

Multifamily Loan Policies for Projects of 8 or More Units

Program Purpose

The Multifamily program's purpose is to provide gap financing to developers in order to increase and/or maintain the supply of affordable rental housing units for very-low and low-income families by providing below market rate loans or grants. Nonprofit and for-profit developers may apply throughout the year and applications received will be reviewed on a first come first served basis pending funding availability. Sources of funding for this program include local SHIP, CDBG and HOME dollars, program income from these programs, and general revenue or other unrestricted funds, when available. In addition to the parameters outlined below, developments must comply with the applicable program guidelines for HOME (including but not limited to Fair Housing laws, Davis Bacon, Section 3, Affirmative Marketing and Housing Quality Standards) and SHIP (including but not limited to Fair Housing laws and Housing Quality Standards). Generally speaking, developments will provide housing for families earning 80% or less of area median income. Developments which propose to serve a higher income category may be considered pending the availability of SHIP funding.

The JHC Board reserves the right to incorporate specific targeting requirements, based on its annual strategic objectives, into its annual application process, and to incorporate preference criteria as appropriate. Such targeting may include the project's ability to meet preservation goals, mixed income goals, or ability of the project to serve families with extremely low incomes (ELI).

Project Criteria

Developers must provide the following threshold items:

- Evidence of site control, appropriate zoning, land use, and concurrency
- Evidence of title and current boundary survey
- Evidence of a satisfactory environmental report conducted by a third party
- A current appraisal
- Firm commitments from other sources of financing, including all loan terms
- Evidence of developer equity of at least 2% of total project costs. Deferred developer fees are an appropriate source of equity.
- Development timeline

Applications will be evaluated on the following criteria:

- Development team experience (including developer, contractor, and management experience)
- Financial feasibility, evidenced by cost estimates (construction and operating pro formas), cash flows, and debt service coverage ratios
- Social services and development amenities
- Development costs and amount of request as a percentage of total development costs
- Set-aside percentages and unit mix
- Effective 3/19/08, all owner/managers must agree to participate in the Crime Free Multifamily Housing Program.

Eligible Costs

- All soft costs related to the development, including third party reports, financing fees, reserves, and developer fees
- All reasonable and acceptable construction and/or renovation costs
- All acquisition costs
- Pay down of debts to stabilize and/or preserve an existing affordable development. An investment of JHC funds cannot be used for the sole purpose of paying developer fees.

Loan Terms

- Maximum Loan amount is 50% of total project costs with a maximum loan amount of \$1,500,000.

Updated 4/9/08

- Unless the LHAP is amended to require otherwise, loans are made as a 0% interest deferred payment loan provided that at least 50% of the units are set-aside for families at or below 80% of AMI. Loans for developments which do not provide at least 50% of the units for families at 80% of AMI will accrue interest at a 3% interest rate.
- The JHC Board may determine in its discretion that it is suitable in certain circumstances to provide funding to a development in the form of an outright grant.
- The loan term is for a minimum of 15 years, but may be amortized for up to 40 years.
- JHC requires that all loans be secured with a mortgage and note.
- JHC may also require a personal guarantee or other pledged collateral to securitize the debt.

OTHER REQUIREMENTS WHEN USING HOME AND CDBG FUNDS

❖ **92.350 Other Federal Requirements**

- The Federal requirements set forth in 24 CFR part 5, subpart A, are applicable to participants in the HOME program. The requirements of this subpart include: nondiscrimination and equal opportunity; disclosure requirements; debarred, suspended or ineligible contractors; and drug-free workplace.
- The nondiscrimination requirements at section 282 of the Act are applicable.

❖ **92.351 Affirmative Marketing; Minority Outreach Program**

- *Affirmative Marketing*
 - Affirmative marketing steps consist of actions 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.

❖ **92.352 Environmental Review**

- *General.* The environmental effects of each activity carried out with HOME funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR parts 50 and 58.

❖ **92.353 Displacement, Relocation, and Acquisition**

- A displaced person (defined in paragraph (c) (2) of this section) must be provided relocation assistance at the levels described in, and in accordance with the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (42 U.S.C. 4201-4655) and 49 CFR part 24.
- The participating jurisdiction shall comply with the requirements of 24 CFR part 42, subpart C.
- The acquisition of real property for a project is subject to the URA and the requirements of 49 CFR part 24, subpart B.

❖ **92.354 Labor**

- Every contract for the construction (rehabilitation or new construction) of housing that includes 12 or more units assisted with HOME funds must contain a provision requiring the payment of not less than the wages prevailing in the locality, as predetermined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a-276a-5), to all laborers and mechanics employed in the development of any part of the housing. Such contracts must also be subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332).

❖ **92.355 Lead-Based Paint**

- Housing assisted with HOME funds is subject to the Lead-Based Paint Poisoning Prevention Act (42 U.S.C. 4821-4846), the Residential Lead – Based Paint Hazard Reduction Act of 1992 (42 U.S.C. 4851 -4856), and implementing regulations at part 35, subparts A, B, J, K, M and R of this title.

❖ **92.356 Conflict of Interest**

- *Applicability.* In the procurement of property and services by participating jurisdictions, State recipients, and sub recipients, the conflict of interest provisions in 24 CFR 85.36 and 24 CFR 84.42, respectively, apply. In all cases not governed by 24 CFR 85.36 and 24 CFR 84.42, the provisions of this section apply.



Office of the Sheriff

Jacksonville, Florida

Crime Free Multi-Housing Program



The Jacksonville Sheriff's Office has implemented a community program called the **Jacksonville Crime Free Multi-Housing Program**. The program, which is endorsed by Sheriff John Rutherford, is a partnership between the Jacksonville Sheriff's Office, owners, managers and residents of our apartment communities. Our goal is to keep drugs and other illegal activity out of our communities.

Crime Free Multi-Housing Program Overview

The program was successfully developed by the Mesa Arizona Police Department in 1992. The International Crime Free Multi-Housing Program has spread to nearly 2,000 cities in 44 states, 5 Canadian Provinces, and other countries.

The program consists of three phases that must be completed under the supervision of the Jacksonville Sheriff's Office.

- **Phase 1 – Management Training**

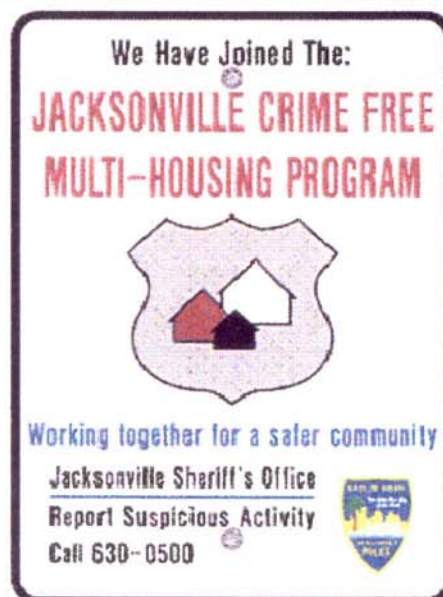
- Property Managers, owners and staff receive eight hours of training in the operation of the Crime Free Multi-Housing Program.
 - Training consists of the following:
 - Crime Prevention Techniques
 - CPTED (physical security of their communities)
 - Benefits of resident Screening
 - Lease agreements and eviction issues
 - Crime Free Lease Addendum
 - Addressing drug activity and crime on their property
 - Training the community in crime awareness

- **Phase 2 – CPTED Survey**

- A general CPTED (Crime Prevention through Environmental Design) survey is conducted on the apartment property.
 - A minimum safety standard must be met to participate in the Crime Free Multi-Housing Program. The following items are the minimum standards;
 - 180 degree eye viewers in all front doors
 - One inch deadbolts on all exterior doors
 - Minimum of two inch screws in strike plates on exterior doors (exception; steel framed door jambs)
 - Lift and slide protection on windows (accessible)
 - Lift and slide protection on sliding doors (accessible)
 - Adequate security lighting in working order (throughout the property)

- Properly trimmed landscaping throughout the property (3 and 7 foot rule – bushes and shrubbery trimmed below 3 feet and trees trimmed up to 7 feet)
 - Inoperable or expired vehicles tagged and removed from the property
 - A visible display of property address, seen from the roadway
- **Phase 3 – Resident Crime Prevention Meeting**
 - The apartment management must conduct an annual crime prevention meeting with their residents.
 - Community awareness and continuous participation is encouraged
 - **Certification**
 - Apartment communities that successfully complete all three phases of the training are permitted to post signs on their properties (see example sign below).
 - Certified properties will also be given the following:
 - Authorization to use the Crime Free Logo in advertising and marketing of their property.
 - Once operable, apartment managers will receive daily e-mail notifications from JSO, providing calls for service information on their property.
 - JSO will place a list of certified properties on the JSO website.
 - If a property fails to keep their standards, at our minimum level, their certification will be revoked

Sample Certified Membership Sign



- **Apartment Benefits**

- An increased demand for rental units, with a reputation as having an active management staff.
- A stable, more satisfied resident base.
- Lower maintenance and repair costs.
- An increase in overall property values.
- Improved personal safety for residents, managers and staffs.
- Peace of mind that comes from spending more time on routine management and less time on crisis control.

Thank you,

Officer John T. Prevost #7432

Jacksonville Sheriff's Office – Zone 3

Crime Free Multi-Housing Unit



(904) 739-1051 Crime Free Unit Office

(904) 828-5467 Zone 3 Sub Station

(904) 828-5465 Zone 3 Fax

Email: john.prevost@jaxsheriff.org

In case of an emergency - dial 911

JSO non-emergency number - 630-0500