

# **FY 2024 Pre-Application Workshop Community Development Block Grant and HOME Funding**

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## **Presentation Review**

- CDBG and HOME application process
- Project eligibility
- Letter of intent requirements

## **Presentation Available Online:**

<https://www.como.gov/community-development/housing-programs-division/>

# Estimated Funding FY 2024

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## **2024 CDBG Funding-CFDA No. 14.218**

- Approximately [\\$1,000,000](#)
- Estimated to be available Late Fall of 2024

## **2024 HOME Funding-CFDA No. 14.239**

- Approximately [\\$600,000](#)
- Funding estimated to be available Late Fall of 2024

- **CDBG and HOME funds are provided as a reimbursement for the project. No funds relating to the project may be spent prior to an active agreement with the City of Columbia.**

# Estimated Funding Additional Funding

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## **CDBG Funding**-CFDA No. 14.218

- Approximately [\\$813,024](#).
- Estimated to be available Fall of 2023

## **HOME Funding**-CFDA No. 14.239

- Approximately [\\$45,000](#).
- Estimated to be available Fall of 2023

Some funded projects from previous years have not had the ability to expend all of their funding, therefore allowing for additional funding that will be available during the Fall of 2023. (pending environmental review process)

# Previous Years Funding: FY2023

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## CDBG

- \$1,090,000 in funding requests
- \$820,000 in funding awarded
- 10 of 13 proposals were funded
- 1 was fully funded

## HOME

- \$1,110,000 in funding requests
- \$540,000 in funding awarded
- 5 of 5 proposals were funded
- All Projects were fully funded (not typical)

# CDBG and HOME

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## **Community Development Block Grant (CDBG)**

Federal program to improve low to moderate income households and neighborhoods by creating or enhancing:

- decent housing
- suitable living environment
- economic opportunities

## **HOME Investment Partnerships (HOME)**

Federal program to create affordable housing for low to moderate income households.

# Eligible Projects & Activities 2020-2024

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## **Community Facilities**

- Public facilities and improvements
- Homeless facility improvements

## **Affordable Housing**

- Home rehabilitation
- Direct homebuyer assistance
- Housing counseling and education
- New owner-occupied construction
- New rental unit construction
- Home accessibility improvements
- Tenant-based rental assistance

## **Economic and Workforce Development**

- Vocational training
- Technical assistance to businesses

## **Neighborhood Revitalization and Stabilization**

- Sidewalk construction
- Storm water construction
- Acquisition and demolition
- Code Enforcement

# Application Process

- Review 2020-2024 Consolidated Plan Goals:  
<https://www.como.gov/community-development/housing-programs-division/>
- Letter of intent is required by April 28, 2023
- Proposal Due May 10, 2023 via Neighborly System

For virtual staff assistance email **housingprograms@como.gov**

**\*\*Projects must benefit low to moderate income individuals or households\*\***

Current HUD defined 80% area median income

Household Size	Income Limit
1-person	\$49,300
2-person	\$56,350
3-person	\$63,400
4-person	\$70,400
5-person	\$76,050
6-person	\$81,700

# Letter of Intent Must Include

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- 100 word summary of the specific project the funds will be used for.
- Requested dollar amount (**Minimum Request \$20,000**)
- Funding type (**CDBG, HOME**)
- Phone and **Email** information for the staff member responsible for submitting to the online system.

Submit letter via email to: **housingprograms@como.gov**

**\*\*Must be received by 11:59pm April 28, 2023\*\***

**No late letters are accepted**



# Letter of Intent Example

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701 E. Broadway  
PO Box 6015  
Columbia, MO 65201-6015

April 28, 2023

Dear Housing Programs Division Staff:

This letter is to inform you of our organization's intent to apply for CDBG funds to renovate our youth center. We serve low-income at-risk youth with mentoring and learning opportunities through various programs at the center. Our facility needs a new HVAC system and a new roof. We intend to apply for \$50,000 in CDBG funds for these renovations.

John Doe is our grants manager and will be responsible for submitting our CDBG application through your on-line system. His email is [jdoe@example.org](mailto:jdoe@example.org) and his phone number is 573-000-0000. John will be contacting you to set up a time to review utilizing the Neighborly System.

Sincerely,  
Jane Doe  
Executive Director

# FY 2024 CDBG/HOME Application Timeline

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- March 8, 2023: Pre-application workshop
- April 19, 2023: Open FY 2024 Request for Proposal
- April 28, 2023: Required letter of intent due by 11:59 pm
- May 10, 2023: Deadline for Proposals, 11:59pm
- May 17, 2023: HCDC Public Hearing for FY2024 CDBG & HOME Public Projects, City Hall
- May 24, 2023: HCDC Public Hearing for FY2024 CDBG & HOME Private Agency Projects, City Hall
- June 14, 2023 - HCDC Meeting - FY 2024 Funding Recommendations Meeting, City Hall
- August 21, 2023: Council Considers FY 2024 Budget and CDBG, HOME Recommendations
- Spring 2024: HUD Notifies City of final 2024 allocations
- April-June 2024: Council adopts final Annual Action Plan
- May-June 2024: Environmental Reviews completed
- September-November 2024: Sign Agreements for 2024 Funding with City
- November 2024: Start Project
- December 31, 2025: Projects Completed

\*\*\*Dates may vary

# Additional Funding CDBG/HOME Application Timeline

- March 8, 2023: Pre-application workshop
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- May 10, 2023: Deadline for Proposals, 11:59pm
- May 17, 2023: HCDC Public Hearing for FY2024 CDBG & HOME Public Projects, City Hall
- May 24, 2023: HCDC Public Hearing for FY 2024 and Additional Funds CDBG & HOME Private Agency Projects, City Hall
- June 14, 2023 - HCDC Meeting - FY 2024 Funding Recommendations Meeting, City Hall
- August 21, 2023: Council Considers FY 2024 Budget and CDBG, HOME Recommendations
- September-October, 2023: Environmental Reviews Completed
- October-November, 2023: Amendments to Appropriate Annual Action Plans
- November-December 2023: Sign Agreements for Additional Funding with City
- November-December 2023: Start Project
- December 31, 2024: Projects Completed

\*\*\*Dates may vary

# CDBG Housing:

## Eligible Activities

- Rehabilitation, housing repair, accessibility improvements
- Homeownership Assistance
- On-site infrastructure improvements and demolition
- Property acquisition
- Inspections, lead hazard evaluations, rehabilitation administration
- Homebuyer education
- Fair housing counseling - (Public Service Activity)

### **Income Documentation**

- Occupants must be low to moderate income. (80% AMI or below)
- An application must be submitted by the property owner.
- Requires income verification according to HUD/City guidelines.

# **CDBG - Community Facilities:**

## **Eligible Activities**

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- Public facilities and improvements according to 24 CFR 570.201c
- Acquisition, renovation, new construction of community facilities:
- Examples:
  - Healthcare centers, Homeless shelters, Childcare centers, Youth activity centers

### **Income documentation Requirements**

- Existing facilities, survey FY 2022 beneficiaries
- New services and facilities, Survey beneficiaries for six months after the facility opens
- Funds are secured to the property with a deed of trust

# CDBG - Economic Development and Workforce Development (Public Service Activity):

## Eligible Activities

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- Vocational Training
- Technical Assistance to businesses with 5 or fewer employees.
  - Must be owned by low to moderate income household Or, at least 51% of employees meet criteria for being low to moderate income.
    - Based on household income
    - Based on geography of employee
      - Resides within census tract with at least 70% LMI households.
    - Based on geography of business
      - Located within a census tract with a poverty rate of at least 20%, and census block has poverty rate at least 20%.

# Public Service Activity Cap

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- Public Service Activities (Vocational training, housing counseling)
  - Must increase level of service or be a new service.
  - CDBG funds cannot substitute for agency funds.
  - Only 15% of total CDBG budget available
    - $15\% \times \$1,000,000 = \textbf{\$150,000}$
    - Also should track with 2020-2024 Consolidated Plan Goals.

# CDBG Neighborhood Revitalization and Stabilization

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## **Eligible Activities**

- Sidewalks
- Bus shelters
- Stormwater improvements
- Demolition of dilapidated structures

## **Income Documentation**

- Census data, CDBG eligible area (can be found on City Website under “Maps”)
- ADA improvements are assumed low income.
  - Beneficiaries are still surveyed after the improvements are completed.
  - 51% of beneficiaries must be LMI.



# HOME Program

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## **ELIGIBLE PROJECTS**

- Owner Occupied Rehabilitation
- New Construction of Owner Occupied Housing
- Homeownership Assistance (Existing Housing and New Construction)

## **ELIGIBLE COSTS**

- Architectural, Inspections, Demolition, Construction
- Acquisition of Property, Relocation, Other Professional Services
- Down Payment and Closing Costs

## **REQUIREMENTS**

- A deed of trust and promissory note for all projects
- HOME funds for rental production projects are provided in the form of a loan, with terms based upon a financial analysis of the project (subsidy layering requirements).

# Eligible HOME Recipients

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- City of Columbia (City Limits)
- Housing development organizations producing affordable housing
- Not-for-profit or public agencies administering housing programs
- Community Housing Development Organizations (CHDO)
  - Board structure (1/3 low income & no more than 1/3 public officials)
  - Housing development capacity
  - Not for profit
- For-profits completing a project consistent with HUD requirements
  - Affordability period
  - Rent/purchase price requirements
  - Income verification for occupants

# Owner-Occupied Requirements

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- 80% area median income or below
- Rehabilitation
  - CDBG: City property maintenance codes
  - HOME: City Rehab standards
- All new construction must meet current International Energy Conservation Code (IECC) and minimum Universal Design requirements.

# New Construction Owner-Occupied Requirements

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- All owner-occupied applications must also include:
  - Form X Underwriting spreadsheet with project costs.
    - Include all costs: hard costs, realtor fees, closing costs, architecture, insurance, etc.
  - Market analysis or appraisal less than 1 year old.
- Requested level of subsidy based upon the following criteria:
  - Home will be sold to participants less than 80% AMI
  - Subsidized price should be assumed to be at 80% LTV ratio
  - Subsidy should be based upon difference between total project costs and subsidized price at 80% LTV

# Universal Design Requirements

- At least one accessible, no-step entrance with at least a 36" door on an accessible route from site entry point; max threshold height: ¼" vertical, ½" beveled (1:2 slope).
- Maximum 1:20 running slope and 1:50 cross-slope for exterior accessible routes
- 36" wide clear travel space along accessible routes.
- 60" x 60" level (less than 2% slope in any direction) maneuvering space clear of door swing at accessible entrances; 18" clear space on pull side of door.
- One wheelchair accessible bathroom; See City staff.
- Minimum 32" interior door panel and 42" hallways; 18" clear space on pull side of all doors, minimum of 30" x 48" approach space on push side.
- Lever-type door handles.
- 1<sup>st</sup> floor switches & environmental controls shall be placed no higher than 48" above the finished floor, electrical outlets no lower than 15" above the finished floor to bottom outlet. Any switch/outlet above kitchen cabinets/bathroom vanity shall be placed no higher than 45" above the finished floor to switch or top outlet.
- Nominal 2x8 blocking placed in appropriate locations between studs to support installation of grab bars in the tub/shower and toilet areas of the wheel chair accessible restroom.

# Rental Housing Requirements

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- Serves occupants at 60% area median income or below
  - If 5 or more units, 20% must be at or below 50% AMI
- Affordability period will continuously be monitored
  - Occupant income verification
  - Rent rates
- Typically in conjunction with an application to MHDC.
- Assistance to the developer is in the form of a loan
  - Typically 1% for private developers and 0% for non-profits
  - Loan terms are dependent on project size and subsidy layering review
- Rental application must include a completed HOME Multifamily Underwriting Tool
  - <https://www.hudexchange.info/resource/2468/home-multifamily-underwriting-template/>

# Rental Housing Requirements

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HOME rental application must include the following 13 document uploads:

- 3<sup>rd</sup> party market study less than 1 year old.
- Financial statements from underlying owners and guarantors displaying the following:  
Owners must have net worth of at least 10% the total development cost and liquid assets of 3% of total development cost.
- Vacancy factor of at least 7% for family developments and 5% for elderly.
- Operating expenses with at least a 3% inflation factor.
- Project financials that demonstrated 1.2 debt coverage ratio.
- Reasonably justifiable operating costs in alignment with market.
- Capitalized operating reserve equal to at least six months of operating expenses.
- Pro forma with at least \$600 replacement reserves per unit, per year.
- Capital needs assessment for rehab projects.
- Maximum allowable developer fee of 15%.
- Builder maximum thresholds: 6% general requirements, 2% overhead, 6% profit.
- Architectural fees may not exceed 7% of construction hard costs.
- Disclosure of any other funding sources.

# Staff Analysis for Affordable Housing Proposal Fair Housing Task Force Resolution

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- In addition to HCDC rating criteria, projects consisting of new construction or comprehensive rehabilitation of rental or owner-occupied housing will also include a staff summary of the following items included with the proposal:
  - Project underwriting and subsidy layering review
  - Affordability
  - Energy efficiency enhancements
  - Storm water enhancements
  - Universal design features
  - Proximity to employment
  - Proximity to public transit
  - Proximity to neighborhood amenities



# Commissioner Application Rating Criteria

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- Organizational Management
  - Community Need
  - Quality of Outcomes
  - Diversity and Inclusion
  - Number of Persons Served and Value
  - Personnel and Staff Expertise
  - Project Location and Accessibility
  - Timeline
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- \*Important\*: The rating sheet is a tool for the Commission, not final decisions for determining funding.

# What Makes a Strong Project?

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## **\*Funding is provided for projects, rather than organizations\***

- Our funds are not first in funds
- Capacity to complete project
- Timeliness Tests
- Site control
- Experienced and Qualified Staff to operate/document program
- Neighborhood involvement
- Planning and Zoning compliance
- No negative Environmental impact:
  - Historic preservation
  - Hazardous substances (lead, asbestos, radon)
  - Storm water
  - Impact on public utilities
  - Phase I environmental review certain projects...see City staff

# State and Federal Requirements

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- Prevailing Wage: Any construction contract except housing developments with: Less than 8 units for CDBG Rehabilitation, 12 or more HOME Units.
- Uniform Relocation Act (If site is currently occupied).
- Equal opportunity employers.
- Procurement of services: 2 CFR PART 200
  - Administrative requirements.
  - Cost principles.
  - Audit requirements.

# Audit Requirements

Financial Audit Requirements		
Combined Annual Income of Organization	Allowable Form of Financial Statement Assurance	Required Accompanying Document
<\$25,000	Compiled (Full Disclosure), Reviewed, or Audited	None
≥\$25,000	Reviewed or Audited	Communications from auditor

# Summary

## SOURCES AND USES OF PROJECT FUNDING

- Prepare project budget listing **ALL COSTS**
- Determine amount of CDBG and/or HOME funds needed
- Determine best funding source for activity CDBG OR HOME
- Letter(s) of commitment from other funding sources
  - **Subrecipient Handbook:** <https://tinyurl.com/3eksujt4>

## Application Submission

- Review rating criteria.
- Be concise.
- Meet with City staff as needed: [housingprograms@como.gov](mailto:housingprograms@como.gov), 573-874-6321

**Proposals are due May 10, 2023 at 11:59pm  
in online Neighborly system.**

# Presentation to Commission

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- May 17 and May 24, 2023 - Proposal Presentations
- June 14, 2023 HCDC Funding Recommendations
- City Council will have their FY 2024 Annual Budget Hearing on August 21, 2023

**\*\*This is a competitive process.**

**Some applications will not be funded.**

**Many applications will not be fully funded.\*\***

# Housing Programs Contacts

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- Jennifer Deaver, Housing Programs Manager
- Jacob Amelunke, Senior Housing Specialist
- Darcie Clark, Housing Specialist
- Molly Fair, Administrative Technician
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- Email: [housingprograms@como.gov](mailto:housingprograms@como.gov)
- Phone: 573-874-6321
- Address: 500 E Walnut, Suite 108, Columbia
  - Please schedule an appointment if possible to meet with staff in person