

FY 2025 Pre-Application Workshop Community Development Block Grant and HOME Funding

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 2025

2025 CDBG Funding-CFDA No. 14.218

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

2025 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 Reallocated Funding

CDBG Funding-CFDA No. 14.218

- **Will announce through RFP**
- Estimated to be available Fall of 2024

HOME Funding-CFDA No. 14.239

- **Will announce through RFP**
- Estimated to be available Fall of 2024

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 2024. (pending environmental review process)

CDBG and HOME

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

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 26, 2024
- Proposal Due May 8, 2024 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 (June, 2023)

Household Size	Income Limit
1-person	\$52,200
2-person	\$59,650
3-person	\$67,100
4-person	\$74,550
5-person	\$80,550
6-person	\$86,500

Letter of Intent Must Include

- 100 word summary of the specific project the funds will be used for.
- Requested dollar amount (**Minimum Request \$25,000**)
- 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 26, 2024****

No late letters are accepted

Letter of Intent Example

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

April 26, 2024

Dear Housing Programs Division Staff:

This letter is to inform you of our organization's intent to apply for CDBG funds to renovate our public facility. 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 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 2025 CDBG/HOME Application Timeline

- February 28, 2024: Pre-application workshop
- March 18, 2024: Open FY 2025 Request for Proposals
- **April 26, 2024: Required letter of intent due by 11:59 pm**
- **May 8, 2024: Deadline for Proposals, 11:59pm**
- May 15, 2024: HCDC Public Hearing for FY2025 CDBG & HOME Public Projects, City Hall
- May 22, 2024: HCDC Public Hearing for FY2025 CDBG & HOME Private Agency Projects, City Hall
- June 12, 2024: HCDC Meeting - FY 2025 Funding Recommendations Meeting, City Hall
- August, 2024: Council Considers FY 2025 Budget and CDBG, HOME Recommendations
- Spring 2025: HUD Notifies City of final FY 2025 allocations
- April-June 2025: Council adopts final Annual Action Plan
- May-June 2025: Environmental Reviews completed
- September-November 2025: Sign Agreements for 2025 Funding with City
- November 2025: Start Project
- December 31, 2026: Projects Completed

***Dates may vary

Reallocated CDBG/HOME Application Timeline

- February 28, 2024: Pre-application workshop
- March 18, 2024: Open Reallocated Request for Proposals
- April 26, 2024: Required letter of intent due by 11:59 pm
- May 8, 2024: Deadline for Proposals, 11:59pm
- May 15, 2024: HCDC Public Hearing for Reallocated CDBG & HOME Public Projects, City Hall
- May 22, 2024: HCDC Public Hearing for Reallocated CDBG & HOME Private Agency Projects, City Hall
- June 12, 2024: HCDC Meeting – Reallocated Funding Recommendations Meeting, City Hall
- Summer, 2024: Council Considers Reallocated Budget and CDBG, HOME Recommendations
- Summer, 2024: Environmental Reviews Completed
- Fall, 2024: Amendments to Appropriate Annual Action Plans
- Fall, 2024: Sign Agreements for Additional Funding with City
- Fall, 2024: 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

- 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 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

- 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

- Public Service Activities (Vocational training, business 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
 - $15\% \times \$1,000,000 = \text{\$150,000}$
 - Also should track with 2020-2024 Consolidated Plan Goals.

CDBG Neighborhood Revitalization and Stabilization

Eligible Activities

- Sidewalks
- Bus shelters
- Storm water 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

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

- 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

- 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

- 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.
- 1st 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

- 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

HOME rental application must include the following 13 document uploads:

- 3rd 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

- 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

State and Federal Requirements

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

Commissioner Application Rating Criteria

- 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
-
- *Important*: The rating sheet is a tool for the Commission, not final decisions for determining funding.

What Makes a Strong Project?

Funding is provided for projects, rather than organizations

- Site Control (Per HUD exchange, FAQ ID: 1540, Acceptable documentation of site control is a deed or lease, if grant funds will be used for acquisition, a purchase agreement is acceptable evidence of site control)
- Timeliness Test
- Capacity to complete project
- 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 and public utilities
 - Phase I environmental review certain projects...see City staff

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
- **573-874-6321**

**Proposals are due May 8, 2024 at 11:59pm
in online Neighborly system.**

Presentation to Commission

- May 15 and May 22, 2024 - Proposal Presentations
- June 12, 2024 HCDC Funding Recommendations
- City Council will have their FY 2025 Annual Budget Hearing on August, 2024

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

Some applications will not be funded.

Many applications will not be fully funded.**

Housing Programs Contacts

- Jennifer Deaver, Housing Programs Manager
- Jacob Amelunke, Housing Specialist II
- Molly Fair, Housing Specialist I

- Email: housingprograms@como.gov
- Phone: 573-874-6321
- Address: 11 N 7th St., Columbia, MO
 - Please schedule an appointment if possible to meet with staff in person