



**COUNTY OF MAUI**

**HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAM**

**HOME-ARP (American Rescue Plan) PROGRAM**

**REQUEST FOR PROPOSALS & APPLICATION PACKET  
FOR DEVELOPMENT OF  
HOME AND/OR HOME-ARP ELIGIBLE PROJECTS  
FY 2023**

**02/28/23**

**County of Maui  
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## Part 1. Request for Proposals

The State, through HHFDC, publishes the State's Annual Plan as Grantee. Guidelines proposed for both programs in this RFP are subject to HHFDC approval and publication in the State's Annual Plan.

This Application Packet invites eligible applicants to request funding for affordable housing projects funded with HOME Investment Partnerships (HOME) Program funds (including the Community Housing Development Organization (CHDO) Set-aside), and/or HOME-ARP funds. Anticipated funds available for projects are:

- HOME: up to \$2,250,000
- CHDO set aside: \$450,000
- HOME-ARP: up to \$1,947,568

This is a reissue of a previous RFP. The funding amounts listed are the total funds available under each Program. However, some of the funds may be committed to project applications previously received and currently under review by the Department, and the amount of funds available under this RFP may be less. Under the previous RFP, Housing Trust Fund was also included. The County anticipates that those funds will be awarded to projects received under the previous RFP. However, in the event that not all available HTF funds are required for the projects previously received, the County reserves the right to offer HTF funds as a supplement to projects awarded through this RFP process.

An applicant may request one or more of the funding sources but must meet the requirements of each program from which funding is provided.

This RFP consists of an overview of the requirements for the HOME and HOME-ARP Programs, followed by an Application Packet that must be used to apply for funding through either Program.

Applications are due:

**15 April 2023**

Applications may be submitted subsequent to the due date. They will be reviewed in chronological order after those submitted by the due date have been processed, and will only be reviewed until all funds are committed.

Questions regarding this RFP and Application should be directed to:

Regina.Freeman@co.maui.hi.us or via phone at 808.270.5746

## **A. OVERVIEW OF HOME INVESTMENT PARTNERSHIPS (HOME) PROGRAM**

The HOME Investment Partnerships Program (HOME) was created by the National Affordable Housing Act of 1990 (NAHA). The County of Maui administers the HOME Program as a State Recipient of the State of Hawaii. The State of Hawaii, through the Hawaii Housing Finance and Development Corporation (HHFDC), receives an annual formula allocation of HOME Program funds from the U.S. Department of Housing and Urban Development (HUD) that is used in the non-metropolitan counties of the State. The State's allocation of HOME Program funds is made available to the non-metropolitan counties (Maui, Kauai and Hawaii) on a three-year rotational basis. The County of Maui then utilizes its allocation for a County-developed project or County-administered program or selects project(s) or an entity to administer a program for the County through a Request For Proposal (RFP) process.

The County also selects the project(s) for the County's HOME Program Community Housing Development Organization (CHDO) set-aside funds through the same HOME RFP process.

As part of the County's 5-Year Consolidated Plan strategy, which governs the use of HOME funds, the County prioritizes increasing the available stock of long-term affordable rental units for multi-family and elderly persons and supporting housing opportunities for low-income families through homebuyer loans and increasing of available stock of homeownership units.

1. RENTAL HOUSING – transitional or permanent low-income housing with preference directed towards (a) special needs housing for low-income elderly, disabled and handicapped; (b) site acquisition for construction of housing units for very low-income and low-income families; (c) new construction of multi-family and (d) construction of transitional housing units for very low-income and low-income families); and
2. HOMEOWNERSHIP – low-income homeownership with preference directed towards (a) homebuyer assistance for purchase of existing housing; (b) site acquisition for construction of housing units for low-income families and (c) new construction of housing units for low-income families).

For PY 2023, Maui County is anticipating the availability of \$2,250,000 in PY 2023 HOME funding, plus an additional \$450,000 in HOME funding that is the CHDO Set-aside. CHDO set-aside funding must be used for the same rental housing and homeownership projects as general HOME funds, but the set-aside funds are only available to nonprofit organizations that meet the organizational and project requirements of the set-aside, as discussed below in Section C.9.

## **B. HOME-ARP PROGRAM**

On March 11, 2021, President Biden signed the American Rescue Plan Act of 2021 (P.L. 117-2) ("ARP") into law, which provided funding to address the impacts of the COVID-19 pandemic on the economy, public health, State and local governments, individuals, and businesses. To address the need for homelessness assistance and

services, Congress appropriated \$5 billion in ARP funds under section 3205 to be administered through HOME in a program identified as the HOME-American Rescue Plan or “HOME-ARP.”

The Act authorizes four activities that must primarily benefit qualifying populations, including: (1) development and support of affordable housing, (2) tenant-based rental assistance (TBRA), (3) provision of supportive services; and (4) acquisition and development of non-congregate shelter units.

Qualifying Populations are individuals or families as those that are: (1) homeless, as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act, as amended (42 U.S.C. 11302(a)) (“McKinney-Vento”); (2) at risk of homelessness, as defined in section 401 of McKinney-Vento; (3) fleeing, or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; or (4) part of other populations where providing supportive services or assistance would prevent a family’s homelessness or would serve those with the greatest risk of housing instability.

The HOME-ARP Program follows HOME rules, except as modified by Notice CPD-21-10 and related Waivers.

**Maui County is anticipating the availability of \$1,947,568 in PY 2023 HOME-ARP funding and is directing these funds toward the development of affordable housing to serve the Qualifying Populations.**

### **C. HOME INVESTMENTS PARTNERSHIP (HOME) PROGRAM REQUIREMENTS**

In providing a broad range of low-income housing activities, the general purpose of the HOME Program is to fulfill three specific goals:

- To expand the supply of decent, safe, sanitary, and affordable housing, with the primary focus on rental housing, for very-low and low-income Americans;
- To strengthen the abilities of states and units of general local government to design and implement strategies for achieving adequate supplies of decent, affordable housing; and
- To encourage public, private, and non-profit partnerships in addressing affordable housing needs.

#### **1. Eligible Recipients**

A recipient is any public agency, private non-profit organization, community housing development organization (CHDO) as defined by HUD, or private for-profit entity eligible to apply for HOME assistance. A recipient of HOME funding must:

- 1) Make assurances to the County that it will comply with the requirements of the HOME Program, including the ongoing compliance requirements for the period of affordability;
- 2) Demonstrate the ability and financial capacity to undertake, comply and manage the

eligible activity;

3) Demonstrate its familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HOME funds to ensure compliance with all applicable requirements and regulations of such programs; and

4) Have demonstrated experience and capacity to conduct an eligible HOME activity as evidenced by its ability to own, construct, or rehabilitate, and manage a project to the one being proposed.

Organizations wishing to qualify as CHDOs for purposes of accessing the CHDO set-aside must submit supplemental information as required by the Department to demonstrate qualification with the requirements. See Section C.9 below.

## **2. Eligible Activities**

**Applicants may utilize the HOME funds or CHDO set-aside funds only to implement Rental Housing or Homeownership activities as described in this RFP.**

Applicants may propose mixed use and/or mixed income housing projects. However, HOME funds may only be used for units that meet the HOME requirements – hereafter referred to as “HOME-assisted units.”

Only affordable housing activities conducted within the County of Maui will be considered for funding. Any housing activities located in a 100-year flood zone are not likely to receive funding.

## **3. Eligible Costs**

HOME Program funds may be used to pay the following eligible project costs for HOME-assisted housing units:

- Development hard costs - Costs to support applicable new construction or rehabilitation standards. For both new construction and rehabilitation, the cost of demolition, utility connections, and site improvements are also eligible.
- Acquisition of property - Costs of acquiring improved or unimproved real property. Acquisition of vacant land must be undertaken only with respect to a housing project intended to provide affordable housing.
- Related soft costs - Other reasonable and necessary costs incurred by the owner or participating jurisdiction associated with the financing and/or development of new construction, rehabilitation, or acquisition. Soft costs may include architectural fees, engineering fees, builders' and developers' fees, financing fees, credit reports, title insurance, recordation fees, legal and accounting fees, including cost certifications, appraisals, environmental reviews, project audit costs, funding of an initial operating deficit reserve for new construction or substantial rehabilitation, staff and overhead costs directly related to carrying out a project, impact fees, affirmative marketing, and fair housing information

services, as long as they are part of the project.

- Developer Fee – For new construction, the maximum developer fee is 15% of total development costs or \$3,750,000 (whichever is less). For acquisition/rehabilitation, the maximum developer fee is 10% of the acquisition costs and 15% of the rehabilitation costs, or \$3,750,000 (whichever is less).
- Relocation Costs - Costs of relocation payments and other costs for permanent or temporary relocation, including staff and overhead, replacement housing, moving costs, and out-of-pocket expenses.
- CHDOs – Additional assistance beyond these HOME-eligible project costs may be available to CHDO projects – see Section C.9.

#### **4. Prohibited Activities**

In general, HOME funds cannot be used to:

- Carry out activities authorized under 24 CFR part 968 (Public Housing Modernization) or provide assistance authorized under section 9 of the 1937 Act (Public Housing Capital and Operating Funds).
- Provide project-based or tenant-based subsidies (except under a TBRA Program).
- Provide non-federal matching contributions required under any other federal programs except to match McKinney Act funds.
- Provide payment for the acquisition of property owned by the Participating Jurisdiction (PJ), except for property acquired by the PJ with HOME funds, or property acquired in anticipation of carrying out a HOME project.
- Provide project reserve accounts for replacements and unanticipated increases in operating costs, or operating subsidies for rental housing (except within certain situations in new construction projects).
- Provide assistance (other than Tenant Based Rental Assistance or assistance to a homebuyer to acquired housing previously assisted with HOME funds) to a project previously assisted with HOME funds during the period of affordability.

Ineligible costs that may not be paid with HOME funds include:

- Costs for luxury improvements or improvements that are not consistent with the HOME Final Rule standard of “non-luxury housing with suitable amenities.”
- Payment of any deposits, working capital or operating costs.
- Operating, replacement or other reserves, other than the initial operating deficit



reserve.

- Off-site infrastructure, except for necessary connections to offsite utilities for the assisted unit.
- Refinancing or payment of other debt.
- Costs of non-residential space (community rooms, commercial or civic spaces, etc.) in a project.
- Delinquent taxes, fees or charges on properties to be assisted.
- Any other cost that is not eligible under the HOME regulations at 92.206 – 92.209.

While HOME funds may not be used to pay these costs, they may be included in the development budget and paid with other funds to the extent they are necessary for the completion and viability of the project.

In addition, project owners may not charge fees to tenants unless they are approved by the County consistent with 92.214(b)(3).

## **5. Eligible Forms of Assistance**

The HOME Program permits flexibility in the forms of assistance to housing, including: grants, deferred payment loans (forgivable or repayable), interest-bearing or non-interest-bearing loans or advances; interest or principal reduction subsidies, equity investments, and loan guarantees.

Under most project circumstances, the assistance will be provided to the project owner as a deferred loan. The County will determine the appropriate form of assistance based on the activity type, the underwriting determination of reasonable assistance, and the need to enforce Program requirements during the period of affordability. For Tax Credit and other projects, interest will be required with cash flow loan terms appropriate to the project. For nonprofit projects, non-interest-bearing loans will be considered.

## **6. HOME Project Requirements**

The HOME Program targets a wide range of housing activities; guidelines and program requirements vary depending on the type of housing activity involved. HOME projects must meet the requirements of 24 CFR 92.251 - .254 as applicable, including those summarized below. Applicants are encouraged to read the sections of the HOME regulation cited below.

1. **RENTAL HOUSING:** HOME funds may be allocated to transitional or permanent housing, including specific units in a mixed income or mixed use project. The following restrictions pertain to HOME-assisted units in a rental project.

Occupancy – All HOME assisted units must be occupied by Low Income households at or below 80% of Area Median Income (AMI) as defined by HUD. Current income limits are in Table 2 at the end of this section. In addition,

occupancy of rental units are subject to two additional requirements:

- The HOME project rule requires that, in projects of 5 or more units, at least 20% of the HOME assisted rental units must be occupied by families who have annual incomes that are 50% or less of the area median family income and paying no more than the Low HOME rents. (92.252(b))
- The HOME program rule requires at least 90% of initial occupants of assisted units to be at or below 60% of AMI. (92.216)

In a mixed-income property, units may be designated as fixed or floating by the County. (92.252(j))

Unrestricted units in a mixed-income project are not subject to occupancy restrictions or rent limits.

Voucher and Certificate Holders - Rental units cannot be denied to Sec. 8 voucher and certificate holders because of their status as a certificate or voucher holder.

Income Examination (92.203) - Regardless of the type of rental housing pursued under HOME, income eligibility of all households in assisted units must be determined at the time of occupancy under 92.203 and reexamined annually.

Tenant Selection Plan – Affirmative marketing procedures apply to projects with 5 or more HOME-assisted units (92.351), and the County must approve the tenant selection plan (92.253(d).)

Selection of tenants is subject to the conflict of interest provisions in 92.356.

Maximum Allowable Rents (see Table 1 for current rent limits):

Low HOME Rent Limits (92.252(b)) – For projects with five or more units, at least 20% of the assisted units must have rents (including an allowance for tenant-paid utilities) that are equal to or less than the lesser of:

- 30% of annual incomes for households at 50% of median income, minus tenant paid utilities; or
- The Section 8 Fair Market Rents for existing housing, minus tenant paid utilities;
- Unless the unit is covered by federal or state project-based rental assistance in which the tenant pays no more than 30% of adjusted income.

High HOME Rent Limits (92.252(a)) – The maximum rent that can be charged for the remainder of the assisted units is based on the lesser of:

- 30% of the households monthly adjusted income for households whose income equals 65% of the median income, minus tenant paid utilities; or
- The existing Section 8 Fair Market Rent for existing housing, minus tenant paid utilities.

Rent limits apply for the period of affordability, and both the rents and utility allowance must be approved annually by the County. Rent limits are updated annually by HUD, and the rents charged must be approved annually by the County for the applicable period of affordability.

Rents for Over-Income Tenants (92.252(i)) – If a low-income tenant's income increases beyond 80% of median, the tenant must pay no less than 30% of the family's adjusted monthly income, as required by 92.252(i).

Lease and tenant protections (92.253) – Tenants in HOME-assisted units must have leases for a period of not less than 1 year, unless a shorter period is mutually agreed upon, in compliance with 92.253, and in a form that is approved by the County. The lease must incorporate the HOME and VAWA lease addendum.

VAWA Protections (92.359) – HOME-assisted rental housing must meet the requirements of 92.359 for the protection of applicants or tenants who are victims of domestic violence, dating violence, sexual assault, or stalking.

Termination of Tenancy (92.253(c)) – An owner may not terminate the tenancy or refuse to renew the lease of a tenant of HOME-assisted rental housing, except for serious or repeated violation of the terms and conditions of the lease for violation of applicable Federal, State or local law, or for other good cause. To terminate or refuse to renew tenancy, the owner must provide written notice to the tenant at least 30 days before termination specifying the grounds for the action and providing a specific period for vacating that is consistent with State or local law.

Tenant Fees (92.214(b)(4)) - Project owners may not charge fees to tenants unless they are approved by the County.

Period of Affordability (92.252(e)) – The period of affordability is determined by the type of activity as well as the amount of HOME subsidy. For rehabilitation or acquisition of existing rental housing, the minimum period of affordability varies depending on the per-unit subsidy amount:

Under \$15,000	-	5 years
\$15,000 - \$40,000	-	10 years
Over \$40,000	-	15 years
New Construction or Acquisition	-	20 years

Minimum HOME Investment (92.205(c)) - \$1,000 per HOME-assisted unit.

Maximum Per Unit Subsidies (92.250(a)) - HUD restricts the amount of HOME funds that can be invested on a per-unit basis that is established on a market-by-market basis. See Table 3.

Site and Neighborhood Standards (92.202(b)) – Rental new construction sites must meet the site and neighborhood standards of 24 CFR 983.57(e).

Property Standards (92.251) - All HOME-assisted units must meet, at a minimum, the applicable property standards at 92.251. For housing that is newly constructed (92.251(a)) or rehabilitated (92.251(b)), all applicable local codes, rehabilitation standards, energy standards, ordinances, and zoning ordinances must also be met.

Rental properties must continue to meet applicable property standards at 92.251(f) and will be subject to inspections by the County for the period of affordability.

2. HOMEOWNERSHIP:

Maximum Property Value (92.254(a)(2)) – The initial purchase price of housing cannot exceed 95% of the median purchase price for the area, applicable to the type of housing, as provided by HUD (see Table 4 for current limits). The limits may vary for new and existing housing.

Eligible Homebuyers – The unit must be made available for purchase only to low-income homebuyers. For homeownership units, all HOME funds must benefit families below 80 percent (80%) of the median. Incomes must be examined as required by 92.203.

Homebuyer Underwriting (92,254(f)) – Each assisted homebuyer must be underwritten according to standards approved by the County to ensure that the homeownership is affordable and sustainable for at least the period of affordability. HOME assistance may only assist where senior debt has been reviewed and approved to be consistent with the County’s responsible lending policy.

Principal Residence (92.254(a)(3)) – The unit must be the principal residence of homebuyer for the period of affordability (defined below).

Resale/Recapture Restrictions (92.254(a)(5)) – The County uses the Recapture Method at 92.254(a)(5)(ii)(2), as approved by HHFDC and HUD. If a HOME-assisted unit is sold, conveyed or transferred during the affordability period, County of Maui requires a recapture of the total amount of the HOME investment for the unit, less the HOME investment amount prorated for the length of time Homeowner owned and occupied the unit. Homeowner may recover entire investment (down payment and capital improvements made since purchase) before any Direct Subsidy is recaptured.

County’s recapture provision allows for assumption of recapture obligations by a subsequent homebuyer, provided the subsequent homebuyer is HOME eligible and no additional HOME assistance is provided. If subsequent homebuyer does not assume the HOME recapture obligations, Homeowner must repay the prorated HOME investment from any net proceeds.

If an assisted property is subject to a community land trust ground lease, the resale method must be used and the resale method will need to be approved by

HHFDC and HUD.

Period of Affordability – For homeownership projects, the period of affordability depends on the per-unit subsidy amount;

- Under \$15,000            5 years
- \$15,000 - \$40,000    10 years
- Over \$40,000           15 years

Minimum HOME Investment ((2.205(c)) – \$1,000 per HOME-assisted unit.

Maximum Per Unit Subsidies (92.250(a)) - HUD restricts the amount of HOME funds that can be invested on a per-unit basis that is established on a market-by-market basis. See Table 3.

Property Standards – Homebuyer housing must meet the requirements of 92.251 as applicable. For housing that is newly constructed (92.251(a)) or rehabilitated (92.251(b)), all applicable local codes, rehabilitation standards, energy standards, ordinances, and zoning ordinances must also be met. Existing housing that is acquired for homeownership must meet 92.251(c)(3)

## **7. Other Federal Requirements**

The following regulations and requirements may apply to projects financed by federal HOME funds. This list is not all-inclusive. Applicants must comply with all applicable federal regulations and requirements.

### **1. Fair Housing and Equal Opportunity.**

- Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. d) (provides that no person may be excluded from participation in, denied the benefits of, or subjected to discrimination under any program or activity receiving federal financial assistance on the basis of race, color, or national origin)
- Title VIII of the Civil Rights Act of 1968, as amended "the Fair Housing Act" (42 U.S.C. 3601) (prohibits discrimination in the sale or rent of units)
- Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 11259) (prohibits discrimination in housing or residential property financing related to any federally assisted activity)
- Architectural Barriers Act of 1968, as amended (U.S.C. 4151) (provides that public buildings and conveyances financed with federal funds are to be designed, constructed, or altered to provide accessibility to the physically handicapped)
- Age Discrimination Act of 1975, as amended (42 U.S.C 6101) (prohibits age discrimination in programs receiving federal financial assistance)
- Equal Employment Opportunity, Executive Order 11246, as amended, (prohibits discrimination against any employee or applicant for employment

because of race, color, religion, sex, or national origin).

2. Affirmative Marketing. (for all HOME housing projects with 5 or more units) Affirmative marketing steps taken to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status or disability. (Affirmative marketing procedures do not apply to families with Section 8 tenant-based rental housing assistance or families with tenant-based rental assistance provided with HOME funds). The County must approve the marketing and selection plan.
3. Handicapped accessibility. Housing must meet the accessibility requirements at 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601 – 3619).
4. Section 3 of Housing and Urban Development Act – 1968. 12 U.S.C.1701u. requires to the greatest extent feasible, provide opportunities for training and employment arising from HOME to low-income persons residing in the program service area).
5. Minority and Women Owned Business Enterprises (MBA/WBE). Executive Orders 11625, 12432, and 12138, requires to the maximum extent possible, the inclusion of minorities and women owned businesses in all contracts).
6. Site and Neighborhood Standards. In compliance with Title VI of the Civil Rights Act of 1964, new construction of rental housing must meet the requirements of 24 CFR 983.57(e) (places limiting conditions on building in areas of "minority concentration" and racially mixed areas for new construction projects).
7. Environmental Review (NEPA). 24 CFR Part 58 environmental review for all HOME activities, but the type of review required will vary based on the activity funded with HOME dollars.

Under no circumstances will the County approve the release of funds for a project where an approved environmental review was not conducted in advance, and in accordance with all applicable rules and regulations. From the date of the issuance of this RFP through when the County notifies the Developer-owner of environmental clearance, only project planning and other exempt activities may be conducted. The Developer/owner cannot execute a purchase contract for acquisition of property until after NEPA approval, & clearance; however, pre-existing contracts that were executed prior to release of RFP are permitted.

8. Lead Based Paint Poisoning Prevention Act. HOME rehabilitation and construction activities must comply with 24 CFR Part 35 and Section 401(b) of the Lead-Based Paint Poisoning Prevention Act.
9. Labor Standards. Housing activities involving 12 or more HOME-assisted units under the same construction contract require compliance with the Davis-Bacon

Act and the Contract Work Hours and Safety Standards Act.

10. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). 42 U.S.C.4201-4655 and 49 CFR Part 24. Any occupants of the project site at time of application for HOME funds are subject to the protections of this Act, as well as Section 104(d) of the Housing and Community Development Act of 1974.
11. Flood zones. HOME funds are not usually provided in Federal Emergency Management Agency (FEMA) designated specific flood areas.
12. Debarred, suspended, and ineligible contractors and recipients: HOME funds cannot be provided to debarred, suspended or ineligible contractors, subcontractors or recipients.
13. Conflict of interest: In compliance with 92.356, no persons who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME funds, or who are in a position to participate in a decision-making process, or gain inside information with regard to these activities, may obtain a financial interest or financial benefit from a HOME-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to the HOME-assisted activity or the proceeds from such activity, either for themselves, or those with whom they have business or immediate family ties during their tenure or for one year thereafter. Immediate family ties include the spouse, parent, brother, sister, grandparent, grandchild, and in-laws of a covered person. This conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the grantee (State) or subgrantee (County).

In compliance with 92.356(f), no owner, developer, or sponsor of a project assisted with HOME funds (or officer, employee, agent, elected or appointed official, or consultant of the owner, developer, or sponsor or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or consultant of the owner, developer, or sponsor) whether private, for-profit or nonprofit (including a community housing development organization (CHDO) when acting as an owner, developer, or sponsor) may occupy a HOME-assisted affordable housing unit in a project during the required period of affordability specified in §92.252(e) or §92.254(a)(4). This provision does not apply to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.

Recipients must comply with procurement requirements at 2 CFR 200.318(c)(1)) and with any other applicable conflict-of-interest provisions.

14. Acquisition and relocation: Acquisition, rehabilitation, and/or demolition activities may be covered by the Uniform Relocation Act and/or Section 104(d) of the Housing and Community Development Act.

## 8. Additional HOME Submission Requirements

Applicants must meet all of the following Minimum Threshold requirements to receive consideration for an allocation or award of HOME Program Funds:

- Market Assessment - A market assessment of the housing needs of the individuals to be served by the project must be submitted as a part of the application. The assessment should review the neighborhood and other relevant market data to determine that there is a current demand for the type and number of housing units being developed. (See 92.251(b)(2).)
- Site Control – Evidence of site control shall be submitted with the application for HOME funds. Site control shall be substantiated by providing evidence in the form of an executed lease or sale option agreement, fee simple deed, executed land lease, or any other documentation acceptable to the County. Applicants should be aware purchase or execution of a purchase agreement during the period of application review and environmental review is a choice limiting action under federal environmental review that can result in termination of any award.
- Environmental Site Assessment – An Environmental Site Assessment must be submitted in accordance with 24 CFR Part 58 and Chapter 343, Hawaii Revised Statutes. For acquisition/rehabilitation projects, the Environmental Site Assessment should address lead-based paint and asbestos.
- Appraisal – For projects involving acquisition, the County and HHFDC may require an appraisal and notices in compliance with the acquisition requirements of the Uniform Relocation Act.
- Property Standards – Applicants must demonstrate understanding and compliance with HOME Property Standards at 92.251, as applicable.

For projects intending to preserve housing through rehabilitation (92.251(b)), HOME applicants must use County rehabilitation standards for health and safety, and for replacement of major systems including structural support, roofing, weatherproofing (e.g. windows, doors, siding), plumbing, electrical; and HVAC.

For multifamily housing rehabilitation projects with 26 or more total units, the useful life of systems must be determined through a capital needs assessment, submitted with the application. For rental housing, replacement reserves must be adequate to repair or replace systems as needed. For homeownership projects with rehabilitation, each of the major systems must have a remaining useful life of at least 5 years or must be rehabilitated or replaced.

- Evidence of Sources – The Applicant is required to provide evidence of commitment of all sources of funds, and support all hard debt service loans and terms with executed lenders' commitment letters, letters of interest, or term sheets prior to being issued a commitment letter. This is not a prerequisite for the initial application.
- Rental Project Pro Forma Underwriting Metrics – For rental projects, the operating pro forma must demonstrate feasibility for at least the period of



affordability using the following metrics:

- Debt Service Ratio (DSR) for Projects with Hard Debt: The Project is required to evidence a DSR of no less than 1.15x on all hard debt service requirements for the first 15 years for rehabilitation and 20 years for new construction.
  - Debt Service Ratio for Projects without Hard Debt: The Project is required to evidence a positive Net Operating Income (NOI) throughout the period of affordability.
  - Operating pro forma requirements: Annual income inflation rate of 2% for first 15 years and annual expense inflation rate of 3% for first 15 years, or term of the first mortgage, whichever is greater.
  - Annual income inflation rate of 2% and annual expense inflation rate of 2% for the remaining term of affordability.
  - Vacancy rate of no less than 5%.
  - Annual Replacement Reserve of no less than \$300 per unit per year.
- Homeownership Underwriting Policies – If requesting funds for homebuyer projects, applicant must demonstrate feasibility for low-income homebuyers with financing consistent with the homeownership policies required by 92.254(f) and HUD Notice CPD-18-09. Applicant must submit written standards and provide sample buyer underwriting that address:
    - Maximum HOME homebuyer assistance available to each homebuyer;
    - The expected income range (by \$ or % AMI) of buyers expected to qualify for assistance;
    - Minimum buyer contributions to down payment and closing costs;
    - Maximum front-end & back-end ratios; and
    - Senior mortgage standards, including loan types and terms that will not be permitted.

HOME second mortgages will be provided at no interest, deferred, with declining balance over the period of affordability. Subordination to refinancing will only be permitted to obtain a lower monthly payment and no equity takeout, except to finance closing costs. Exceptions to this policy for emergency circumstances or to make needed repairs will be considered on a case-by-case basis.

Also, homeownership projects, describe how the Applicant will ensure that all buyers receive counseling prior to commitment. See 92.254(a)(3) and HUD Notice CPD-18-09.

## **9. CHDO Requirements**

Each Participating Jurisdiction (PJ) must set-aside at least 15% of its total HOME

award each year specifically for projects that will be owned, developed, or sponsored by CHDOs. (The State of Hawaii typically receives \$3 Million annually, and the CHDO set-aside typically would be \$450,000 annually.)

A Community Housing Development Organization (CHDO) is a specific kind of community based nonprofit housing organization defined by the HOME Rule. The definition of a “community housing development organization” is found in 92.2 of the HOME Rule. The requirements for CHDO designation can be grouped into four key elements:

- A legally incorporated tax-exempt nonprofit organization;
- An independent organization free of undue control by for-profit or governmental entities;
- Accountable to the low-income community it serves; and
- Capable of undertaking the development of affordable housing.

The Rule requires that a PJ certify that an organization meets the CHDO definition “each time it commits funds to the organization.” Additionally, once a CHDO receives funding from the set-aside to develop housing, it is expected to maintain its status as a CHDO through both the development and, in the case of rental, the affordability period.

Applicants for CHDO funding must submit the HHFDC CHDO application for approval by HHFDC.

The statute requires set-aside projects to be “developed, sponsored, or owned by” CHDOs, which means the CHDO must be solely in charge of and responsible for the project. The HOME Final Rule (§92.300(a)(2)-(6)) the CHDO roles for two types of eligible set-aside projects:

- Homebuyer – The set-aside can be used to develop for-sale housing. CHDOs can acquire and rehabilitate existing homes or build newly constructed homes for sale to income eligible buyers. The CHDO must hold title to the property during development, contract for and be in charge of all aspects of the construction including project financing, and then sell the home upon completion to an income eligible buyer.
- Rental – A CHDO can purchase existing standard housing, acquire and rehabilitate existing rental housing or build new rental housing. A CHDO can receive set-aside funds to rehabilitate existing rental housing it already owns, provided the project was not previously HOME-assisted and still subject to the affordability period from that original investment. The CHDO must hold title to the property itself or through a wholly owned subsidiary while the project is being developed and for at least the affordability period.

The HOME Final Rule also permits the jurisdiction to provide additional assistance to CHDOs in the form of:

- Predevelopment loans to help cover preliminary costs that are necessary to plan a housing development project and determine if it is feasible (92.301);

and/or

- Retained project proceeds are net sales proceeds from homebuyer activities that can be retained and reused by a CHDO for other HOME eligible or housing activities to benefit low-income households (92.300(a)(6)(ii)).

The County has elected not to offer operating expense assistance to help support general operating expenses of a CHDO as permitted under 92.208, but instead will approve full developer fees consistent with County underwriting policy to cover CHDO expenses while developing CHDO projects. The County will consider exceptions on a case-by-case basis.

For this application, any nonprofit wishing to be certified as a CHDO must:

- Submit the completed HHFDC CHDO Certification Application
- Indicate whether it will request:
  - Pre-development loans as permitted by 92.301; and/or
  - Retention of net proceeds (if any) from the sale of homebuyer projects.

## 10. Current HOME Program Limits

The following HOME Program limits are imposed by HUD annually. The FY2022 limits are currently available. When updated limits for FY2023 are published by HUD, they may be applied to the projects submitted in response to this RFP.

**TABLE 1**

2022 MAUI COUNTY HOME PROGRAM RENT LIMITS (subject to update)

	Efficiency	1-Bdrm	2-Bdrm	3-Bdrm	4-Bdrm
50% MEDIAN LIMITS (Low HOME Rents)	\$998	\$1070	\$1283	\$1483	\$1655
65% MEDIAN LIMITS (High HOME Rents)	\$1279	\$1371	\$1647	\$1894	\$2094

**TABLE 2**

Very low income families mean low income families whose annual incomes do not exceed fifty percent (50%) of the median family income for the area, as determined by HUD, with adjustments for smaller and larger families.

Low-income families mean families whose annual incomes do not exceed eighty percent (80%) of the median income for the area, as determined by HUD, with adjustments for smaller and

larger families.

60% of median limits apply to the initial occupants of High HOME rental units.

2022 MAUI COUNTY Adjusted HOME Income Limits (subject to update)

	1 PERSON	2 PERSON	3 PERSON	4 PERSON
50% OF MEDIAN	\$39,950	\$45,650	\$51,350	\$57,050
60% OF MEDIAN	\$47,940	\$54,780	\$61,620	\$68,460
80% OF MEDIAN	\$63,950	\$73,050	\$82,200	\$91,300

  

	5 PERSON	6 PERSON	7 PERSON	8 PERSON
50% OF MEDIAN	\$61,650	\$66,200	\$70,750	\$75,350
60% OF MEDIAN	\$73,980	\$79,440	\$84,900	\$90,420
80% OF MEDIAN	\$98,650	\$105,950	\$113,250	\$120,550

**TABLE 3**

2022 MAUI COUNTY MAXIMUM PER UNIT SUBSIDY LIMITS (subject to update)

0 Bedroom	1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms
\$159,753	\$183,132	\$222,693	\$288,093	\$316,236

**TABLE 4**

2022 MAUI COUNTY PURCHASE PRICE/VALUE LIMITS (subject to update)

1 Family/Condo (new & existing)
\$610,000

**D. HOME-ARP PROGRAM REQUIREMENTS**

The HOME-ARP Program is intended to provide assistance to Qualifying Populations.

**1. Eligible Recipients**

A recipient is any public agency, private non-profit organization, or private for-profit entity eligible to apply for HOME-ARP assistance. A recipient of HOME-ARP funding must:

- 1) Make assurances to the County that it will comply with the requirements of the HOME-ARP Program, including the ongoing compliance requirements for the

Compliance Period;

- 2) Demonstrate the ability and financial capacity to undertake, comply and manage the eligible activity;
- 3) Demonstrate its familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HOME-ARP funds to ensure compliance with all applicable requirements and regulations of such programs; and
- 4) Have demonstrated experience and capacity to conduct an eligible HOME-ARP activity as evidenced by its ability to own, construct, or rehabilitate, and manage a project to the one being proposed.

## **2. Eligible Activities**

In general, County of Maui HOME-ARP funds may be used to acquire, rehabilitate, or construct affordable rental housing primarily for occupancy by households of individuals and families that meet the definition of one or more of the Qualifying Populations (QPs) described in Section IV.A of Notice CPD-21-10 (hereafter in this section, “the Notice.”)

Applicants may propose mixed-use and/or mixed-income housing projects. However, HOME-ARP funds may only be used for the eligible costs of units that meet the HOME-ARP requirements – hereafter referred to as “HOME-ARP assisted units.”

Projects must meet the definition of “housing” in 92.2. Emergency shelters, hotels, and motels (including those currently operating as non-congregate shelter), facilities such as nursing homes, residential treatment facilities, correctional facilities, halfway houses, and housing for students or dormitories do not constitute housing for the HOME-ARP program, but HOME-ARP funds may be used to acquire and rehabilitate such structures into HOME-ARP rental housing.

An eligible project must also meet the 92.2 definition of “project” which means “a site or sites together with any building (including a manufactured housing unit) or buildings located on the site(s) that are under common ownership, management, and financing and are to be assisted with HOME-ARP funds as a single undertaking under this part. The project includes all the activities associated with the site and building.”

Only affordable housing activities conducted within the County of Maui will be considered for funding. Any housing activities located in a 100-year flood zone are not likely to receive funding.

## **3. Eligible Costs**

HOME-ARP Program funds may be used to pay the following eligible project costs for HOME-assisted housing units:

- Development hard costs - Costs to support applicable new construction or rehabilitation standards. For both new construction and rehabilitation, the cost of demolition, utility connections, and site improvements are also eligible.

- Acquisition of property - Costs of acquiring improved or unimproved real property. Acquisition of vacant land must be undertaken only with respect to a housing project intended to provide HOME-ARP assisted housing.
- Related soft costs - Other reasonable and necessary costs incurred by the owner or participating jurisdiction associated with the financing and/or development of new construction, rehabilitation, or acquisition, as defined in 92.206(d). Soft costs may include architectural fees, engineering fees, builders' and developers' fees, financing fees, credit reports, title insurance, recordation fees, legal and accounting fees, including cost certifications, appraisals, environmental reviews, project audit costs, funding of an initial operating deficit reserve for new construction or substantial rehabilitation, staff and overhead costs directly related to carrying out a project, impact fees, affirmative marketing, and fair housing information services, as long as they are part of the project.
- Developer Fee – For new construction, the maximum developer fee is the lower of 15% of total development costs or \$3,750,000. For acquisition/rehabilitation, the maximum developer fee is 10% of the acquisition costs and 15% of the rehabilitation costs, or \$3,750,000, whichever is less.
- Relocation Costs - Costs of relocation payments and other costs for permanent or temporary relocation, including staff and overhead, replacement housing, moving costs, and out-of-pocket expenses.

If the HOME-ARP funds are not used to directly pay a development cost but are used to pay off a construction loan, bridge financing loan, or guaranteed loan, the payment of principal and interest for such loan is an eligible cost only if (1) the loan was used for eligible costs specified in this HOME-ARP rental housing section, and (2) the HOME-ARP funds are part of the original financing for the project and the project meets the requirements of the Notice Section VI.B.5.f.

#### **4. Prohibited Activities**

In general, HOME-ARP funds cannot be used to:

- Provide project-based or tenant-based subsidies (except under a TBRA Program).
- Provide non-federal matching contributions required under any other federal programs except to match McKinney Act funds.
- Provide payment for the acquisition of property owned by the Participating Jurisdiction (PJ), except for property acquired by the PJ with HOME-ARP funds, or property acquired in anticipation of carrying out a HOME-ARP project.
- Provide project reserve accounts for replacements and unanticipated increases in operating costs, or operating subsidies for rental housing, except if operating cost assistance as provided in Notice CPD-21-10 is approved by the County.

Ineligible costs that may not be paid with HOME-ARP funds include:

- Costs for luxury improvements or improvements that are not consistent with the HOME Final Rule standard of “non-luxury housing with suitable amenities.”
- Payment of any deposits, working capital or operating costs.
- Operating, replacement or other reserves, other than the initial operating deficit reserve, except for projects exclusively serving Qualifying Populations as determined necessary for project sustainability by underwriting.
- Off-site infrastructure, except for necessary connections to offsite utilities for the assisted unit.
- Refinancing or payment of other debt.
- Costs of non-residential space (community rooms, commercial or civic spaces, etc.) in a project.
- Delinquent taxes, fees or charges on properties to be assisted.
- Any other cost that is not eligible under the HOME regulations at 92.206 – 92.209 and CPD-21-10 Section VI.B.5.

While HOME-ARP funds may not be used to pay these costs, they may be included in the development budget and paid with other funds to the extent they are necessary for the completion and viability of the project.

In addition, project owners may not charge fees to tenants unless they are approved by the County consistent with 92.214(b)(3).

## **5. Eligible Forms of Assistance**

The HOME-ARP Program permits flexibility in the forms of assistance to housing, including: grants, deferred payment loans (forgivable or repayable), interest-bearing or non-interest-bearing loans or advances; interest or principal reduction subsidies, equity investments, and loan guarantees.

Under most project circumstances, the assistance will be provided to the project owner as a deferred loan. The County will determine the appropriate form of assistance based on the activity type, the underwriting determination of reasonable assistance, and the need to enforce Program requirements during the Compliance Period. For Tax Credit and other projects, interest will be required with cash flow loan terms appropriate to the project. For nonprofit projects, non-interest-bearing loans will be considered.

The County has elected to not provide operating assistance or capitalization of reserves as permitted by the Notice, except that it will consider providing such assistance to a nonprofit project that is substantially or exclusively being operated for Qualifying Populations if necessary to ensure sustainability.

## 6. HOME-ARP Project Requirements

The HOME-ARP Program targets a wide range of housing activities; guidelines and program requirements vary depending on the type of housing activity involved. HOME-ARP projects must meet the requirements of 24 CFR 92.251 - .253 as modified by Notice CPD-21-10 and summarized below. Applicants are encouraged to read the sections of the HOME Final Rule and HOME-ARP Notice cited below.

RENTAL HOUSING: HOME-ARP funds may be allocated to transitional or permanent housing, including specific units in a mixed-income or mixed-use project. The following restrictions pertain to HOME-ARP assisted units in a rental project.

1. Minimum & Maximum HOME-ARP Investment (92.205(c)) – The minimum HOME-ARP investment is \$1,000 per HOME-ARP assisted unit. Per Section VI.B.9 of the Notice, the maximum subsidy is 100% of the eligible and reasonable costs allocated to HOME-ARP units, as determined through underwriting. The Maximum HOME subsidy limit does not apply to HOME-ARP.
2. Underwriting, Subsidy Layering & Cost Allocation (92.250(b)) – Before committing HOME-ARP funds to a project, the County must evaluate the project to determine the amount of HOME-ARP capital subsidy necessary to provide quality affordable housing that meets program requirements and is financially viable throughout the minimum 15-year HOME-ARP compliance period. (Notice Section VI.B.10, p. 25 – 28)

HOME-ARP units are designated through cost allocation conducted as part of underwriting. For each project, a unit mix is designated in the written agreement, including the number of units to be occupied by QPs by type or size, and the number of Low -Income HOME-ARP units by type or size (if applicable.)

3. Site and Neighborhood Standards (92.202(b)) – Proposed new construction HOME-ARP projects must meet site and neighborhood standards of 24 CFR 983.57(e)(2) and (e)(3), in accordance with 24 CFR 92.202 and under Section VIII.F.2.q. of the Notice.
4. Property Standards (92.251) – As required by Notice Section VI.B.11, all HOME-assisted units must meet, at a minimum, the applicable property standards at 92.251. For housing that is newly constructed (92.251(a)) or rehabilitated (92.251(b)), all applicable local codes, rehabilitation standards, energy standards, ordinances, and zoning ordinances must also be met.

Rental properties must continue to meet applicable property standards at 92.251(f) and will be subject to inspections by the County for the period of affordability.

5. Occupancy – Any unit that is assisted with HOME-ARP funds will be subject to HOME-ARP requirements. The number and mix of HOME-ARP will be determined through underwriting and cost allocation.

Per the Notice (Section VI.B.1.a., p. 22), the County will require that not less than 70 percent of HOME-ARP assisted units must be occupied by households in the



Qualifying Populations at the time the household initially occupies. The Notice (Section IV.A, pp. 3 – 8) defines qualifying households as: (1) homeless, as defined in section 103(a) of the McKinney-Vento Homeless Assistance Act, as amended (42 U.S.C. 11302(a)) (“McKinney-Vento”); (2) at risk of homelessness, as defined in section 401 of McKinney-Vento; (3) fleeing, or attempting to flee domestic violence, dating violence, sexual assault, stalking, or human trafficking; or (4) part of other populations where providing supportive services or assistance would prevent a family’s homelessness or would serve those with the greatest risk of housing instability.

Qualifying Households are eligible for admission to HOME-ARP rental units solely by meeting the definition of one of the Qualifying Populations. HOME-ARP does not impose income restrictions on units restricted for Qualifying Populations). Each subsequent year during the compliance period, starting 1 year after initial occupancy, the PJ must use the definition of annual income as defined in 24 CFR 5.609 to examine the income of qualifying households to determine the household’s contribution to rent.

If approved by the County through underwriting, up to 30% of the HOME-ARP assisted units in a project may be occupied by Low-Income households (80% AML) as defined by the Notice and HOME Final Rule at 92.2. See Table 9.

For HOME-ARP units designed for Low-Income Households, the PJ must use the definition of annual income as defined in 24 CFR 5.609 to examine the household’s income at initial occupancy and each subsequent year during the compliance period to determine the household’s ongoing income eligibility and applicable rental contribution.

In a mixed-income property, units may be designated as fixed or floating by the County. (92.252(j)) Fixed units remain the same throughout the Compliance Period, but the location of floating units may change as needed to maintain compliance with the requirements of the written agreement throughout the Compliance Period. The total number of restricted units required to meet the income and rent limit restrictions remains the same, and each substituted unit is comparable in terms of size, features and number of bedrooms to the originally designated HOME-ARP assisted units.

Rental units cannot be denied to Sec. 8 voucher and certificate holders because of their status as a certificate or voucher holder.

Unrestricted units in a mixed-income project are not subject to occupancy restrictions or rent limits.

6. Tenant Selection Plan – Affirmative marketing procedures apply to projects with 5 or more HOME-assisted units (92.351), and the County must approve the tenant selection plan (92.253(d).)

Project-specific waiting lists will be used for HOME-ARP rental projects, in accordance with Section IV.C.2.iii. (p. 11) of the Notice. No preferences or limits on eligibility will be permitted unless prior approval is granted by the County and

the HOME-ARP Allocation Plan is amended to include any preference or limitation.

Selection of tenants is subject to the conflict of interest provisions in 92.356.

7. Initial Occupancy – Within six months of project completion, if all the units in a project are not occupied by eligible tenants, HUD requires the PJ to submit marketing information and, if appropriate, a marketing plan to demonstrate what steps will be taken to get the vacant unit(s) rented.

Within 12 months of the date of project completion, if any assisted unit is not occupied by eligible tenants, the unit will not qualify as HOME-ARP assisted and the PJ will be required to repay to HUD the HOME-ARP funds invested in the vacant units. If some of the units in the project are rented, this amount can be pro-rated.

8. Maximum Allowable Rents (see Table 8 for current rent limits): The Notice (Section VI.B.13) establishes rent limits for HOME-ARP units restricted for qualifying populations and for units that may be restricted for low-income household.

- Units Restricted for Occupancy by Qualifying Households: HOME-ARP rents may not exceed 30% of the adjusted income of a household whose annual income is equal to or less than 50% of the median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit, except that: (1) if the unit is receiving a Federal or state project-based rental subsidy and the tenant is paying no more than 30 percent of adjusted income, the rent allowable under the project-based rental subsidy program may be charged; and (2) if a household receives tenant-based rental assistance, the rent is the rent permissible under the rental assistance program.
- HOME-ARP units occupied by low-income households: HOME-ARP rental units occupied by low-income households must comply with the rent limitations in 24 CFR 92.252(a) (i.e., the lesser of the Fair Market Rent for existing housing for comparable units in the area, as established by HUD, or a rent equal to 30 percent of the income of a family at 65 percent of median income for the area, as determined by HUD, with adjustments for number of bedrooms in the unit), except that if a household receives a form of Federal tenant-based rental assistance (e.g., housing choice vouchers), the rent is the rent permissible under the applicable rental assistance program (i.e., the tenant rental contribution plus the rent subsidy allowable under the rental assistance program).

The rent limits for HOME-ARP units for qualifying households and low-income households include the rent plus the utility allowance established pursuant to Section VI.B.13.d of the Notice.

Rent limits apply for the Compliance Period, and rents must be approved annually

by the County. Rent limits are updated annually by HUD, and the rents charged must be approved annually by the County for the applicable Compliance Period.

9. Income Re-examination & Rents for Over-Income Tenants (92.252(i)) – Regardless of the type of HOME-ARP unit, the income of all households in HOME-ARP assisted units must be reexamined annually to determine applicable rent.

If a Qualifying Population household’s income is over 50% but below 80%, the household must pay the rent applicable to a Low-Income unit.

If a HOME-ARP tenant’s income increases beyond 80% of median, the tenant must pay no less than 30% of the family’s adjusted monthly income, as required by 92.252(i).

See Table 9 for current income limits, subject to change annually by HUD.

10. Lease and tenant protections (92.253) – Tenants in HOME-ARP assisted units must have leases for a period of not less than 1 year, unless a shorter period is mutually agreed upon, in compliance with 92.253, and in a form that is approved by the County. The lease must incorporate the HOME-ARP and VAWA lease addendum. Per 24 CFR 92.253(c), a 30-day notice is required to increase rents or terminate tenancy.

- VAWA Protections (92.359) – HOME-ARP assisted rental housing must meet the VAWA requirements of 92.359 for the protection of applicants or tenants who are victims of domestic violence, dating violence, sexual assault, or stalking.
- Termination of Tenancy (92.253(c)) – An owner may not terminate the tenancy or refuse to renew the lease of a tenant of HOME-ARP assisted rental housing, except for serious or repeated violation of the terms and conditions of the lease for violation of applicable Federal, State or local law, or for other good cause. To terminate or refuse to renew tenancy, the owner must provide written notice to the tenant at least 30 days before termination specifying the grounds for the action and providing a specific period for vacating that is consistent with State or local law.
- Tenant Fees (92.214(b)(4)) – Project owners may not charge fees to tenants unless they are approved by the County.

11. Compliance Period (92.252(e)) – The Compliance Period is 15 years as specified in Notice Section VI.B.18 (p. 33.) If the project has project-based rental assistance, the minimum Compliance Period will be the greater of 15 years and the term of the HAP contract. The Compliance Period will be enforced through the Written Agreement and a recorded deed restriction running with the land.

## **7. Other Federal Requirements**

The following regulations and requirements may apply to projects financed by federal

HOME-ARP funds. This list is not all-inclusive. Applicants must comply with all applicable federal regulations and requirements.

1. Fair Housing and Equal Opportunity.

- Title VI of the Civil Rights Act of 1964, as amended (42 U.S.C. d) (provides that no person may be excluded from participation in, denied the benefits of, or subjected to discrimination under any program or activity receiving federal financial assistance on the basis of race, color, or national origin)
- Title VIII of the Civil Rights Act of 1968, as amended "the Fair Housing Act" (42 U.S.C. 3601) (prohibits discrimination in the sale or rent of units)
- Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 11259) (prohibits discrimination in housing or residential property financing related to any federally assisted activity)
- Architectural Barriers Act of 1968, as amended (U.S.C. 4151) (provides that public buildings and conveyances financed with federal funds are to be designed, constructed, or altered to provide accessibility to the physically handicapped)
- Age Discrimination Act of 1975, as amended (42 U.S.C 6101) (prohibits age discrimination in programs receiving federal financial assistance)
- Equal Employment Opportunity, Executive Order 11246, as amended, (prohibits discrimination against any employee or applicant for employment because of race, color, religion, sex, or national origin).

2. Affirmative Marketing. (for all HOME-ARP housing projects with 5 or more units) Affirmative marketing steps taken to provide information and otherwise attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, religion, familial status or disability. (Affirmative marketing procedures do not apply to families with Section 8 tenant-based rental housing assistance or families with tenant-based rental assistance provided with HOME-ARP funds). The County must approve the marketing and selection plan.

3. Handicapped accessibility. Housing must meet the accessibility requirements at 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601 – 3619).

4. Section 3 of Housing and Urban Development Act – 1968. 12 U.S.C.1701u. requires to the greatest extent feasible, provide opportunities for training and employment arising from HOME-ARP to low-income persons residing in the program service area).

5. Minority and Women Owned Business Enterprises (MBA/WBE). Executive

Orders 11625, 12432, and 12138, requires to the maximum extent possible, the inclusion of minorities and women owned businesses in all contracts).

6. Site and Neighborhood Standards. In compliance with Title VI of the Civil Rights Act of 1964, new construction of rental housing must meet the requirements of 24 CFR 983.57(e) (places limiting conditions on building in areas of "minority concentration" and racially mixed areas for new construction projects).
7. Environmental Review (NEPA). 24 CFR Part 58 environmental review for all HOME-ARP activities, but the type of review required will vary based on the activity funded with HOME-ARP dollars.

Under no circumstances will the County approve the release of funds for a project where an approved environmental review was not conducted in advance, and in accordance with all applicable rules and regulations. From the date of the issuance of this RFP through when the County notifies the Developer-owner of environmental clearance, only project planning and other exempt activities may be conducted. The Developer/owner cannot execute a purchase contract for acquisition of property until after NEPA approval, & clearance; however, pre-existing contracts that were executed prior to release of RFP are permitted.

8. Lead Based Paint Poisoning Prevention Act. HOME-ARP rehabilitation and construction activities must comply with 24 CFR Part 35 and Section 401(b) of the Lead-Based Paint Poisoning Prevention Act.
9. Labor Standards. Housing activities involving 12 or more HOME and HOME-ARP assisted units under the same construction contract require compliance with the Davis-Bacon Act and the Contract Work Hours and Safety Standards Act.
10. Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA). 42 U.S.C.4201-4655 and 49 CFR Part 24. Any occupants of the project site at time of application for HOME-ARP funds are subject to the protections of this Act, as well as Section 104(d) of the Housing and Community Development Act of 1974.
11. Flood zones. HOME-ARP funds are not usually provided in Federal Emergency Management Agency (FEMA) designated specific flood areas.
12. Debarred, suspended, and ineligible contractors and recipients: HOME-ARP funds cannot be provided to debarred, suspended or ineligible contractors, subcontractors or recipients.
13. Conflict of interest: In compliance with 92.356, no persons who exercise or have exercised any functions or responsibilities with respect to activities assisted with HOME-ARP funds, or who are in a position to participate in a decision-making process, or gain inside information with regard to these activities, may obtain a financial interest or financial benefit from a HOME-ARP assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to the HOME-ARP assisted activity or the proceeds from such activity, either for themselves, or those with whom they have business or immediate family ties

during their tenure or for one year thereafter. Immediate family ties include the spouse, parent, brother, sister, grandparent, grandchild, and in-laws of a covered person. This conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the grantee (State) or subgrantee (County).

In compliance with 92.356(f), no owner, developer, or sponsor of a project assisted with HOME-ARP funds (or officer, employee, agent, elected or appointed official, or consultant of the owner, developer, or sponsor or immediate family member or immediate family member of an officer, employee, agent, elected or appointed official, or consultant of the owner, developer, or sponsor) whether private, for-profit or nonprofit may occupy a HOME-ARP assisted affordable housing unit in a project during the required Compliance Period specified in §92.252(e). This provision does not apply to an employee or agent of the owner or developer of a rental housing project who occupies a housing unit as the project manager or maintenance worker.

Recipients must comply with procurement requirements at 2 CFR 200.318(c)(1)) and with any other applicable conflict-of-interest provisions.

14. Acquisition and relocation: Acquisition, rehabilitation, and/or demolition activities may be covered by the Uniform Relocation Act and/or Section 104(d) of the Housing and Community Development Act.

## **8. Additional HOME-ARP Submission Requirements**

Applicants must meet all of the following Minimum Threshold requirements to receive consideration for an allocation or award of HOME-ARP Program Funds:

- Market Assessment - A market assessment of the housing needs of the individuals to be served by the project must be submitted as a part of the application. The assessment should review the neighborhood and other relevant market data to determine that there is a current demand for the type and number of housing units being developed. (See 92.251(b)(2).)
- Site Control – Evidence of site control shall be submitted with the application for HOME-ARP funds. Site control shall be substantiated by providing evidence in the form of an executed lease or sale option agreement, fee simple deed, executed land lease, or any other documentation acceptable to the County. Applicants should be aware purchase or execution of a purchase agreement during the period of application review and environmental review is a choice limiting action under federal environmental review that can result in termination of any award.
- Environmental Site Assessment – An Environmental Site Assessment must be submitted in accordance with 24 CFR Part 58 and Chapter 343, Hawaii Revised Statutes. For acquisition/rehabilitation projects, the Environmental Site Assessment should address lead based paint and asbestos.
- Appraisal – For projects involving acquisition, the County and HHFDC may

require and appraisal and notices in compliance with the acquisition requirements of the Uniform Relocation Act.

- Property Standards – Applicants must demonstrate understanding and compliance with HOME Property Standards at 92.251, as applicable.

For projects intending to preserve housing through rehabilitation (92.251(b)), HOME-ARP applicants must use County rehabilitation standards for health and safety, and for replacement of major systems including structural support, roofing, weatherproofing (e.g. windows, doors, siding), plumbing, electrical; and HVAC.

For multifamily housing rehabilitation projects with 26 or more total units, the useful life of systems must be determined through a capital needs assessment, submitted with the application. For rental housing, replacement reserves must be adequate to repair or replace systems as needed. For homeownership projects with rehabilitation, each of the major systems must have a remaining useful life of at least 5 years or must be rehabilitated or replaced.

- Evidence of Sources – The Applicant is required to provide evidence of commitment of all sources of funds, and support all hard debt service loans and terms with executed lenders' commitment letters, letters of interest, or term sheets prior to being issued a commitment letter. This is not a prerequisite for the initial application.
- Rental Project Pro Forma Underwriting Metrics – For rental projects, the operating pro forma must demonstrate feasibility for at least the Compliance Period using the following metrics:
  - Debt Service Ratio (DSR) for Projects with Hard Debt: The Project is required to evidence a DSR of no less than 1.15x on all hard debt service requirements for the first 15 years for rehabilitation and 20 years for new construction.
  - Debt Service Ratio for Projects without Hard Debt: The Project is required to evidence a positive Net Operating Income (NOI) throughout the period of affordability.
  - Operating pro forma requirements: Annual income inflation rate of 2% for first 15 years and annual expense inflation rate of 3% for first 15 years, or term of the first mortgage, whichever is greater.
  - Annual income inflation rate of 2% and annual expense inflation rate of 2% for the remaining term of affordability.
  - Vacancy rate of no less than 5%.
  - Annual Replacement Reserve of no less than \$300 per unit per year.

**9. Current HOME-ARP Program Limits**

The following HOME-ARP Program limits are imposed by HUD annually. The FY2022 limits are currently available. When updated limits for FY2023 are published by HUD, they may be applied to the projects submitted in response to this RFP.

**TABLE 8**

2022 HOME-ARP PROGRAM RENT LIMITS (including Utility Allowance)

	Efficiency	1-Bdrm	2-Bdrm	3-Bdrm	4-Bdrm
QP UNITS	\$998	\$1070	\$1283	\$1483	\$1655
LOW-INCOME UNITS	\$1279	\$1371	\$1647	\$1894	\$2094

**TABLE 9**

Qualifying households are not subject to income limits at initial occupancy, but the income limits are used on recertification to determine tenant contribution toward rent.

Low-income households are subject to the 80% AMI limit on occupancy, and on recertification to determine rent or over-income rent.

2022 MAUI COUNTY Adjusted HOME Income Limits (subject to update)

	1 PERSON	2 PERSON	3 PERSON	4 PERSON
50% OF MEDIAN	\$39,950	\$45,650	\$51,350	\$57,050
80% OF MEDIAN	\$63,950	\$73,050	\$82,200	\$91,300

  

	5 PERSON	6 PERSON	7 PERSON	8 PERSON
50% OF MEDIAN	\$61,650	\$66,200	\$70,750	\$75,350
80% OF MEDIAN	\$98,650	\$105,950	\$113,250	\$120,550



## Part II. Application

### A. UNIFIED APPLICATION PROCESS

The Application Form (“Application”) contains the forms to prepare an application. For your submittal, use the application checklist and applicable forms. Before you start, carefully review the application packet to become familiar with the HOME, CHDO and/or HOME-ARP Program requirements.

Applicants are expected to have sufficient project development/program experience to carry out the proposed activity(s).

The following outlines the major steps to the application process:

1. Applicant submits completed application on or before April 15, 2023.
2. Staff score and rank applications, underwrite the highest-ranking projects until all funding has been used, and forward the results to the Housing Administrator. The Housing Administrator recommends project selection to the Director of Housing and Human Concerns for her consideration.
3. The Director of Housing and Human Concerns approves or rejects the Housing Administrator’s project selection and award recommendations.
4. Notice of Award letter is sent to applicant. Award letter may contain conditions of approval to be satisfied prior to the release of Program funds, including completion of environmental review.
5. The HOME, CHDO and/or HOME-ARP Agreement is executed between the County of Maui and Applicant. The Agreement is a legal contract that sets forth the terms and conditions for the use of HOME/HOME-ARP/CHDO funds.
6. Additional documents are executed at closing, including deed restriction and notes and mortgages, as applicable. Funds may be drawn only after closing.

### B. SCHEDULE

The following dates are approximate and subject to change:

	<u>Dates</u>
Applications Available	February 28, 2023
<b>Application Deadline</b>	<b>April 15, 2023</b>
Application Review	April 2023
Projects Selected	May 2023
Expected Funds Available	September 2023

### **C. CONSULTATION/TECHNICAL ASSISTANCE**

Applicants are encouraged to meet with Housing Division staff. Staff will advise prospective applicant(s) as to the suitability of their project relative to County priorities, HOME/HOME-ARP/CHDO requirements, and other potential funding sources. Technical assistance does not guarantee project selection or higher ranking versus applicants who do not receive technical assistance.

### **D. SUBMITTAL INSTRUCTIONS**

1. The County of Maui will NOT pay for or provide reimbursement for the cost of preparing and submitting a proposal application.
2. Four (4) sets of the completed proposal application are required. Of the four (4) sets of the proposal application, the original proposal application shall be unbound and the other three (3) sets are to be bound copies. All exhibits, attachments, and supplemental information must be clearly tabbed and indexed for easy reference. County requests budgets also be submitted electronically to facilitate underwriting.

Thumbdrives containing all project financial information and budgets is required. However, computer generated transmissions in lieu of paper submission will not be accepted.

3. Proposal applications are to be submitted in an unsealed envelope clearly and legibly showing the following information on the outside:

***Proposal for Development of  
HOME/HOME-ARP/CHDO Projects***

4. Proposal applications will not be opened publicly.
5. To be considered with the initial round of applicants, proposal applications that are hand delivered must be received by the Housing Division, County of Maui, by 4:00 p.m. (Hawaii Standard Time) on April 15, 2023 at:

**2065 Main Street, Suite 108  
Wailuku, Hawaii 96793**

Note: When hand-delivering, please ensure that the original proposal application is date stamped by a staff member of the Housing Division.

6. Proposals that are mailed to the Housing Division must be received no later than April 15, 2023, regardless of postmark date. Applications received subsequent to the deadline will be reviewed after the initial round of applications are reviewed, subject to the availability of funds.
7. Entities submitting a proposal application are responsible for ensuring that all required supporting documents are included in the completed proposal

application. Failure to comply with the requirements of this RFP will result in the rejection of the proposal application.

8. After all proposal applications have been reviewed, a determination will be made as to whether oral interviews will be conducted with selected entities or requests for additional information will be issued.
9. All questions concerning the proposal application should be directed to the Housing Division. You may contact [Regina.Freeman@co.maui.hi.us](mailto:Regina.Freeman@co.maui.hi.us) or through the Housing Division main number (808-270-7351).
10. The entity/entities selected to receive the HOME/HOME-ARP/CHDO Program funds to develop HOME/HOME-ARP/CHDO eligible projects will be notified in writing of selection. The award will be contingent upon completion of environmental review and meeting other conditions specified in the award letter.
11. Entities that are not selected may requesting a debriefing and additional technical assistance.

## **E. SELECTION CRITERIA**

The County reserves the right to accept or reject any or all proposal applications, or to request supplemental explanatory information. Staff will review, score and underwrite the proposal applications and provide a recommendation to the Director of Housing and Human Concerns for her consideration.

Maui County will review and rate all project proposals in accordance with the State's Selection Criteria, and in addition, also review using the following Maui County's selection criteria, which considers additional factors. Selected project(s) will be highest rated meeting both the State's and Maui County's selection criteria:

1. **Market Analysis (Max. 20 pts.)** – An assessment, at minimum, of the current market demand in the neighborhood in which the proposed project will be located, and the marketing efforts to be used for informing and soliciting applications from persons in the proposed project area who are least likely to apply without benefit of special outreach efforts;
2. **Timeliness and Readiness to Proceed (Max. 20 pts.)** – The proposed project is feasible and will meet the required timelines to commit and expend HOME, HOME-ARP and/or HTF funds. Factors to be considered for timeliness and readiness are site control, financial commitments, environmental factors, zoning, utilities and site and neighborhood standards;
3. **Consolidated Plan Priorities (Max. 5 pts.)** – The extent to which the project proposes accomplishments that will meet the affordable housing objectives for the HHFDC and County. Other factors to be considered, such as where the project is located in proximity to transit or employment centers, and housing that includes green building and sustainable building features or housing that serves special needs populations.

4. **Development Experience and Financial Capacity (Max 20 pts.)** – Ability to obligate HOME, HOME-ARP and/or CHDO dollars and undertake funded activities in a timely manner, past performance using federal funds, evidence of experience in developing and managing projects of similar type and scope, staff qualifications, fiscal soundness, and qualifications of the proposed project team, including proven record of experience with comparable projects. Priority consideration will be given to businesses that are Minority or Women Owned (MWBE) or commit to utilize MWBE concerns in their procurement and contracting.
5. **Financially Feasible Project (Max. 25 pts.)** – Project pro forma to cover the minimum program affordability period and include rents that are affordable to extremely low and low-income households. Priority to be given for projects with extended affordability periods and project-based rental assistance.
6. **Use of Non-Federal Funding Sources (Max. 10 pts.)** – Commitment for lower AMI's, other funding sources compatible with HOME, HOME-ARP and/or CHDO are required. Priority consideration will be given to the extent Program Funds are leveraged against non-federal funding sources.

A minimum score of 50 points (out of the 100 total points) must be scored in order to be considered for the award of funds. The County reserves the right to reject any and all proposals.

The selected Recipient will receive a Notice of Intent to Fund, which will state that the County's intent to award Program funds is subject to approval of the applicable Allocation Plan and Annual Action Plan by the approving authorities of the County, HHFDC, and HUD.

## **F. ATTACHMENTS**

## Application Checklist

*Mark N/A if item does not apply, but confirm with County.  
Incomplete applications may be rejected.*

- Application Checklist
- 1. Letter of transmittal or cover letter
- 2. Application & Attachments (as applicable)
  - Application Form
  - Rental or Homebuyer Development Budget Excel Workbooks
- 3. Applicant Information (as applicable)
  - Non-profit Articles of Incorporation
  - Corporate Bylaws
  - Most Current Year's Financial Audit
  - Resolution Authorizing Individual(s) to Sign Application
  - If CHDO, HHFDC CHDO Certification Application
  - MWBE Documentation
- 4. Experience and Qualifications
  - Resumes of Key Team Personnel
- 5. Site Information (if applicable)
  - Preliminary Title Report
  - Location Map
  - Project Site Map/Plan
  - Flood Insurance Rate Map
  - Evidence of Site Control
  - Phase 1 Environmental Site Assessment
- 6. Project Requirements (as applicable)
  - Project Management Plan & Schedule
  - Market Study or Assessment
  - Property Standards Compliance
  - Preliminary designs or scope (as available)
  - Evidence of Sources
  - Affirmative Marketing Plan
- 7. Supplemental Requirements (as applicable)
  - Tenant Selection Plan (Rental)
  - Property Management Plan (Rental)
  - Homebuyer Underwriting & Counseling Guidelines (homebuyer)
- 8. Letters of Community Support
- 9. HOME or HOME-ARP Certification(s)
  - Certification of Authorized Official

**1. Unified Application for Program Year 2023**

**COUNTY OF MAUI**

**HOME Investment Partnerships Program  
HOME-ARP Program**

**Assisted Housing Development Projects**

**a. General Applicant Information**

1. Name:

2. Address:

3. Phone: (\_\_\_\_) \_\_\_\_-\_\_\_\_\_

4. Contact Person: \_\_\_\_\_ Phone: (\_\_\_\_) \_\_\_\_-\_\_\_\_\_

5. The Entity is a:

- |  |  |
|--|--|
| <input type="checkbox"/> public agency             | <input type="checkbox"/> private non-profit organization |
| <input type="checkbox"/> private for-profit entity | <input type="checkbox"/> CHDO                            |
| <input type="checkbox"/> other                     |  |

(Include resolution authorizing individual(s) to sign application)

**b. General Project Information**

1. Project Name:

2. Location (town/community):

3. Tax Map Key #: \_\_\_\_\_

4. Project/Program Type: Check the appropriate activity:

- For-Sale Housing (HOME or CHDO only)
- Rental Housing
- Transitional Housing
- Other (please specify):

5. Funds requested:

HOME                    \$ \_\_\_\_\_  
 HOME-ARP                \$ \_\_\_\_\_  
 CHDO                     \$ \_\_\_\_\_

Will accept substitution of funds by County based on availability

6. Attach a narrative summary of the project addressing the following topics:

- Project Description
- Assisted Units & Target Audience
- Use of HOME/HOME-ARP/CHDO funds
- Proposed structure of HOME/HOME-ARP/CHDO assistance
- Results of the project - Describe the results you expect to achieve. Explain how the proposed activities are directly related to the priority housing need described and what anticipated direct and indirect results of the project will be. Include information on the length of commitment to the original target population, the continued affordability of the assisted housing in terms of monthly rent, and other program results that help illustrate the overall benefit of the project.
- Readiness of the project to proceed (e.g., status of site, approvals, other funds)

7. Total Project - size, number and rent of units:

	<u>Size</u>	<u>Number</u>	<u>Rent</u>
0 bedroom units	_____ s.f.	# _____	\$ _____
1 bedroom units	_____ s.f.	# _____	\$ _____
2 bedroom units	_____ s.f.	# _____	\$ _____
3 bedroom units	_____ s.f.	# _____	\$ _____
4 bedroom units	_____ s.f.	# _____	\$ _____

Total number of units in project: \_\_\_\_\_

8. Proposed HOME/HOME-ARP/CHDO Units – Number of affordable units, rents, and any tenant-paid utilities(as a percentage of median income)

<b>Assisted Unit Type</b>	<b># Units</b>	<b>Contract Rent</b>	<b>Utility Allowance</b>	<b>Total</b>
<b>50% AMI (HOME)</b>				
0 BR				
1 BR				
2 BR				
3 BR				
4 BR				
<b>60% AMI (HOME)</b>				
0 BR				
1 BR				
2 BR				
3 BR				
4 BR				
<b>80% AMI (HOME)</b>				
0 BR				
1 BR				
2 BR				
3 BR				
4 BR				
<b>Qualifying Populations (HOME-ARP)</b>				
0 BR				
1 BR				
2 BR				
3 BR				
4 BR				
<b>80% AMI (HOME-ARP)</b>				
0 BR				
1 BR				
2 BR				
3 BR				
4 BR				
<b>TOTAL HOME</b>				
<b>TOTAL HOME-ARP</b>				

9. Number of Special Needs households assisted:

Mobility Impaired \_\_\_\_\_  
Hearing/Vision Impaired \_\_\_\_\_  
Elderly \_\_\_\_\_

10. Project includes other facilities (if applicable):

\_\_\_ Community Center Facility



- Child Care Facility
- Other (Describe):

11. Are amenities or services provided to tenants?

Yes  No (If "Yes", briefly describe)

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12. Will project have innovative techniques in design, construction, or operation?

Yes  No (If "Yes", briefly describe)

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**c. Site Information**

A. Current legal owner of property: \_\_\_\_\_

B. Street Address (if applicable): \_\_\_\_\_  
 \_\_\_\_\_

C. Provide the following documents as clearly marked exhibits, if applicable:

1. Preliminary title report
2. Location map
3. Project site map
4. Flood insurance rate map

D. Total site land area: \_\_\_\_\_ sq.ft./acres

E. Describe the physical characteristics of site (shape, terrain, foliage, structures, etc.)

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F. If applicable, indicate if any of the following conditions apply to the infrastructure servicing the project site by checking the appropriate category:

	Yes	No	N/A
1. Road access to site adequate	___	___	___
2. Sewer capacity adequate	___	___	___
3. Electrical service adequate	___	___	___

- 4. Water service adequate
- 5. Aquifer serving area adequate
- 6. Storm drainage adequate
- 7. Trash/garbage service adequate
- 8. Fire service adequate
- 9. Police service adequate

Distance to fire station  miles  
 Distance to police station  miles

If any answer to the above questions is "No", on a separate attachment describe the deficiency, include the distance needed to bring the infrastructure to the project site and time to complete. Describe any actions being taken, or which must be taken to resolve any potential problems associated with any infrastructure deficiencies.

G. Schools. For new construction projects having more than 50 housing units, provide letters from the Department of Education that note (a) the capacity of the school(s) servicing the area of the project, (b) current enrollment, and (c) whether the school(s) can accommodate the additional students generated by the project.

H. Specify any off-site public improvements required for the project:

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I. Specify any special assessments or impact fees that are or may be required for the project:

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J. Land use requirements: Does the project already have the following applicable land use requirements necessary to carry out project proposed? Indicate by checking "Yes" or "No" for each item:

	Yes	No		Yes	No
State Land Use	<input type="checkbox"/>	<input type="checkbox"/>	General Plan	<input type="checkbox"/>	<input type="checkbox"/>
Subdivision Ordinance	<input type="checkbox"/>	<input type="checkbox"/>	Zoning Ordinance	<input type="checkbox"/>	<input type="checkbox"/>

If any answer to any question is "No", identify on a separate attachment any actions taken toward obtaining the necessary changes. Estimate the time required for effecting these changes.

Does the project require a 201 H Variance?  Yes  No

If yes, has it been approved?

If no, when will it be approved?

K. Site Control (if applicable):

1. Provide evidence of site control (e.g. date of option agreement, purchase agreement, lease agreement, development agreement, land sales contract, or other pertinent documentation).
2. For a real property acquisition, include appraisal, if available, or other information stating property value.

L. Environmental Considerations: Indicate which of the following environmental concerns are applicable to your project by checking "Yes" or "No":

	Yes	No
1. Project will affect a property designated as a historic site on the State or National Registers of Historic Places.	___	___
2. Project site is located in 100-year flood zone.	___	___
3. Project site is located in a wetland.	___	___
4. Project will require a Shoreline Management Permit.	___	___
5. Project will affect endangered species or their habitats.	___	___
6. Project has manmade hazards or nuisances.	___	___

If any answer to the above questions is "Yes":

Is a Phase 1 Environmental Assessment completed for the project? \_\_\_ \_\_\_

(If completed, provide one copy of the completed Phase 1 Environmental Assessment for the proposed project completed in accordance with 24 CFR Part 58 and Chapter 343.)

	Yes	No
Have any of the permits or clearances related to the environmental concerns been obtained?	___	___

If "No", to either of the above questions, identify on a separate attachment any actions taken toward obtaining an environmental clearance and the anticipated time to complete such actions.

M. Community support: (If available, include letters of support from community members, other organizations, government officials, and local elected officials)

**d. Project Budgets**

A. Provide as Attachments (and submit electronically) on the Excel workbooks either:

- a. FY2023 Rental Development Budget – complete all 6 tabs or worksheets
  1. Project Summary – Enter project information in the yellow cells (note: some cells are dropdown menus.) Enter all Sources. Do not enter Unit Mix, Operating Expenses or Development Costs, which will be automatically recorded from worksheets 3, 4 and 6.
  2. Program Limits – Enter the income limits and rent limits for the applicable units in the yellow cells.

3. Units & Revenue – Enter the unit distribution in the applicable yellow cells, by BR size and income level. Also enter common area square footage and other income sources in the yellow cells.
  4. Operating Budget – Enter the annual stabilized operating expenses in the yellow cells. Enter the senior mortgage information.
  5. 15 – 30 Yr. Projections – Enter the proposed inflation rates for revenue and expenses in the yellow cells. Enter other planned distribution or uses of cash flow, such as partner fees, deferred debt, etc.
  6. Development Budget – Enter the development uses in the yellow cells. If additional uses not listed, included in Other line items or add to existing lines with annotation.
- b. FY2023 Homebuyer Development Budget – complete all 3 tabs or worksheets:
1. Project Summary – Enter project information in the yellow cells (note: some cells are dropdown menus.) Enter all Sources. Enter estimates of sales prices and net proceeds of sale.
  2. Development Budget – Enter the development uses in the yellow cells. If additional uses not listed, included in Other line items or add to existing lines with annotation.
  3. Buyer Analysis – Enter estimated or average price, mortgage and other assistance information in yellow cells. This sheet will calculate the range of potentially eligible buyers by % of AMI income. (Some additional instructions and guidance is provided in the worksheet under Column K.)

**Important: The Excel workbooks have been designed for minimal entry of information. Please enter requested information only in cells that are yellow. Formulas in the white cells should not be modified without prior approval of the County.**

Describe all non-HOME/HOME-ARP/CHDO resources to be utilized for project or program implementation and management (discuss sources in the order listed in the Project Summary of the Excel workbook). Identify whether commitments are firm or tentative and under what circumstances tentative commitments will become actualized

**Attach commitment/reservation letters of other project/program funding sources that are in place.** Briefly describe the general terms and conditions of other resources and give their expiration date(s). For non-cash contributions, detail how dollar amounts were calculated.

Indicate the requested HOME/HOME-ARP/CHDO Loan Terms: Describe loan terms, loan repayment schedule, interest rate desired, and identify security/guarantee.

- B. Rental Operating Budgets must comply with the rental project underwriting standards contained in the RFP.
- C. Homeownership Project Policies (HOME) – Applicant must demonstrate feasibility for low-income homebuyers with financing consistent with the homeownership policies required by 92.254(f). Applicants must submit written standards and provide sample buyer underwriting estimating buyer costs in Attachment D.

**e. Developer Experience and Qualifications**

A. Provide name, address, contact person and phone number of the organization who will develop, manage, coordinate and implement the proposed project:

Name \_\_\_\_\_

Address \_\_\_\_\_

\_\_\_\_\_

Contact Person \_\_\_\_\_

Phone Number (\_\_\_\_) \_\_\_\_\_ - \_\_\_\_\_

B. Describe your capacity to carry out the proposed project. Submit relevant documents (i.e. applicable licenses to operate project, permits, etc.)

C. Describe the qualifications and experience of your organization and individual(s) who will manage the development of the project and manage the rental housing project. Submit detailed description of experience and ability to implement project.

D. Submit resumes of key personnel involved in the development, implementation and/or management of the rental housing project.

E. Describe past experience relevant to the proposed housing project.

1. Complete the following information for all federal/other funded project(s) within the last 5 years. Attach additional pages for each project, if needed:

a. Name of Project \_\_\_\_\_

b. Project Address \_\_\_\_\_

c. Date project started \_\_\_\_\_ Date completed \_\_\_\_\_

d. Total grant/loan amount \_\_\_\_\_ Source \_\_\_\_\_

e. Provide a brief description of project:

f) Describe any problems encountered in carrying out project:

g) Describe any amendments to the original proposal subsequent to receipt of federal/other funding:

h) Any differences between the anticipated and actual accomplishments of the project

(if, for example, a different number of housing units were built, etc.)

i) If the project is not yet complete, indicate why:

F. Legal Status of Applicant (check, as applicable):

1. Corporation: Non-profit  or For-profit   
Partnership: General  or Limited

Joint Venture (explain)

Note: If the proposal is submitted by a partnership or joint venture, composed of two or more individual firms, then each member firm must submit all information listed on this form, and in addition answer the following:

- (a) Members of Joint Venture
  - (b) Date of Joint Venture Agreement
  - (c) State of Registration
  - (d) Does the agreement between members comprising joint venture make them jointly and severally liable? If not, state terms of agreement in this regard.
  - (e) Certified copy of Partnership Agreement
2. The Offeror, if a corporation, was organized on \_\_\_\_\_ under the laws of the State of \_\_\_\_\_. (Attach Certified copy of Articles of Incorporation and Bylaws, or Certified copy of Partnership Agreement. Non-profit corporations are to attach a copy of the IRS tax-exempt determination).
3. Have you ever failed to complete any work awarded to you? \_\_\_\_\_. If yes, when, where and why?
4. Has any officer or partner of your organization in the past five (5) years been involved with some other organization that defaulted on a federally funded contract? \_\_\_\_\_. If yes, state name of individual, name of owner and reason therefore?
5. Has any officer or partner of your organization in the past five (5) years been involved with some other organization declared ineligible to participate in any governmental assisted contract? ( ) Yes ( ) No

If "Yes", please explain:

6. Has any officer or partner of your organization ever filed a petition of voluntary bankruptcy? ( ) Yes ( ) No
  
7. Has there ever been filed a petition or involuntary bankruptcy against your organization, or any officer or partner of the organization? ( ) Yes ( ) No
  
8. Has the organization, or any officer or partner ever made an assignment of assets for the benefit of creditors? ( ) Yes ( ) No
  
9. Are there any unsatisfied judgments outstanding against the organization, or any director or partner of the organization? ( ) Yes ( ) No
  
10. Has the organization been a party to any litigation within the last five (5) years? ( ) Yes ( ) No

If "yes" was answered to any question 6 through 10, give a full explanation:

**G. Legal Status of Project Owner (if different than Applicant):**

1. Corporation: Non-profit \_\_\_ or For-profit \_\_\_  
 Partnership: General \_\_\_ or Limited \_\_\_
  
- (a) Members of Entity
- (b) Expected date of creation
- (c) Certified copy of Partnership Agreement (if available)

**f. CHDO Requirements (CHDOs only)**

If the applicant is requesting HOME funds as a CHDO, the applicant must complete and provide the following in addition to all other requirements applicable to HOME:

- Submit the completed HHFDC CHDO Certification Application
  
- Indicate whether the applicant will request:
  - Pre-development loans; and/or
  - Retention of net proceeds (if any) of homebuyer projects.

**g. Additional Submission Requirements**

Provide the following as attachments:

- **Project Budgets** – For HOME/HOME-ARP/CHDO rental projects, submit Rental Development Budget Excel Workbooks.

- For HOME Homebuyer projects, submit Homebuyer Development Budget Excel Workbook.
  - Maximum HOME homebuyer assistance available to each homebuyer;
  - The expected income range (by \$ or % AMI) of buyers expected to qualify for assistance;
  - Minimum buyer contributions to down payment and closing costs;
  - Maximum front-end & back-end ratios; and
  - Senior mortgage standards, including loan types and terms that will not be permitted.
- **Evidence of Sources** – The Applicant is required to provide evidence of commitment of all sources of funds, and support all hard debt service loans and terms with executed lenders’ commitment letters, letters of interest, or term sheets.
- **Market Assessment** – Provide as an attachment either an independent market study or a market analysis that addresses the following:
  - Definition of the primary market area for the project;
  - Analysis of market demand for the project
  - Analysis of supply (the competition)
  - Estimates of capture rates and/or absorption

Provide references to source document and include the pertinent pages of the source document).

- **Site Control** – Evidence of site control shall be submitted with the application for HOME. HOME-ARP or CHDO funds. Site control shall be substantiated by providing evidence in the form of an executed lease or sale option agreement, fee simple deed, executed land lease, or any other documentation acceptable to the County. Applicants should be aware purchase or execution of a purchase agreement during the period of application review and environmental review is a choice limiting action under federal environmental review that can result in termination of any award.
- **Environmental Site Assessment** – All proposed multifamily housing (more than four housing units) projects require a Phase 1 Environmental Site Assessment. For acquisition/rehabilitation projects, the Phase 1 Environmental Site Assessment should address lead-based paint and asbestos.
- **Affirmative marketing & selection plan** – Provide as an attachment an overview of this affirmative marketing and participant (tenant or homebuyer) selection plan for the proposed project.

If rental, address tenant selection process, certification, waiting list, lease execution, and ongoing compliance monitoring (ongoing rent, income, property standards.) If a homebuyer project is proposed, attach an overview of affirmative marketing, buyer selection and underwriting, and ongoing compliance plan (annual verification of owner occupancy, and resale/recapture method.)

- **Project management plan & schedule** – Provide an overview of how project activities will be implemented, including (as applicable) acquisition, design, construction, financial management, marketing/selection, and ongoing management and compliance (rental). Identify team member and staff for all tasks. Provide schedule showing key phases of



pre-development, construction, and marketing/lease-up. Indicate the main contingencies to the timely implementation and completion of the project.

- **Project Design/Construction Scope** – Describe the status of project designs and approvals. Provide a copy of site plan and documents demonstrating status of design and work scope.
- For multifamily housing rehabilitation projects with 26 or more total units, the useful life of systems must be determined through a capital needs assessment, submitted with the application.
- **Homebuyer Underwriting & Counseling Guidelines** – For HOME homeownership projects, describe how the Applicant will ensure that all buyers receive counseling prior to commitment and will be underwritten under 92.254(f) and CPD-18-09 to ensure sustainable homeownership.

**h. HOME Certification**

WHEREAS, \_\_\_\_\_ (the "Applicant") has applied to The County of Maui ( the "HOME state recipient") for assistance from the HOME Program; and

WHEREAS, APPLICANT understands it is necessary that certain conditions be met as part of the application requirements;

Therefore, the APPLICANT certifies as follows:

1. The Applicant will comply with all applicable HOME statutes, regulations, and orders, as set forth in the HOME Program Final Rule (24 CFR Part 92), and all amendments thereto upon selection to receive HOME funds and ending upon the conclusion of all HOME funded activities.

2. The Applicant has the demonstrated ability and financial capacity to undertake, comply, and manage the HOME activity.

3. The Applicant has the demonstrated familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HOME funds to ensure compliance with all applicable requirements and regulations of such programs.

4. The Applicant has the demonstrated experience and capacity to conduct an eligible HOME activity as evidenced by its ability to: own, construct, or rehabilitate, and manage and operate similar projects as proposed in the application.

5. The Applicant understands and agrees that the awarding of HOME funds is subject to the availability of funds and the approval by the U.S. Department of Housing and Urban Development, HHFDC, and the County of Maui.

6. The Applicant, if selected for HOME funding, is prepared and has the authority within its charter, bylaws, or through statutory regulations to enter into a contractual agreement with the County of Maui and to provide further information and verify any statement made, as County deems necessary. The Applicant makes this Application and certification with full cognizance of its governing body.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_

**i. HOME-ARP Certification**

WHEREAS, \_\_\_\_\_ (the “Applicant”) has applied to The County of Maui ( the “HOME-ARP State Recipient”) for assistance from the HOME-ARP Program; and

WHEREAS, APPLICANT understands it is necessary that certain conditions be met as part of the application requirements;

Therefore, the APPLICANT certifies as follows:

1. The Applicant will comply with all applicable HOME statutes, regulations, and orders, as set forth in the HOME Program Final Rule (24 CFR Part 92) and all amendments thereto, as well as the HOME-ARP alternative requirements as stated in Notice CPS-21-10 upon selection to receive HOME-ARP funds and ending upon the conclusion of all HOME-ARP funded activities.

2. The Applicant has the demonstrated ability and financial capacity to undertake, comply, and manage the HOME-ARP activity.

3. The Applicant has the demonstrated familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HOME-ARP funds to ensure compliance with all applicable requirements and regulations of such programs.

4. The Applicant has the demonstrated experience and capacity to conduct an eligible HOME-ARP activity as evidenced by its ability to: own, construct, or rehabilitate, and manage and operate similar projects as proposed in the application.

5. The Applicant understands and agrees that the awarding of HOME-ARP funds is subject to the availability of funds and the approval by the U.S. Department of Housing and Urban Development, HHFDC, and the County of Maui.

6. The Applicant, if selected for HOME-ARP funding, is prepared and has the authority within its charter, bylaws, or through statutory regulations to enter into a contractual agreement with the County of Maui and to provide further information and verify any statement made, as County deems necessary. The Applicant makes this Application and certification with full cognizance of its governing body.

Signature: \_\_\_\_\_

Name: \_\_\_\_\_

Title: \_\_\_\_\_

Date: \_\_\_\_\_