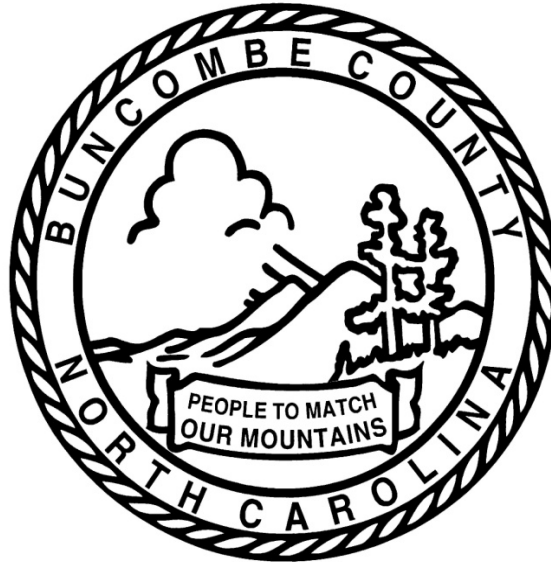


BUNCOMBE COUNTY
AFFORDABLE HOUSING SERVICES PROGRAM



LOAN APPLICATION FORM

For Year 2011-2012

Buncombe County
Department of Planning and Development
July 2011

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PROGRAM GUIDELINES

A. Introduction: Buncombe County Commissioners have identified affordable housing as a priority.

The County has established the following **goals** for the Affordable Housing Services Program (AHSP):

- Increase the stock of affordable housing;
- Preserve the existing housing stock;
- Reduce substandard housing; and
- Support homeownership initiatives such as downpayment assistance programs.

Through the AHSP, the County is offering several programs to promote these goals. Two year-long programs that do not require a time sensitive application are the Fee Rebate Program and the Buncombe County Employee Housing Trust Fund. To find out more information regarding these programs, please contact the County Department of Planning and Development at 250-4840.

In addition, the County offers a third program of low-interest loans to assist in the provision of decent, safe, and sanitary housing. This application is for the loan program.

B. Eligible Activities: The following types of projects will be eligible for assistance through this program:

- Construction of new housing for sale and rental units, including acquisition, site work, and soft costs;
- Conversion of existing non-residential structures for housing for rent or sale;
- Rehabilitation of multi-family residential units for rent or sale; and
- Downpayment assistance for eligible homebuyers.

All housing must meet state and local building codes. Homes must be stick-built or system-built (modular) housing. All projects must be located within Buncombe County.

C. Eligible Developers:

Developers may be:

1. For-profit corporations, partnerships, or sole proprietors;
2. Private incorporated non-profit agencies with IRS 501(c)(3) or similar designation; and
3. Public non-profit agencies and governmental agencies, including the County (which may itself operate projects assisted by the AHSP).

Individuals seeking to build a home to live in will not be eligible for this program.

D. Eligible Use of Funds:

Funding assistance is limited to projects within Buncombe County but outside of the City of Asheville limits. Applicants who are interested in developing within the City limits should apply to the City of Asheville Trust Fund Program.

E. Affordability:

To be considered “affordable”, housing must meet the following criteria:

Homes for sale must be priced affordably for (30% of the buyer’s income) **and** sold to a family with household income at or below 80% area median income (adjusted for family size); and

Rental units must be rented at affordable rents (not more than 130% of HUD’s Fair Market Rent) for the life of the loan plus 5 years of occupancy **and** the first tenants must have a household income below 80% of the area median income (AMI).

Appendix 1 provides information on income levels and sales prices that meet these criteria.

F. Timeframe:

Projects must be scheduled to break ground or spend at least 10% of total project cost within 12 months of submission of application.

G. Loan Amount:

The maximum loan amount will be:

For construction financing: \$25,000 per unit.

For rehabilitation financing: \$25,000 per unit.

For downpayment assistance financing: \$15,000 per unit.

H. Program Terms and Loan Terms:

The Affordable Housing Services Program will not make grants, forgivable loans, or indefinitely deferred loans.

1. Downpayment Assistance Programs: This activity can be administered by a local non-profit or private organization. The organization must either coordinate homebuyer’s education classes or require that the participants complete a homebuyer’s education course. Eligibility of homeowners depends on, but is not limited to, an income at or less than 80% of the AMI and the completion of a homebuyer’s education course.

Loans for downpayment assistance can be offered with a maximum of \$15,000. Assistance will be in the form of a non-forgivable loan with

0% interest, secured with a lien on the property. The percent of the value of the home purchase that is borrowed from the County will be secured and returned to the County, and will be no less than the amount borrowed. The loans become due in the event that the homeowner no longer lives in the home, sells the home, or refinances. Loans on downpayment assistance shall be secured by a lien on the property being assisted. Loan agreements shall be executed between the County and applicant for the project. The County prefers to take or share a first lien position, but will accept a second position, subject to the amount of loan funds financed.

2. New Construction: This activity will support new single-family homeownership construction. This activity can be administered by private or non-profit entities.

The maximum loan amount will not exceed \$25,000 per unit. Assistance can take the form of a construction loan and can be used for purchase of property; infrastructure; professional services; permitting and modular costs. The unit must be sold to a household earning at or below 80% of the AMI and should remain affordable to the buyer (meaning the monthly costs for the buyer should not be more than 30% of their HH income). The cost of the house must not exceed \$160,000. Assistance will be in the form of secured loans for a term of up to 5 years or until the property is sold. Loans will be fully amortizing at an interest rate of 2%, except that interest on construction loans may be deferred until the loan principal is due. The loan term for new rental construction will be for up to 15 years at an interest rate of 2%. It will be necessary for the rent to remain affordable and below fair market rent throughout the loan period. Loans at or greater than \$75,000 will be secured by a lien on the property being assisted. Loan agreements shall be executed between the County and applicant for the project. Specific loan conditions will depend on the type of project being assisted, and typically include: time limits for project completion; periodic written progress reports; levels of rent and/or occupant income; adherence to Fair Housing and Equal Rights Opportunity principles; access by staff to project records; and prohibiting conflicts of interest. Biannual progress reports and meeting will be required for this program.

3. Multi-Family Rehabilitation: This activity will support the rehabilitation of existing multi-family units or the conversion of existing buildings into multi-family units for sale (i.e. condos) or rental units.

The maximum loan amount will not exceed \$25,000 per unit, based on a licensed contractor's estimate of required repairs to bring the units up to building code. All service delivery and administration costs must be included and itemized in the estimates, and will be included in the loan.

For rental units, the owner must certify that rents will remain affordable over the lifetime of the loan, plus 5 years. The loan will have a 2% annual interest. The property shall be secured with a lien.

Units for sale will have a loan period of up to five years, or once the units have been sold, at 2% annual interest. The loan will be secured

with a lien on the property.

- I. Good Faith Efforts:** The County will require all developers to abide by **Fair Housing** principles, which prohibit discrimination based on race, age, gender, religion, national origin, disability, or family status. Units constructed with Buncombe County's AHSP must be openly marketed to ensure fair housing choices.
- J. Minority Business Participation:** The County has adopted a **Minority Business Plan** to encourage participation by minority and women-owned businesses in County assisted projects. Bidders are hereby notified that this bid is subject to the provisions of that Plan to outreach to minority businesses for this RFP. Questions regarding the Minority Business Plan may be directed to Jennifer Pike at (828) 250-4130. You can access sources for certified minority firms at <http://www.doa.nc.gov/hub> to search for vendors. It is the policy of the County to (1) provide minorities an equal opportunity to participate in all aspects of its contracting and procurement programs and (2) prohibit any and all discrimination against persons or businesses in pursuit of these opportunities.
- K. Fee Rebates:** Developers are reminded of the County's fee rebate program under which 50% of building permits for new affordable homes may be refunded. Rebates for sewer facility fees are also available through the MSD. Contact the Department of Planning and Development for details.
- L. Review Procedure:** Applications will be reviewed by the AHSP Application Review Committee and scored according to criteria based on the degree to which the activity follows the established goals, as well as other factors such as the public purpose, community impact, financial feasibility, applicant's experience and capability to successfully complete the proposed activity; the degree to which funding is leveraged with additional investment; the degree to which the project assists the elderly or special needs groups; and the number of beneficiaries for the proposed project.
- Recommendations will be submitted to the Board of Commissioners for final approval.
- M. Administration:** Staff of the Planning and Development Department and Finance Department will administer the AHSP, with assistance from the County Legal Department, under the general direction of the County Manager.

APPLICATION INSTRUCTIONS

You may complete the application form manually or electronically. It can be downloaded from the County's website at:

<http://www.buncombecounty.org/governing/depts/Planning/housing.htm>.

Submit pages 1-7 only, in printed form or via e-mail. Please detach the instructions and Appendices. Additional printed documentation, photographs and maps may be attached to clarify the project description, experience of the developer, etc. Do not submit a cover letter. **The deadline for submission is August 12th, 2011 at 5:00.**

For applications submitted by hand or by mail:

- The original and one copy should be submitted to:
Buncombe County
Department of Planning and Development
46 Valley Street
Asheville, NC 28801
- All pages must be numbered.
- Applications should be fastened with a paper clip or other fastening that can easily be undone for copying. Please do not use binders, covers, staples, or page tabs.

For applications submitted electronically:

- The completed application should be submitted via e-mail to Donna.Cottrell@buncombecounty.org
- Applications and attachments must be submitted in Microsoft Word or Adobe PDF format.
- Attachments should be in B/W and not larger than 8 1/2" x 14". If any pages are larger or in color, do not submit application via e-mail.

The County reserves the right to act as sole judge of the content of the applications submitted for the County's evaluation, selection and may, at its sole discretion, reject any or all applications.

The County will not be liable for any cost incurred in connection with preparation and submittal of any application.

Staff in the County's Department of Planning and Development (Tel. 250-4840) will be happy to answer questions about the Affordable Housing Services Program, this form and the application process, but cannot help write proposals.

**BUNCOMBE COUNTY
APPLICATION FOR AFFORDABLE HOUSING SERVICES PROGRAM LOAN
2011-2012**

A. SUMMARY

Project Title: _____

Project Location: _____

No. of units: For Sale _____
 For Rent _____
 For Multi-Family Rehab or Conversion _____
 For Down Payment Assistance Programs _____

Loan Amount Requested: \$ _____

B. APPLICANT INFORMATION

B1. Applicant's Name: _____
(Doing Business As) _____

B2. Applicant's Address: _____

City/State/Zip: _____

Telephone Number: _____

B3. Contact Person: _____

Title: _____

Telephone No: _____ FAX No: _____

E-Mail Address: _____

B4. Type of Organization (select one):

- | | | |
|---|--|--|
| <input type="checkbox"/> Non-Profit Corporation | <input type="checkbox"/> Sole Proprietorship | <input type="checkbox"/> General Partnership |
| <input type="checkbox"/> Limited Liability Corp | <input type="checkbox"/> Limited Partnership | <input type="checkbox"/> Limited Liability Partnership |
| <input type="checkbox"/> Other: _____ | | |

Date Established: _____

B5. Enclose a copy of the following documents, as applicable:

You must provide an ORIGINAL and ONE COPY of the following sections in the order listed:

- Application Information
- Project Description
- Financial Information
- Disclosure of Potential Conflicts of Interest

Also, please provide ONE of each of the following attachments, if available:

Non Profit Organizations:

- Current Organizational Chart
- IRS tax determination letter (501(C)(3))
- Current Bylaws and Articles of Incorporation
- Most recent independent audit
- Current Board of Directors
- Resume(s) of staff who will manage the project

For Profit Corporations/Partnerships:

- Articles of Incorporation/Partnership Agreement
- Most recent financial statement/Federal Tax Return
- Three business references with complete contact information
- Resume(s) of staff who will manage the project

B6. Project Team.

Describe the project team (project manager, developer, architect & other professionals), their relevant experience, and their specific responsibilities for this project. If the team is not yet assembled, then describe how you will select them.

B7. Past Experience

Complete the following table by briefly describing three past housing construction projects that demonstrate your development experience. You may attach plans or photographs if you wish. If outside Buncombe County, please list similar information and the County in which the projects were completed.

Project Title and Description	Number of Units	Year Completed	Total Project Cost
			\$
			\$
			\$

C. SITE DESCRIPTION

Project Title: _____

C1. Short Description. Please provide one or two sentences stating the number and type of housing or other units expected to result from this project and the targeted client group.

C2. Project Justification. Describe the target population and how you intend to recruit participants. Please list the number of persons served by income group and the number of special needs clients (as applicable).

Provide objective data as evidence of the need for your project.

How will you measure the success of your project?

C3. Project Description. Please provide a detailed description of the project, addressing each of the following questions. Please check each box to show that you have addressed the question, or insert "N/A" where the question is not applicable or no information is available.

Site Detail

- Site location map showing development site in relation to streets and points of interest in the surrounding neighborhood (at least ½-mile radius). Indicate waterways, floodplain boundaries, and railroads.
- Site map showing lot boundaries and location of building(s), and other site features.
- Lot size in acres_____.
- Current site zoning (if applicable) and the status of any required planning reviews._____.
- Site control: If you already own the site or property, submit a copy of the deed and describe all existing liens or deeds of trust on the property. If the site is currently under an option agreement, submit a copy of the option and purchase agreement.

Construction Detail

- Floor plan and sketch of finished building(s).
- Square footage of each unit_____
- Number of bedrooms/baths_____
- How many units will have the following accessibility features: _____
 - All doorways at least 32" wide and passageways 36" wide on the main floor;
 - An at-grade or ramped entrance to the main floor or the capability to easily install a ramp later on; and
 - A bathroom or half-bath on the main floor that will accommodate a wheelchair
- Will the project participate in an externally monitored energy efficiency program (e.g. Energy Star)?
 - Yes_____ No_____
 - If yes, identify the program: _____
- Proposed sales prices for completed housing units and cost per square foot \$_____.
- Please give us details of any specific features that you feel make your project particularly attractive in design and neighborhood compatibility.

Site Plan: Please attach the following (if applicable):

- Elevation design or drawing of dwelling units.

- Floor plans to scale (including ADA accessibility features if applicable).

C4. Size and Price of units: Complete one line for each unit or group of identical units. Add more lines if needed.

# of Bedrooms	# of Baths	No. of units of this size	Area/unit (heated sq. ft.)	Estimated Development Cost/unit	Cost per Sq. Ft	Proposed Sales Price <u>or</u> Monthly Rent*
Totals:						

* Fill in *either* sales price *or* monthly rent

C5. Proposed Time Table: (add more lines if needed)

Activity	Date
Acquire Land	
Construction/Rehabilitation Loan	
Acquire Permits	
Site Preparation and Begin Construction/Rehabilitation	
Construction End	
Sale of Unit/Occupancy	

D. FINANCIAL INFORMATION

D1. Project Budget (add more lines if needed)

Project Revenues (sales revenues or permanent financing for rental projects)

	\$
	\$
	\$
Total:	\$

Costs

Land Acquisition	\$
Site Preparation	\$
Construction	\$
Construction Contingency	\$
Appraisal	\$
Survey	\$
Architect/Engineering	\$
Permits	\$
Taxes	\$
Financing Cost (include interest)	\$
Legal	\$
Marketing	\$
In-house admin costs/developers fee	\$
Other(specify)	\$
Total:	\$

D2. Detail of project financing. Please attach letters evidencing existing loan commitments.

	Source of Funds	Amount	Interest Rate	Term (years)	Committed Yes/No
1	Acquisition Loan: Lender:	\$	%		
2	Construction Loan: Lender:	\$	%		
3	Other Loan: Lender:	\$	%		
4	Equity	\$			
5	Proposed Housing Trust Fund Loan:	\$	%*		No
	Total:	\$			

*See guidelines on Loan Terms on page iii

E. DISCLOSURE OF POTENTIAL CONFLICTS OF INTEREST

E1. Are you or any of your employees, Board Members, business associates, or members of their immediate families:

- | | Yes | No |
|--|--------------------------|--------------------------|
| a) Employee(s) of or closely related to employees of Buncombe County Government?
If yes, which department? _____ | <input type="checkbox"/> | <input type="checkbox"/> |
| b) Member(s) of or closely related to Members of the Board of Commissioners or a candidate for election to the Board of Commissioners? | <input type="checkbox"/> | <input type="checkbox"/> |
| c) Planning to live in one of the assisted units, or to rent or sell it to a close relative or business associate | <input type="checkbox"/> | <input type="checkbox"/> |

E2. If you have answered YES to any question, **please attach a full explanation.** The existence of a potential conflict of interest does not necessarily make your project ineligible for funding, but the existence of an **undisclosed** conflict may result in the termination of any assistance and immediate repayment of the loan.

F. AUTHORIZATION

To the best of my knowledge and belief, all data in this application are true and current. The owner or governing board of the developer has authorized the application.

I understand and agree that Buncombe County will verify the information contained herein to determine the form of assistance. Verification may include obtaining a credit report for all principal parties.

Signature: _____ Date _____

Printed Name: _____ Title: _____

(For a partnership, all partners must sign)

AFFORDABILITY

Prices**Maximum Sales Price: \$160,000**Income limits

Household Size	80% of median income*
1	32,320
2	36,880
3	41,520
4	46,080
5	49,840
6	53,520

**80% Income from HUD's 2011 Income Limit Table*
http://www.huduser.org/Datasets/IL/IL06/nc_fy2006.pdf

Notes:

Homes built for sale must be sold at or below the **maximum sales price** listed above while maintaining affordability to the buyer, and buyers must have income below **80% area median income**, adjusted for household size.

APPENDIX 2: SCORING CRITERIA

Every application will be scored using the following guidelines. Other considerations may include date application received, geographical dispersion throughout the County, and number of applications received for types of funding available. Applicant interviews may be required.

EVALUATION OF HOUSING APPLICATIONS

NAME OF APPLICANT:

PROJECT TITLE:

AMOUNT REQUESTED:

A. Total Scoring

Criterion	Maximum Points	Points Awarded	Comments
A1. Project is clearly described and realistic; has high chance of success	15		
A2. Will leverage additional investment (one point for each time local Funding is matched by other funds, up to 10:1)	10		
A3. Project administrator tracking is described	3		
A4. Budget is complete and realistic, and indicates need for funding	7		
A5. Project currently operating locally	5		
A6. Agency has good track record in carrying out other housing projects	6		
A7. Applicant has timely audits free of qualifications and findings, and showing healthy financial position	5		
A8. Meets established priority needs (Total from section B).	24		
Total	75 possible points		

APPENDIX 2: SCORING CRITERIA CONT'D.

B. Scoring for Needs

Criterion	Maximum Points	Points Awarded	Comments
B1. Assists Homeless, very low income, frail elderly, or disabled	4		
B2. Increases Affordable housing stock (new construction or conversion)	2		
B3. Coordinated with transportation, jobs, services	1		
B4. Preserves long-term affordability (i.e., more than 15 years)	5		
B5. Emphasizes quality design, construction, energy efficiency	5		
B6. Includes education/support services to help clients succeed in long term	2		
B7. Provides homeownership opportunities	3		
B8. Stabilizes deteriorated neighborhood	1		
B9. Incorporates accessibility features (visitability)	1		
Total	24		