting Template is intended to assist in planning multi-family affordable rental housing, **not single-family affordable housing**.

Typical users will be Participating Jurisdiction (PJ) underwriters, Community Housing Development Organization (CHDO) underwriters, and underwriters for other developers of HOME-assisted affordable rental housing projects. This template supports normal underwriting tasks such as review of development costs and review of operating revenues and expenses, but also includes features that help the user determine the appropriate amount of HOME assistance as well as the appropriate number and mix of HOME-assisted units.

Users may find it helpful to review the HOME Underwriting and Subsidy Layering Notice, CPD 15-11. This template does not cover all elements of the Notice requirements.

The U.S. Department of Housing and Urban Development and ICF International assume no liability for the use, functionality, or content of this template. This template is for draft calculations only. All inputs, outcomes, and calculations should be independently verified.

This template does not automatically cap rents at HOME levels. Each user must do this, as applicable, on the Rents and Income tab.

This template does not include cost allocation which must be completed separately by the PJ to allocate costs and designate the number of HOME units. Users should refer to the guidance provided in CPD Notice 16-15 and utilize the HOME cost allocation tool available at the following links: <https://www.hudexchange.info/resources/documents/Notice-CPD-16-15-Allocating-Eligible-Costs-and-Identifying-HOME-Assisted-Units-in-Multi-Unit-HOME-Rental-and-Homeownership-Development-Projects.pdf>, and <https://www.hudexchange.info/resource/5190/home-cost-allocation-tool/> for guidance on allocating costs and determining maximum investment and minimum HOME units."

HOME PJs must conduct a subsidy layering analysis prior to commitment of HOME funds.

\$0
\$0

Cells with light green background are data entry cells

Cells with white background are formulas

Do not change formulas (many of them track to other formulas)



Blue boxes like this contain guidance (place the mouse pointer over the question mark)

If the guidance text is too small for the user to read, increase the zoom setting on the tab.

The Role of HOME Funds in a Development Project



In rental housing development projects, HOME funds typically serve as “gap financing” – funds provided when the contributions of private lenders and other funding resources are not sufficient to cover the cost of developing and leasing-up the project. PJ and non-profit staff are often called upon to determine the appropriate amount of HOME funds required to “fill the gap” in order to make the project feasible, while ensuring the project is not over-subsidized and that HOME funds are used only for HOME-eligible expenses.

While HOME funds are an indispensable resource for many affordable housing projects, they come with requirements that can also influence a project’s finances. To ensure that a portion of the housing units created when HOME funds are invested will remain available to low-income and very-low-income households, rents for these units are limited for a specified period to affordable levels appropriate to the project’s geographic area. These HOME rent limits may impact the amount of income generated by the property, which in turn can influence the amount and availability of private and other public funding resources for the project.

PART III: Community Housing Development Organization (CHDO) Multi-Family Underwriting Template

City of Gastonia
Housing and Community Development Department
Community Development Division
PO Box 1748 * Gastonia, NC 28053-1748

Multi-Family Underwriting

Underwriting is the process of determining the financial feasibility and the terms of a project. The objective of underwriting is to determine whether the ongoing revenues from a property will be sufficient to cover construction and operating costs to ensure that property will be sustainable for the specific period of affordability. There is no one “right” way to do underwriting. However, across all approaches, there are some common elements:

- Review of costs for constructing the project in order to determine both reasonableness and eligibility.
- Review of the sources of financing for the project.
- Review the projected profitability and financial health of the project.
- Establish the financing and operating terms.

Introduction to this Template

The HOME Multi-Family Underwriting Template is composed of several interrelated Excel tabs, which are accessible by tabs found at the bottom of the Excel screen. Open the Template in Excel and look along the bottom of the screen. You will see a set of tabs reading:

- Intro
- Requirements
- Rents and Income
- Development Costs
- Repl Reserve
- Const Schedule
- LIHTC Basis
- Operating Expenses
- First Mortgage Sizing
- Sources and Uses
- Pro Forma Assumptions
- Operating Pro-Forma
- Administrative Record

Microsoft Excel and This Template



This template is provided in Excel 2007 format. Two versions are available. One is macro-enabled (an .xlsm file); this version includes radio buttons that will allow the user to hide and reveal columns and rows used for supporting calculations, and helpful features such as automatically providing the appropriate number of columns on the Operating Pro-Forma tab. If you are using the .xlsm format, be sure to always save the file in .xlsm format (if you save it in .xlsx format, you will lose all of the macros).

In the .xlsm format, if you click on a radio button labeled 'Hide Columns' or 'Hide Rows', the template will hide the rows or columns that hold supporting calculations. A radio button labeled 'Reveal columns' or 'Reveal rows' will reveal (un-hide) the supporting calculations.

For users whose information technology policies do not allow enabled macros, this template is also available in a non-macro-enabled format (an .xlsx file).

This template also contains two forms of protection. The first is worksheet (tab) protection (formula cells are locked to prevent accidental damage to formulas). The second is workbook protection (which prevents accidental deletion of tabs). However, if you need to make custom modifications to this template, you can do so by entering the password (the password is a single blank character)

Upon completing this tab, proceed to the *Requirements* tab.



HOME and Other Affordable Housing Requirements

Enter data in green cells only

The HOME Program, as well as other affordable housing programs (e.g., Low-Income Housing Tax Credits or the Community Development Block Grant), are designed to provide effective resources for housing development, while ensuring that use of public funds results in increased availability of affordable housing. To meet the latter objective, the HOME Program and other affordable housing programs impose requirements and restrictions, such as maximum subsidies, maximum rents for units reserved for affordable housing, and affordability periods during which units must remain affordable.

Note that some individual units may be subsidized using both HOME funds and funds from another affordable housing program. For the purposes of this Template, consider those units to be HOME-assisted units.

Use this worksheet to enter (or change) the following: Area Median Incomes, rents, utility allowances, the HOME period of affordability, and HOME per-unit investment limits.

Project Name - : 0 Units

4 Person AMI at 100% AMI

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?		HOME Investment Limits			
HOME per Unit Limit - 0 Bedroom					
HOME per Unit Limit - 1 Bedroom					
HOME per Unit Limit - 2 Bedroom					
HOME per Unit Limit - 3 Bedroom					
HOME per Unit Limit - 4 Bedroom					
HOME per Unit Limit - 5 Bedroom	\$0				(same as 4BR limit)

--	--

?		HOME Rent Limits (monthly, including rent and tenant-paid utilities)					
Low 0 BR	Low 1 BR	Low 2 BR	Low 3 BR	Low 4 BR	Low 5 BR		
High 0 BR	High 1 BR	High 2 BR	High 3 BR	High 4 BR	High 5 BR		

?		HOME Utility Allowances (monthly)					
0 BR	1 BR	2 BR	3 BR	4 BR	5 BR		

--	--

?		HOME Affordability Period					
HOME-Eligible Rental Activity (select one)							
Average Per-Unit HOME Subsidy (select one)						See the Note below	
HOME Required Affordability Period (in years)	20					(Advisory information only.)	
PJ's Required Affordability Period (in years)						(Must be at least as long as HOME requirement.)	
PJ's Affordability Period in Compliance with HOME Program?	Entry Missing					Enter PJ's Affordability Period	

Note: the Template indicates underwritten HOME subsidy of \$0 per unit. See the Sources and Uses and Rents and Income tabs.



HOME and Other Affordable Housing Requirements

Enter data in green cells only

?

Market Rents (the rents that these units could achieve without rent or income restrictions)

Market Rents (monthly, rent only, do not add tenant-paid utilities)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR

On the Rents and Income tab, for each unit type you will be able to select the most restrictive rent limit (for example, High HOME or Market or Project Based Section 8) and a set of utility allowances. You will also be able to underwrite, for each unit type, less than 100% of the applicable rent limit (for example, you can underwrite 95% of the High HOME rent instead of 100% if you choose).

Below are several sections in which you can enter the gross rents (rent plus tenant-paid utilities) and utility allowances for affordable housing programs other than HOME. Examples might include Low Income Housing Tax Credit (LIHTC) units restricted at 60% AMI rents, LIHTC units restricted at 50% AMI rents, CDBG units, and project-based Section 8 units.

If multiple programs use the same utility allowances (for example, LIHTC 60% and 50% and 40% AMI), you might choose to enter the utility allowances only once in the sections below.

Gross Rents and Utility Allowances for Other Affordable Housing Program #1

Other Affordable Housing Program Name _____ of AMI (if AMI rents are applicable)

Gross Rent Limits for (monthly)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR

Utility Allowances for (monthly)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR

Gross Rents and Utility Allowances for Other Affordable Housing Program #2

Other Affordable Housing Program Name _____ LIHTC 60 AMI _____ 60% of AMI (if AMI rents are applicable)

Gross Rent Limits for LIHTC 60 AMI (monthly)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR

Utility Allowances for LIHTC 60 AMI (monthly)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR

Gross Rents and Utility Allowances for Other Affordable Housing Program #3

Other Affordable Housing Program Name _____ of AMI (if AMI rents are applicable)

Gross Rent Limits for (monthly)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR

Utility Allowances for (monthly)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR



HOME and Other Affordable Housing Requirements

Enter data in green cells only



HOME and Other Affordable Housing Requirements

Enter data in green cells only

Gross Rents and Utility Allowances for Other Affordable Housing Program #4

Other Affordable Housing Program Name						of AMI (if AMI rents are applicable)
---------------------------------------	--	--	--	--	--	--------------------------------------

Gross Rent Limits for (monthly)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR

Utility Allowances for (monthly)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR

Gross Rents and Utility Allowances for Other Affordable Housing Program #5

Other Affordable Housing Program Name						of AMI (if AMI rents are applicable)
---------------------------------------	--	--	--	--	--	--------------------------------------

Gross Rent Limits for (monthly)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR

Utility Allowances for (monthly)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR

Gross Rents and Utility Allowances for Other Affordable Housing Program #6

Other Affordable Housing Program Name	Other 2	25%	of AMI (if AMI rents are applicable)
---------------------------------------	---------	-----	--------------------------------------

Gross Rent Limits for Other 2 (monthly)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR

Utility Allowances for Other 2 (monthly)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR

Gross Rents and Utility Allowances for Other Affordable Housing Program #7

Other Affordable Housing Program Name						of AMI (if AMI rents are applicable)
---------------------------------------	--	--	--	--	--	--------------------------------------

Gross Rent Limits for (monthly)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR

Utility Allowances for (monthly)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR

Gross Rents and Utility Allowances for Other Affordable Housing Program #8



HOME and Other Affordable Housing Requirements

Enter data in green cells only

Other Affordable Housing Program Name

of AMI (if AMI rents are applicable)

Gross Rent Limits for (monthly)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR

Utility Allowances for (monthly)

0 BR	1 BR	2 BR	3 BR	4 BR	5 BR

Upon completing this tab, proceed to the *Rents and Income* tab.

The rows below are working computations for AMI rents

	0 BR	1 BR	2 BR	3 BR	4 BR	5 BR	Percentage of AMI
20%	\$0	\$0	\$0	\$0	\$0	\$0	20%
25%	\$0	\$0	\$0	\$0	\$0	\$0	25%
30%	\$0	\$0	\$0	\$0	\$0	\$0	30%
35%	\$0	\$0	\$0	\$0	\$0	\$0	35%
40%	\$0	\$0	\$0	\$0	\$0	\$0	40%
45%	\$0	\$0	\$0	\$0	\$0	\$0	45%
50%	\$0	\$0	\$0	\$0	\$0	\$0	50%
55%	\$0	\$0	\$0	\$0	\$0	\$0	55%
60%	\$0	\$0	\$0	\$0	\$0	\$0	60%
80%	\$0	\$0	\$0	\$0	\$0	\$0	80%
100%	\$0	\$0	\$0	\$0	\$0	\$0	100%
120%	\$0	\$0	\$0	\$0	\$0	\$0	120%
N/A							N/A

Rents and Income**Enter data in green cells only**

Use this worksheet to enter (or to modify) the unit mix, the mix of Low and High HOME units, the mix of LIHTC and CDBG and market rate units, and square footage for each unit type. Also use this worksheet to select the maximum rents that will be underwritten for each unit type, and to select utility allowances. Also use this worksheet to enter any 'other revenue' such as commercial revenue or tenant late fees. Information for number of units, Low HOME units, High HOME units, LIHTC unit units, market rate units, square footage, underwritten rents, underwritten utility allowances, and underwritten other revenue will carry forward from this worksheet to the rest of the underwriting template.

Unit Type	Underwritten Rent Level	Number of Units	Square Footage per Unit	Gross Rent, per unit, per month	Monthly Utility Allowance	Net Rent After Utilities, per unit, per month
Total		0		NA		\$0
Annual Gross Potential Rent						\$0

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Rent Loss (Vacancy + Bad Debt + Concessions)

Rent Loss Rates (As % of GPR)	HOME Units	Market Rate Units	Other Affordable Units
Rent Loss Year 1 (Lease-Up)			
Stabilized Rent Loss Rate (after Year 1)			

Other Revenue

Laundry and Other			per month
			per month
Total Other Revenue		\$0	

Development Costs

Project Name - : 0 Units

Enter data in green cells only

Cost	Amount	Cost Per Unit	Cost Per Square Foot	Comment
Acquisition Costs				
Land		need data	need data	
Existing Structures		need data	need data	
		need data	need data	
Site Work Costs (not included in construction contract)				
Demolition/Clearance		need data	need data	
Site Remediation		need data	need data	
Off-Site Costs (these are not HOME eligible)				
Improvements		need data	need data	
Construction Equipment (HOME eligible portion)		need data	need data	
Construction Equipment (non-HOME eligible portion)		need data	need data	
		need data	need data	
		need data	need data	
Construction / Rehabilitation Costs (construction)				
Site Work Included in Construction Contract		need data	need data	
Construction Equipment (HOME eligible portion)		need data	need data	
Construction Equipment (non-HOME eligible portion)		need data	need data	
New Construction		need data	need data	
Rehabilitation		need data	need data	
General Requirements		need data	need data	
Builder's Overhead		need data	need data	
Builder Profit		need data	need data	
Performance Bond Premium		need data	need data	
Construction Contingency		need data	need data	
		need data	need data	
		need data	need data	
Architectural and Engineering Fees				
Architect Fee -- Design		need data	need data	
Architect Fee -- Construction Supervision		need data	need data	
Engineering Fees		need data	need data	
		need data	need data	
Other Owner Costs				
Project Consultant Fees		need data	need data	
Owner Attorney Fees (initial closing)		need data	need data	
Owner Attorney Fees (final closing)		need data	need data	
Syndication Costs		need data	need data	
Other Owner Organizational Expenses		need data	need data	
Market Study		need data	need data	
Survey		need data	need data	
Appraisal Fees		need data	need data	
Environmental Studies		need data	need data	
Capital Needs Assessment		need data	need data	
		need data	need data	
Tap Fees and Impact Fees		need data	need data	
Building Permits and Fees		need data	need data	
Tax Credit Fees		need data	need data	
Accounting / Cost Certification / Audit		need data	need data	
Soft Cost Contingency		need data	need data	
		need data	need data	
		need data	need data	
Interim Financing Costs				
Construction Period Insurance		need data	need data	
Construction Period Taxes		need data	need data	
Construction Interest (see calculation below)	\$0	need data	need data	
Construction Loan Origination Fee		need data	need data	
Construction Loan Legal Fees		need data	need data	
Other Construction Loan Fees		need data	need data	
Bond Costs of Issuance		need data	need data	
Title and Recording Costs (for the construction loan)		need data	need data	
		need data	need data	
		need data	need data	
Permanent Financing Costs				
Credit Report		need data	need data	
Lender Origination / Financing Fee		need data	need data	
Lender's Counsel Fee		need data	need data	
Other Lender Fees		need data	need data	
Title and Recording Costs (for permanent financing)		need data	need data	
Establish Tax and Insurance Escrows		need data	need data	
		need data	need data	
		need data	need data	

Developer's Fee		need data	need data	
Initial Project Reserves				
Initial Rent-Up Reserve (not HOME eligible)		need data	need data	
Initial Operating Reserve (HOME-eligible portion)		need data	need data	
Initial Operating Reserve (non-HOME-eligible portion)				
Initial Debt Service Reserve (not HOME eligible)		need data	need data	
Initial Replacement Reserve (not HOME eligible)		need data	need data	
		need data	need data	
		need data	need data	

Total Development Costs	\$0
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Construction Interest Calculation

Construction Loan Amount	
Interest Rate	
Estimated First Draw Amount	
Months of Construction	
Months Const. Loan Outstanding After Completion	
Average Outstanding Balance	

Interest on first draw, during construction period	\$0
Interest on remaining funds, during construction	\$0
Construction interest after completion	\$0
Total Construction Interest	\$0

Notes:

Construction Contingency is 0%

General Requirements is 0% of construction costs

Builder's Overhead is 0% of construction costs
Builder's Profit is 0% of construction costs

Builder Profit is 0% of construction costs

Developer's Fee is 0% of total development cost (excluding developer fee and initial reserves)

Later in this template, you will calculate the maximum allowable HOME investment and the minimum required number of HOME-assisted units. These calculations take place on the Cost Allocation tab. For these calculations, you need to have identified any development costs that are not HOME-eligible. List the ineligible costs here (these costs can be funded from other sources of funds, but cannot be funded by HOME).

Costs that Are Not HOME-Eligible	Amount	Comment
Construction Equipment (non-HOME eligible portion)	\$0	
Off-Site Costs (these are not HOME eligible)	\$0	
Initial Rent-Up Reserve (not HOME eligible)	\$0	
Initial Operating Reserve (non-HOME-eligible portion)	\$0	
Initial Debt Service Reserve (not HOME eligible)	\$0	
Initial Replacement Reserve (not HOME eligible)	\$0	
Other HOME-Ineligible Cost 1	\$0	
Other HOME-Ineligible Cost 2	\$0	
Other HOME-Ineligible Cost 3	\$0	
Other HOME-Ineligible Cost 4	\$0	

Total Non-HOME-Eligible Costs

Upon completing this tab, proceed to the *Repl Reserve* tab

Replacement Reserve

Project Name - : 0 Units

Enter data in green cells only

For HOME rental projects involving rehabilitation, Section 92.250(b)(1) of the HOME Final Rule requires the PJ to estimate the long term capital needs of the project and to determine a replacement reserve funding approach that will allow 100% of estimated long term capital needs -- over the HOME period of affordability -- to be funded from the replacement reserve. If the project has 26 total units or more, the PJ must require a capital needs assessment. These requirements must be included in the PJ's underwriting standards for rental projects involving rehabilitation.

There is no similar requirement for new construction rental projects, but it would be a best practice for PJs to include a similar requirement in the PJ's underwriting standards for new construction rental projects.

This worksheet will allow the user to determine an annual replacement reserve deposit that will satisfy the 92.250(b) requirement, plus a higher annual reserve deposit that will be adequate over the long term (including the years after completion of the HOME period of affordability).

Component	Quantity	Unit of Measure	Replacement Cost (UoM)	RUL (Years)	EUL (Years)
Signage					
Driveways and Parking Areas (resurfacing)					
Driveways and Parking Areas (sealing)					
Other Site 1					
Other Site 2					
Other Site 3					
Windows					
Exterior Walls 1					
Exterior Walls 2					
Exterior Painting					
Other Exterior 1					
Other Exterior 2					
Roofing					
Gutters					
Interior Flooring (Tile)					
Interior Flooring (Carpet)					
Kitchen Cabinets and Bath Vanities					
Counter Tops and Sinks (Kitchens and Baths)					
Refrigerators					
Ranges					
Exterior Doors					
Elevators					
Unit Heating System					
Unit Cooling System					
Unit Hot Water Heating System					
Other Interior 1					
Other Interior 2					
Other Interior 3					

Comment on capital needs estimate

Replacement Reserve

Project Name - : 0 Units

Enter data in green cells only

Reserve Deposit Adequate During the HOME Period of Affordability (but likely to be inadequate thereafter): For a typical rental project, an annual replacement reserve deposit in the amount described below would satisfy the 92.250(b) requirement so long as (1) the annual deposit is increased each year for inflation and (2) there are no high-cost systems that will require replacement early in the HOME period of affordability. If either condition (1) or condition (2) cannot be satisfied, the PJ will need to make a more sophisticated computation, using a capital needs assessment or using a spreadsheet that is similar to those used in preparing capital needs assessments. Similarly, a more sophisticated computation should be used if the PJ intends to utilize a large initial reserve deposit and a smaller annual deposit. PJs should note that minimum compliance with the 92.250(b) requirement will not generally result in a replacement reserve that will be adequately funded over the long term; see the additional discussion in the next section. Over the HOME affordability period:

#DIV/0!

Reserve Deposit Adequate Over The Long Term: For a typical rental project, an annual replacement reserve deposit in the amount described below would be adequate to fund all long-term capital needs so long as (1) the annual deposit is increased each year for inflation and (2) there are no high-cost systems that will require replacement early in the life of the project. If either condition (1) or condition (2) cannot be satisfied, the PJ will need to make a more sophisticated computation, using a capital needs assessment or using a spreadsheet that is similar to those used in preparing capital needs assessments. Over the long term:

#DIV/0!

Upon completing this tab, proceed to the *Const Schedule* tab

Construction Schedule**Project Name - : 0 Units****Enter data in green cells only**

The HOME Final Rule's definition of *commitment* specifies that if a project includes rehabilitation or new construction, a construction schedule is required at or before the time of the commitment. Additionally, construction must be scheduled to start within twelve months after the commitment date, and construction must be scheduled to be completed within four years after the commitment date.

		Total	Per Unit	
Intended HOME Commitment Date		\$0	#DIV/0!	Hard cost before contingency
Initial Closing Date		\$0	#DIV/0!	#DIV/0! Hard cost contingency
Construction Start Date		\$0	#DIV/0!	#DIV/0! GR / BO / BP
Other construction milestone #1		\$0	#DIV/0!	Initial reserves
Other construction milestone #2		\$0	#DIV/0!	Soft costs before contingency
Other construction milestone #3		\$0	#DIV/0!	#DIV/0! Soft cost contingency
Other construction milestone #4		\$0	#DIV/0!	#DIV/0! Developer fee (gross)
First Building Completion Date		\$0	#DIV/0!	Total Uses of Funds
Last Building Completion Date				
Achievement of Sustaining Occupancy				
Closing of Permanent Financing				
Below, please include any comments about the construction schedule				

#DIV/0!
#DIV/0!
#DIV/0!

Adequacy of the Development Budget and Risk of Cost Increases. Experience indicates that the primary risk of delay in starting construction is unanticipated escalation in development costs, to the extent that the sponsor has to seek additional funding. The three lines above present key information about the development budget, about available contingency allowances, and about the developer fee (which -- if not already deferred -- can provide additional ability to absorb cost increases).

The risk of cost increases is most significant early in the development process. Once the plans and specifications are completed and there is a firm-fixed-price construction contract, there is a lower risk of increases in hard costs. However, even if there is a performance bond, there is still the risk of hard cost increases due to change orders. The risk of increases in soft costs depends on how many of the soft costs are subject to firm-fixed-price contracts. Construction period interest costs will run over budget whenever construction takes longer than anticipated. Even if there is no construction loan or bridge loan, additional construction time typically results in increased soft costs of some sort.

Below, please discuss the current state of (1) plans and specs and (2) the construction contract. Discuss whether the contractor is bonded.

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Below, please discuss the adequacy of the development budget, the risk of cost increases, and why you are confident that even with moderately severe increases in development cost, the project is still likely to go forward on schedule.

--	--

Construction to Start Within Twelve Months. The HOME Final Rule definition of *commitment* specifies that construction must be scheduled to start within twelve months after the date of the written agreement between the PJ and the project sponsor.

Experience indicates that the primary risks of delay in starting construction are (1) unanticipated increases in development cost requiring increased sources of funds; (2) unanticipated difficulties in finalizing non-HOME sources of funds; and (3) unanticipated difficulties with zoning, building permits and other entitlements.

Below, please explain why you believe that construction will start within twelve months. Please address each of the primary risks discussed above.

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Upon completing this tab, proceed to the *LIHTC Basis* tab or (if the project will not be utilizing LIHTCs) to the *Operating Expenses* tab

LIHTC Basis

Project Name - : 0 Units

Enter data in green cells only

This tab is useful for projects that will have Low Income Housing Tax Credits (LIHTCs). The purpose of this tab is to make a rough estimate of LIHTC equity, which you can use to compare to the developer's estimate. If the rough estimate here is materially different from the developer's estimate, you should ask the developer for an explanation.

To enter (or change) the number of LIHTC units, use column P of the Rents and Income tab.

LIHTC Eligible Basis	Acquisition	Construction
Estimated LIHTC Eligible Basis From 'Development Costs' page	\$0	\$0
Less any amounts not eligible as a result of a grant or other ineligible source of funds (enter as negative amounts):		
Ineligible		
LIHTC Eligible basis	\$0	\$0

Applicable Fraction by Units:	0.00%	
Total LIHTC Units	-	(from the Rents and Income tab)
Total Units	-	(from the Rents and Income tab)
Applicable Fraction by Square Feet:	0.00%	
Square feet of total LIHTC Units	-	(from the Rents and Income tab)
Square feet of total Units	-	(from the Rents and Income tab)
Use This Applicable Fraction:	0.00%	(lowest of the two methods)

LIHTC Calculation	Acquisition	Construction
Eligible Basis	\$0	\$0
Applicable Fraction	\$0	\$0
Basis Boost Factor	\$0	\$0
Credit Factor		
Annual Credits	\$0	\$0
LIHTC Equity Price (per dollar)	\$0.000	
Estimated LIHTC Equity	\$0	\$0
Total Estimated LIHTC Equity	\$0	
Proposed LIHTC Equity	\$0	

Upon completing this tab, proceed to the *Operating Expenses* tab.

Operating Expenses

Enter data in green cells
only

Project Name - : 0 Units

Expense	Annual Cost	Monthly Cost	Per Unit Per Year	Comment
Administrative / Management Expenses				
Management Fee		\$0	\$0	
Management Administrative Payroll Costs		\$0	\$0	
Renting / Advertising / Marketing Expenses		\$0	\$0	
Legal Fees		\$0	\$0	
Accounting / Audit Fees		\$0	\$0	
Telephone		\$0	\$0	
Office Supplies		\$0	\$0	
PJ Monitoring Fee (if any)		\$0	\$0	
		\$0	\$0	
		\$0	\$0	
Operations and Maintenance Expenses				
Security		\$0	\$0	
Operations and Maintenance Payroll Costs		\$0	\$0	
Repairs Supplies		\$0	\$0	
Repairs Contracts		\$0	\$0	
Elevator (if any)		\$0	\$0	
Other Mechanical Equipment		\$0	\$0	
Interior Painting		\$0	\$0	
Exterminating		\$0	\$0	
Lawn and Landscaping		\$0	\$0	
Garbage Removal		\$0	\$0	
Snow Removal		\$0	\$0	
Resident Service Cost		\$0	\$0	
		\$0	\$0	
		\$0	\$0	
Utilities Paid by the Property				
Electricity		\$0	\$0	
Natural Gas, Oil, Other Fuel		\$0	\$0	
Sewer and Water		\$0	\$0	
		\$0	\$0	
Taxes / Insurance / Other Expenses				
Real Estate Taxes		\$0	\$0	
Payroll Taxes			\$0	
Other Taxes and Licenses		\$0	\$0	
Property Insurance		\$0	\$0	
Workers Compensation Insurance			\$0	
Health Insurance / Other Employee Benefits			\$0	
		\$0	\$0	
		\$0	\$0	
TOTAL OPERATING EXPENSES	\$0	\$0	\$0	
Reserve for Replacement Deposit		\$0	\$0	
TOTAL EXPENSES PLUS RESERVE	\$0	\$0	\$0	
SUBTOTAL ADMINISTRATIVE EXPENSES	\$0	\$0	\$0	
SUBTOTAL O&M EXPENSES	\$0	\$0	\$0	
SUBTOTAL OWNER PAID UTILITIES	\$0	\$0	\$0	
SUBTOTAL TAXES / INSURANCE / OTHER	\$0	\$0	\$0	
TOTAL OPERATING EXPENSES	\$0	\$0	\$0	

Upon completing this tab, proceed to the *First Mortgage Sizing* tab.

First Mortgage Sizing and Junior Loan Characteristics

Enter data in green cells only

Project Name - : 0 Units

Net Operating Income Summary

	Annual	HOME Units	Other Affordable	Market Units
Gross Potential Rents	\$0	\$0	\$0	\$0
Rent Loss	\$0	\$0	\$0	\$0
Other Income	\$0			
Effective Gross Income	\$0			
Total Operating Expenses	\$0			
Replacement Reserve Deposit	\$0			
Net Operating Income (NOI)	\$0			

Capitalization Rate and Value

Capitalization Rate	
Calculated Market Value	\$0
Lender's Appraised Value for the Project	
Value of Project at Sale**	

(NOI ÷ Capitalization Rate)

(Year of sale is year)

** If Value of Project at Sale is left blank, the Template will use the Capitalization Rate to determine the project's value when sold.

In this Template:

First Mortgage means a fixed-rate, fixed-payment, self-amortizing loan (without balloon payments).

Amortizing Second Mortgage means a junior fixed-rate, fixed-payment, self-amortizing loan (without balloon payments).

Deferred Payment Loan means a loan that will receive no payments during its term.

Custom Loan means any other type of loan (i.e., with some payments but not fixed-payment / self-amortizing).

First Mortgage Characteristics

Minimum Debt Service Coverage	
Maximum Loan to Value	
Interest Rate	
Mortgage Insurance Premium	
Loan Term (years)	
First Mortgage Lender	

0.00000% Annual P+I as % of loan amount

0.00000% Annual MIP as % of loan amount

For each loan below, the Template asks 'Is this loan funded by the HOME program?'. The Template uses your answers to calculate the total amount of proposed HOME funding, recognizing that you may be planning multiple types of HOME funding (for example, a first mortgage loan with required monthly payments plus a soft second mortgage loan with payments limited to a share of cash flow). Later, on the Sources and Uses tab, you will verify that the proposed total HOME funding does not exceed the project's funding gap.

First Mortgage Loan Amount

Maximum Loan Amount by LTV	\$0	(Lender's value x maximum LTV)
Maximum Loan Amount by DSC	\$0	(NOI ÷ DSC ÷ [PI factor + MIP factor])
Calculated Maximum Loan Amount	\$0	(Lesser of the two limitations above)
Lender's Proposed Loan Amount		
Is this loan funded by the HOME program?		
Calculated Monthly P+I+MIP Payment	\$0.00	(This total is sometimes referred to as the 'debt service' payment)

Debt Service Coverage (DSC) is the ratio of Net Operating Income to the 1st mortgage debt service payment (P+I+MIP). If the ratio is below 1.0 it means that there is not enough NOI to cover the debt service payment, and the proposed project will not be viable unless the first mortgage debt service payment can be reduced (for example, by utilizing more HOME funds so that the first mortgage loan amount can be reduced). The HOME underwriter will want to consider whether to require DSC that is higher than required by the first mortgage lender. In general, the higher the DSC, the less risk that the project will have negative cash flow because of a future revenue or expense problem. However, a high DSC may indicate that the first mortgage loan amount can be increased (without endangering the finances of the project) which would allow HOME funding to be decreased.

Estimated Debt Service Coverage (DSC) Ratio 0.00

First Mortgage Sizing and Junior Loan Characteristics

Enter data in green cells only

Project Name - : 0 Units

First Mortgage Lender Origination and Financing Fees (Points)

Origination and Financing Fees		of the loan amount
Calculated Origination and Financing Fees	\$0	
Amount entered on Development Costs tab	\$0	

Characteristics of Amortizing Second Mortgage Loan

Amortizing Second Mortgage Loan Amount	
Is this loan funded by the HOME program?	
Amortizing Second Mortgage Source	
Interest Rate	
Loan Term (years)	
Calculated Monthly P+I Payment	\$0.00

Final year of Operating Pro Forma

0 (from Pro Forma Assumptions page)

Characteristics of Deferred Payment Loan #1

Name of Deferred Payment Loan #1	
Loan Amount for	
Is this loan funded by the HOME program?	
Lender for	
Interest Rate for	
Loan Term (Maturity) for	

A deferred loan is one with no payments due until maturity

Characteristics of Deferred Payment Loan #2

Name of Deferred Payment Loan #2	
Loan Amount for	
Is this loan funded by the HOME program?	
Lender for	
Interest Rate for	
Loan Term (Maturity) for	

A deferred loan is one with no payments due until maturity

Characteristics of Custom Loan #1

Name of Custom Loan #1	
Loan Amount for	
Is this loan funded by the HOME program?	
Lender for	
Interest Rate for	
Loan Term (Maturity) for	

A custom loan has payments prior to maturity but is not a normal fixed rate amortizing loan.

Enter the annual payments for this loan directly on the Operating Pro Forma tab.

Characteristics of Custom Loan #2

Name of Custom Loan #2	
Loan Amount (Custom loan 1)	
Is this loan funded by the HOME program?	
Custom Loan 1 Source	
Custom Loan 1 Interest Rate	
Custom Loan 1 Year of Maturity	

A custom loan has payments prior to maturity but is not a normal fixed rate amortizing loan.

Enter the annual payments for this loan directly on the Operating Pro Forma tab.

Upon completing this tab, proceed to the *Sources and Uses* tab.



Sources and Uses of Funds

Enter data in green cells only

Project Name - : 0 Units

In this template, the underwriter enters all proposed Sources of Funds (including HOME) on this tab (other than those that were already entered on the First Mortgage Sizing tab). The Uses of Funds are repeated below (from the Development Costs tab). Then the template verifies whether the Sources and Uses are in balance; be sure that Sources and Uses are balanced before moving forward. If there are insufficient Sources, potential solutions include deferring a greater portion of the developer fee, increasing HOME funding, and obtaining increased funding from some other source. If there are excess Sources, the HOME underwriter should consider reducing the proposed HOME funding.

PJs must perform cost allocation separately from this tool to verify that the proposed amount of HOME funding is within the allowable maximum HOME investment.

Sources of Funds	Amount	HOME?	Comment
First Mortgage Loan (proposed amount)	\$0	0	
Amortizing Second Mortgage Loan	\$0	0	
	\$0	0	
	\$0	0	
	\$0	0	
	\$0	0	
Deferred Developer Fee			
Developer Cash Investment			
Tax Credit Equity (proposed amount)			
Total Sources of Funds	\$0		

Total HOME Funding \$0
 Developer Investment for Financial Analysis \$0 (used in Operating Pro Forma for IRR, etc.)

Uses of Funds / Total Development Cost	Amount	Comment
Acquisition Costs	\$0	
Site Work Costs	\$0	
Construction / Rehabilitation Costs	\$0	
Architectural / Engineering Costs	\$0	
Other Owner Costs	\$0	
Construction Interest	\$0	
Other Interim Financing Costs	\$0	
Permanent Financing Costs	\$0	
Developer's Fee	\$0	
Initial Project Reserves	\$0	
Project Management Costs	\$0	
Other Development Costs	\$0	
Total Uses of Funds	\$0	

Subsidy layering gap (before HOME funding) \$0 (Total Uses of Funds minus Total Sources of Funds other than HOME)

Sources and Uses by Month**Project Name - : 0 Units****Enter data in green cells only**

Months of Construction	0							
Months Const. Loan Outstanding After Completion	0							
Development Costs (Uses of Funds)	Total	Initial Closing / First Draw	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
Acquisition Costs								
Land	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Existing Structures	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site Work Costs (not included in construction contract)								
Demolition/Clearance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Site Remediation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Improvements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction / Rehabilitation Costs (construction)								
Site Work Included in Construction Contract	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
New Construction	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Rehabilitation	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Requirements	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Builder's Overhead	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Builder Profit	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Performance Bond Premium	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Contingency	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Architectural and Engineering Fees								
Architect Fee -- Design	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Architect Fee -- Construction Supervision	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Engineering Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Owner Costs								
Project Consultant Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Owner Attorney Fees (initial closing)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Owner Attorney Fees (final closing)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Syndication Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Owner Organizational Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Market Study	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Survey	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Appraisal Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Environmental Studies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Needs Assessment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tap Fees and Impact Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Building Permits and Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tax Credit Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Soft Cost Contingency	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Interim Financing Costs (excluding interest)								
Construction Period Insurance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Period Taxes	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Interest is Calculated Below								
Construction Loan Origination Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Loan Legal Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Construction Loan Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bond Costs of Issuance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Title and Recording Costs (for the construction loan)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Permanent Financing Costs								
Credit Report	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lender Origination / Financing Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Lender's Counsel Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Lender Fees	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Title and Recording Costs (for permanent financing)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Establish Tax and Insurance Escrows	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Developer's Fee	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initial Project Reserves								
Initial Rent-Up Reserve (not HOME eligible)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initial Operating Reserve (HOME-eligible portion)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initial Debt Service Reserve (not HOME eligible)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Initial Replacement Reserve (not HOME eligible)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Project Name - : 0 Units

Project Administration and Management Costs									
Marketing/Management	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Operating Expenses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Furniture, Fixtures & Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Tenant Relocation Costs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Other Development Costs									
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Total Development Costs (TDC)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
TDC Excluding Construction Interest		\$0	\$0	\$0	\$0	\$0	\$0	\$0	
Sources of Funds		Total	Initial Closing / First Draw	Month 1	Month 2	Month 3	Month 4	Month 5	Month 6
First Mortgage Loan (proposed amount)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Amortizing Second Mortgage Loan		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Deferred Developer Fee		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Developer Cash Investment		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Tax Credit Equity (proposed amount)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
0		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Total Sources Before Construction Loan		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Loan Draw Needed (Before Interest)		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction Loan Beginning Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plus This Draw		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Plus Interest (Total Interest at immediate right)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Equals Ending Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Construction interest estimate from Development Costs tab	\$0	Construction interest estimate from detailed Sources and Uses By Month							\$0
0									

Key Assumptions

For Operating Pro Forma

Project Name - : 0 Units

Enter data in green cells only

HOME Affordability Period

 years

Go to the Requirements tab to adjust the HOME affordability period

Switch HOME unit rents to market after:

 years

For units originally at HOME rents, the Operating Pro Forma uses HOME rents during this period, and market rents thereafter

Other Affordable Housing Affordability Period

Other Affordable Housing Affordability Period

 years

Switch 'Other Affordable' unit rents to market after:

 years

For units originally at LIHTC / Other Affordable rents, the Operating Pro Forma uses restricted rents during this period, and market rents thereafter

Inflation / Trending Assumptions

Rent increase / rent trending assumptions:

HOME-assisted units

 Total

required

Market Rate units

required

Other affordable units

required

Other income trending assumption

required

Operating Expense Increase per Year

required

Length of Pro Forma

Years to Sale*	years
----------------	-------

required

* Years to Sale is used by the Template to determine the final year of the Pro-Forma.

Use one of the two radio buttons below, to set the number of years in the Operating Pro Forma tab.

Debt Service Coverage Ratio

In year 2 (first stabilized year)	100.00
In year 5	100.00
In year 10	100.00
In year 15	100.00
In year 20	100.00

Upon completing this tab, proceed to the *Operating Pro Forma* tab.

Operating Pro-Forma "#####" indicates that the columns should be widened. **Project Name - : 0 Units**
The only data entry cells on this tab are for payments on any 'custom loans' (see rows 31 and 32).

Administrative Record**Enter data in green cells only****Project Name - : 0 Units**

This is an optional worksheet that the PJ can use to document compliance with certain requirements of the HOME Final Rule.

Cost Allocation. Section 92.205(d)(1) and the guidance in Notice 16-15 prescribes methods for allocating costs and the designation of HOME units within a project. PJs must perform cost allocation separately from this tool to verify that the proposed amount of HOME funding is within the allowable maximum HOME investment. Attach the completed cost allocation to this document and note any issues within the below narrative.

Below, discuss the cost allocation and designation of HOME assisted units within the project.

Fees to be Charged by the Project Owner. Section 92.214(b)(3) prohibits project owners from charging fees (such as a laundry room access fee) that are not customary in rental housing. This Section, however, allows:

- (1) Reasonable application fees to prospective tenants.
- (2) Parking fees for tenants only if such fees are customary for rental housing projects in the neighborhood.
- (3) Fees for services such as bus transportation or meals, as long as the services are voluntary and fees are charged for services provided.

Below, discuss any fees that the project owner proposes to charge, demonstrating that the owner's proposal complies with the Final Rule.

PJ Assessment of Current Market Demand. Section 92.250(b)(2) requires the PJ to assess the current market demand in the neighborhood in which the project will be located, before committing HOME funds.

Below, discuss your assessment of current market demand.

PJ Assessment of Developer Experience. Section 92.250(b)(2) requires the PJ to assess the experience of the developer, before committing HOME funds.

Below, discuss your assessment of developer experience.

PJ Assessment of Developer Financial Capacity. Section 92.250(b)(2) requires the PJ to assess the financial capacity of the developer, before committing HOME funds.

This encompasses the developer's ability to uphold its financial responsibilities such as capacity to absorb cost overruns, capacity to perform on any financial guarantees, and capacity to provide any equity the developer has committed to provide to the project.

Below, discuss your assessment of developer financial capacity.

Firm Financial Commitments in Writing. Section 92.250(b)(2) requires the PJ to obtain and assess firm written financial commitments for the project before committing HOME funds.

This encompasses all sources of funds other than HOME funds, including construction period sources of funds such as a construction loan or bridge loan. For bond-financed projects, this includes the issuing agency's commitment to issue the bonds and the bond purchaser's commitment to purchase the bonds. For projects utilizing tax credits, this includes the allocating agency's reservation of tax credits and the equity provider's commitment to purchase the tax credits.

Below, discuss your assessment of firm written financial commitments for the project.

Project-Specific Utility Allowances. Section 92.252(d) requires the PJ to establish project-specific utility allowances, using either the HUD Utility Schedule Model or another appropriate method.

This Section also requires the PJ to update the utility allowances annually.

Below, discuss how you established the utility allowances and your plans for annual updates.

Fixed versus Floating Units. For rental projects in which less than 100% of the units are HOME-assisted, Section 92.252(j) requires the PJ to make the fixed-versus-floating designation at the time of project commitment, in the written agreement.

This Section also requires that the specific HOME units be identified not later than the time of initial unit occupancy.

Fixed units must remain the same throughout the period of affordability. Floating units may be changed, but (1) the total number of HOME-assisted units must remain constant, and (2) each substituted unit must be comparable to the originally designated unit (in terms of size, features and number of bedrooms).

Below, discuss your fixed-floating determination and how compliance with 92.252(j) will be documented.

Upon completing review of this tab, proceed to the *Summary* tab.

PROJECT SUMMARY

Project Name and Unit Count:	
Address:	
Developer:	
Date of Analysis:	
City:	
State:	
Development Type:	

DEVELOPMENT SOURCES SUMMARY

Funding Sources	Amount	Comment
First Mortgage Loan (proposed amount)	\$0	
Amortizing Second Mortgage Loan	\$0	
	\$0	
	\$0	
	\$0	
	\$0	
Deferred Developer Fee	\$0	
Developer Cash Investment	\$0	
Tax Credit Equity (proposed amount)	\$0	
	\$0	
	\$0	
	\$0	
	\$0	
	\$0	
Total Sources of Funds	\$0	

DEVELOPMENT USES SUMMARY

Development Uses	Amount	Comment
Acquisition Costs	\$0	
Site Work Costs	\$0	
Construction / Rehabilitation Costs	\$0	
Architectural / Engineering Costs	\$0	
Other Owner Costs	\$0	
Construction Interest	\$0	
Other Interim Financing Costs	\$0	
Permanent Financing Costs	\$0	
Developer's Fee	\$0	
Initial Project Reserves	\$0	
Project Management Costs	\$0	
Other Development Costs	\$0	
Total Uses of Funds	\$0	

UNIT SUMMARY

Unit Types	Number of Units	Total Rents (Year 1, without vacancy)
High HOME Units	0	\$0
Low HOME Units	0	\$0
Market Rate Units	0	\$0
Other Affordable Units	0	\$0
Total	0	\$0

OPERATIONS SUMMARY

Project Income	Year 1	Year 2	Year 5	Year 10	Year 15	Year 30
HOME/CDBG/LIHTC Rents	\$0	\$0	\$0	\$0	\$0	\$0
Market Rents	\$0	\$0	\$0	\$0	\$0	\$0
Other Affordable Rents	\$0	\$0	\$0	\$0	\$0	\$0
Gross Potential Rent	\$0	\$0	\$0	\$0	\$0	\$0
Vacancy Loss	\$0	\$0	\$0	\$0	\$0	\$0
Other Revenue	\$0	\$0	\$0	\$0	\$0	\$0
Effective Gross Income	\$0	\$0	\$0	\$0	\$0	\$0
Total Expenses	\$0	\$0	\$0	\$0	\$0	\$0
Net Operating Income	\$0	\$0	\$0	\$0	\$0	\$0
Total Debt Service	\$0	\$0	\$0	\$0	\$0	\$0
Cash Flow (After Debt Service)	\$0	\$0	\$0	\$0	\$0	\$0

RETURNS SUMMARY

Developer Returns on Equity	Year 1	Year 2	Year 5	Year 10	Year 15	Year 30
Cash on Cash	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%
IRR (Year 1 through sale of project)	no investment					



PART IV: COMMUNITY DEVELOPMENT HOUSING ORGANIZATION (CHDO) SINGLE-FAMILY DEVELOPMENT - RENTAL & HOME OWNERSHIP

Guide to Completing Development and Operating Pro Formas and Cash Flow Projections

Rental Projects: Complete tabs A, B, C and D

Homeowner Projects: Complete tabs A and B

A. SOURCES AND USES

This worksheet is used to identify all funding sources used for project development.

B. DEVELOPMENT BUDGET (PRO FORMA)

This worksheet is used to **calculate your total development budget**. It includes all uses of funds for hard and soft costs as well as sources of funds. From the Operating budget worksheet, it carries over the amount of a mortgage loan that the project can support, then subtracts the mortgage amount and developer equity by formula to determine the required HOME funding amount.

Acquisition Costs

In this version separate lines are shown for land and building costs, although these could be combined into one-line item if desired. Soft costs related to acquisition, such as the appraisal and closing costs, should be listed under soft costs.

Construction Costs

The amount should be estimated until there is a contract, then the actual contract amount should be entered.

Hard Costs

Besides the "hard" costs of materials and labor, the contract price will typically include such components as an allowance for the contractor's project-related expenses or "general requirements" such as building permits, fencing around the site, temporary storage for materials, the contractor's overhead/profit, and the cost of a performance bond or letter of credit provided by the contractor to insure that the project will be completed (if required). This amount should also include site improvements such as excavation for foundations or utilities, grading of the site, walkways, on-site roads, landscaping, outdoor lighting or parking spaces. Estimates of construction costs for single-family rental rehab projects are usually completed by a rehabilitation specialist based on a work write-up.

Substantial Rehabilitation

If substantial rehab or structural repairs are involved, the estimate or a portion thereof might be created by an architect with input from an engineer. In the case of single-family rental rehab projects funded by the HOME Program, limited off-site infrastructure costs might be included that are crucial to making the home marketable. This could include work repairing contiguous and nearby sidewalks or alleys.

Construction Contingency

Including a construction contingency amount outside the construction contract is typical and advisable. Usually, the amount of contingency funds is not shared with the contractor. The contingency is used to fund change orders. Typical contingency amounts for rental rehab projects are 10% to 15%. Typically, the more carefully the project has been evaluated and specifications identified, the lower the contingency amount needed.

SOFT COSTS

• Architectural fees

Architectural fees should be based on estimates from an architect. These fees may be based on a certain percentage of the construction contract amount, a fee per dwelling unit, a flat fee for services, or another basis. With rental rehab projects, the specifications and cost estimates are often completed by a rehab specialist, either a specialist on the



developer's staff or a contracted specialist. Note that design and construction management costs could be \$0 for budgeting purposes if the developer fee has been calculated to pay for all project planning and management costs.

- Engineering Fees

The engineering fee should also include mechanical or structural engineering costs, if any, incurred as part of the design process.

- Environmental Review Costs

Environmental review costs could include the cost of a third-party contractor completing reviews required to determine clearance; the third-party reviews would need to be approved by the grantee or other "responsible entity".

- Survey

A survey prior to acquisition may or may not be required by HOME grantees for single-family programs. Prior to providing construction or permanent financing, it may be required by the mortgage lender. A survey can reveal easements that make some of the land unbuildable.

- As-is appraisals

Appraisals are required in HOME for foreclosed properties, to determine if the selling price is at least 1% above the market value. It is a good practice to ask the appraiser or another entity to provide "comparable rents" for the housing units in completed condition, based on a transmittal of the plans and specifications or inspection of the unit(s) after the redevelopment is complete. The "rent comparables" should be used to establish the rents in the operating pro forma.

- Property/casualty insurance

Insurance should be obtained by the developer for the interim period before builder's risk insurance comes into effect. If the developer is also the general contractor, the developer should obtain builder's risk insurance as insurance against casualty and liability risks during construction. Otherwise, builder's risk insurance is typically obtained by the building contractor and will be included in the construction contract amount, above. In addition, grantees typically require developers to obtain commercial general liability insurance, the cost of which is typically covered by the developer fee.

- Replacement Reserve

HOME Funds can be used to pre-fund a replacement reserve so long as the amount is reasonable and as required by a lender or equity investor. Although this component is allowable, approval is contingent upon all underwriting details and criteria and subject to City of Gastonia staff review.

- Operating reserve

Pre-funding this reserve can cover the cost of operating the property while lease up is occurring, or during periods when the property is not fully leased up. In this example, the operating reserve was calculated conservatively as two month's rent revenues. To be funded by THE HOME INVESTMENT PARTNERSHIPS PROGRAM, HUD requires that this amount be reasonable and as required by a lender or equity investor.

- Tenant relocation

For occupied properties requiring relocation of tenants, the developer agreement should spell out whether the financial and management responsibilities of tenant relocation lie with the grantee or developer.

- Rent-up marketing costs

This line item includes the estimated costs of rent-up, such as advertising. Developers should make sure that the staffing costs of rent-up are covered either in the development budget or in the operating budget for the first year, but not in both pro formas.

- Soft cost contingency

This is a contingency amount that may be used if one or more soft costs are higher than anticipated.

- Developer fee

This is the fee a developer charges to the project for their time and risk. Developer fees as a percent of total development costs generally fall between 10% and 15%. If funded by NSP, HUD requires that the fee be reasonable and customary in



the market for this type of development project. Developer fees should be calculated based on the estimated time, effort and risk required of the developer. In general, higher developer fees are allowed if the developer is not being reimbursed by any funding source for construction financing costs and holding costs and/or has equity at risk in the project. Fees are typically lower if HOME FUNDS or other sources are funding all holding costs and the developer has little or no equity in the project. In general, fees should also be lower for "easy" projects -- such as acquiring and selling homes in good condition that require little or no rehabilitation. Sometimes fees are established as a specific dollar amount per dwelling unit; this may be appropriate in projects where the per-unit development costs are relatively low. For example, 15% of a \$40,000 total development cost may not be sufficient incentive for a developer to participate. Finally, it is generally not a good practice to both pay a fee and also reimburse the developer for staffing and other internal costs; this raises the possibility of "double dipping."

C. RENTAL OPERATING BUDGET (PRO-FORMA)

The Operating Proforma worksheet is designed to summarize a rental project's bedroom distribution, income targets, operating income and expenses, net operating income (NOI) before debt service, estimated debt service (from the Operating page) and the NSP gap financing needed. This example shows only a single rental unit and should be adapted as needed by the individual project.

- First enter the Project Name, Developer Name and Address of property.
- Enter the number of dwelling units of each type. A proforma could be used for several scattered-site units in one project, but with single-family rentals, the pro forma will typically be for a single dwelling unit, though it might be for a 2-4-unit property.
- Enter the estimated monthly rental amounts. These should be based on "rent comparables" of similar units in the vicinity of the project, in conditions similar to the after-redevelopment condition of the rental unit(s) in the project.
- No "other income" is included because single-family rentals do not have income from sources such as common laundries or renting a function room.
- Next, enter your project's estimated annual expenses in the expense line items. These should be based on past experience of the developer or data obtained from similar types of rental projects. Maintenance costs of detached or semi-detached single-family rentals are typically higher than for low-rise apartments. However, tenants in scattered-site rental units are typically responsible for grounds maintenance, per their leases.
- Net operating income (NOI) is calculated by subtracting total operating expenses from gross effective income. This indicates the amount of income available to pay debt service and provide for "debt service coverage."
- "Supportable debt" is then automatically calculated by a formula based on the NOI and the assumptions in the "supportable debt service calculation" grid. In this example, the calculation assumes a debt service ratio of 1.2, which means that the NOI must be 1.2 times (or 20% higher) than the amount available for debt service. The debt service amount is also calculated automatically based on the supportable debt amount.

D. RENTAL PROJECTS: 20-YEAR CASH FLOW PROJECTION

Rental Projections are a standard requirement of lenders for borrowers to provide a multi-year cash flow projection for a period of years equal to the term of the loan. This projection spreadsheet allows users to enter assumptions about inflation in rents and operating costs which automatically calculate increased income and expense amounts for each year. This projection is used primarily to demonstrate that the debt service can be paid in each year.

Sources and Uses of Funds



Project Address

Enter data in green cells only

The PREPARER enters all proposed Sources of Funds (including HOME) on this tab (other than those that were already entered on the First Mortgage Sizing tab). The Uses of Funds are repeated below (from the Development Costs tab). Then the template verifies whether the Sources and Uses are in balance; be sure that Sources and Uses are balanced before moving forward. If there are insufficient Sources, potential solutions include deferring a greater portion of the developer fee, increasing HOME funding, and obtaining increased funding from some other source. If there are excess Sources, the HOME underwriter should consider reducing the proposed HOME funding.

PJs must perform cost allocation separately from this tool to verify that the proposed amount of HOME funding is within the allowable maximum HOME investment.

Total HOME Funding	\$0
Developer Investment for Financial Analysis	\$0 (use SF Development Budget)

Uses of Funds / Total Development Cost	Amount	Comment
Acquisition Costs	\$0	
Site Work Costs	\$0	
Construction / Rehabilitation Costs	\$0	
Architectural / Engineering Costs	\$0	
Other Owner Costs	\$0	
Construction Interest	\$0	
Other Interim Financing Costs	\$0	
Permanent Financing Costs	\$0	
Developer's Fee	\$0	
Initial Project Reserves	\$0	
Project Management Costs	\$0	
Other Development Costs	\$0	
Total Uses of Funds	\$0	

Subsidy layering gap (before HOME funding)

\$0 (Total Uses of Funds minus Total Sources of Funds other than HOME)

Upon completing this tab, proceed to the *Sources and Uses By Month* tab. The *Sources and Uses By Month* tab is optional but is highly recommended, as a way of verifying the construction interest estimate from the Development Costs tab.

Single-Family Homeownership and Rental Development Budget

Project Name: Sample Project Name
Developer: ABC Development Inc.
Address: Sample Project Address
Project Type:
Uses

Green Cells are User Input

White Cells are Automatically Calculated Values

<input checked="" type="checkbox"/>	Rental
<input checked="" type="checkbox"/>	Homeownership

Acquisition Costs:

Acquisition: Land	\$ -
Acquisition: Buildings	\$ -
Total Acquisition:	\$ -

Construction:

Contract with GC (incl profit, OH, gen conditions)	\$ -
Bond Premium	\$ -
Construction Contingency	0% \$ -
Total Construction:	\$ -

Soft Costs:

Building Permit, License & Fees	\$ -
Architect or Rehab Specialist - Specs/Estimates	\$ -
Engineering	\$ -
Environmental: Site-Specific Review	\$ -
Acquisition Closing - Legal and Recording Fees	\$ -
Title Search & Title Insurance	\$ -
Survey	\$ -
Appraisal & Analysis of Rent Comparables	\$ -
Builder's Risk and/or Casualty Insurance	\$ -
Carrying Costs - Real Estate Taxes	\$ -
Carrying Costs - Utilities	\$ -
Carrying Costs - Site Security	\$ -
Carrying Costs - Grounds Maintenance	\$ -
Furniture Fixtures & Equipment	\$ -
Prefunded Replacement Reserve	\$ -
Prefunded Operating and/or Rental Loss Reserves	\$ -
Seller Legal and Recording Costs	\$ -
Tenant Relocation	\$ -
Rent-Up Marketing Costs	\$ -
Other	\$ -
Soft Cost Contingency	0% \$ -
Developer Fee	0% \$ -
Total Soft Costs:	\$ -

Total Development Cost:	\$ -
--------------------------------	-------------

Sources

Supportable Debt (see Operating Budget)	\$ -
Additional Sources of Funds:	
NSP Soft 2nd Mortgage	\$ -
Owner/Investor Equity	\$ -
Other	\$ -
Total Development Sources:	\$ -
Gap/(Or Excess Sources):	\$ -



Single-Family: Rental (Operating)

Project Name **Sample Project Name**
 Address: **Sample Project Address**

Green Cells are User Input
 White Cells are Automatically Calculated

Tot NSP Units Serving Households below 50% AMI:

1

Income:

Rent:	# Units	Monthly Rent	Annual Rent
Efficiency	0	\$ -	\$ -
One Bedroom	0	\$ -	\$ -
Two Bedroom	0	\$ -	\$ -
Three Bedroom	1	\$ -	\$ -
Total Units	1		
Gross Rent		\$ -	
Less:			
Vacancy		0.0%	\$ -
Bad Debt		0.0%	\$ -
Gross Effective Income:		\$ -	

Expenses:

Administrative		Annual	Average Per Unit
Advertising & Marketing		\$ -	\$ -
Mgmt Fee (% of collections)	0.0%	\$ -	\$ -
Administrative		\$ -	\$ -
Legal		\$ -	\$ -
Accounting		\$ -	\$ -
Office Supplies		\$ -	\$ -
Credit Checks		\$ -	\$ -
Leasing Fees		\$ -	\$ -
Other		\$ -	\$ -
Total Administrative:		\$ -	\$ -
Payroll		Annual	Average Per Unit
Administrative Payroll		\$ -	\$ -
Maintenance Payroll		\$ -	\$ -
Fringe	0.0%	\$ -	\$ -
Payroll Taxes	0.00%	\$ -	\$ -
Total Payroll:		\$ -	\$ -
Maintenance		Annual	Average Per Unit
Decorating (unit make ready)		\$ -	\$ -
Repairs		\$ -	\$ -
Security		\$ -	\$ -
Grounds (landscaping, snow removal)		\$ -	\$ -
Building supplies		\$ -	\$ -
Service contracts (HVAC)		\$ -	\$ -
Other		\$ -	\$ -
Total Maintenance:		\$ -	\$ -
Operating:		Annual	Average Per Unit
Fuel (heating & hot water)		\$ -	\$ -
Electric		\$ -	\$ -
Water/Sewer		\$ -	\$ -



Trash removal	\$	-	\$	-
Janitorial	\$	-	\$	-
Exterminating	\$	-	\$	-
Telephone	\$	-	\$	-
Other	\$	-	\$	-
Total Operating Costs:	\$	-	\$	-
Taxes & Insurance:				
Real Estate Taxes	\$	-	\$	-
Insurance	\$	-	\$	-
Other Taxes, Licenses, Fees	\$	-	\$	-
Total Taxes:	\$	-	\$	-
Total Annual Operating Expenses:	\$	-	\$	-

NOI Before Reserves & Debt Svc:	\$	-	\$	-
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Reserves:

	Per Unit	Annual	
Replacement Reserve	\$ -	\$ -	\$
Operating Reserve	\$ -	\$ -	\$
Cashflow Before Debt Service:		\$ -	\$
Debt Service (See Terms Below)		\$0.00	\$
Cashflow After Debt Service		\$0.00	\$

Supportable Debt Service Calculation:

Required Debt Service Coverage (Ratio):	1.2
Loan Amortization Period (in years)	20
Interest Rate	7%

Supportable Debt on Terms Above:	\$	-	\$	-
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(This figure ties to the Development Budget/Sources & Uses)



Sample Single-Family Rental 20-Year Cash Flow Projection

Project Name: **Sample Project Name**
Income Adjuster: **0.00%**

Project Address: **Sample Project Address**
Expense Adjuster: **0.00%**

Expenses:

NOI (w/o Res & Debt Svc) \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -

Cashflow After Debt Svc: \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0

Expenses:

NOI (w/o Res & Debt Svc) \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ - \$ -

Cashflow After Debt Svc: \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0 \$0



SAMPLE APPROVAL LETTER

Date _____

Agency _____
Address _____
City, State Zip _____

RE: Community Housing Development Organization (CHOO)
Project Type/Description: _____
Project Address: _____

Dear _____

Thank you for your Community Housing Development Organization (CHOO) Proposal for the City of Gastonia CHOO RFP. Our staff has completed a review of your proposal and contingent upon an in-person meeting to confirm and finalize all project terms and details, we would like to move forward with approval and implementation of the project.

Please contact our office at (704) _____ or by email at _____ to establish a date and time for the meeting. Thank you for your continued interest in providing affordable housing opportunities for our community.

Sincerely,

cc:



SAMPLE REJECTION LETTER

Date _____

Agency _____
Address _____
City, State Zip _____

RE: Community Housing Development Organization (CHOO)
Project Type/Description: _____
Project Address: _____

Dear _____

Thank you for your Community Housing Development Organization (CHOO) Proposal for the City of Gastonia CHOO RFP. Our staff has completed a review of your proposal. Based upon our underwriting review, we are unable to move forward with approval of this project. If you have questions concerning this letter, and would like to schedule a review session to discuss the proposal, please contact our office at (704) _____ or by email at _____ to establish a date and time for the meeting. Thank you for your continued interest in providing affordable housing opportunities for our community.

Sincerely,

cc: