



Jacksonville Housing and Community Development Commission

BOARD RETREAT

December 13, 2014 / 11:00 a.m. – 2:00 p.m.

**Northside Church of Christ
4736 Avenue B, Jacksonville, FL 32209**

AGENDA

- | | | |
|---------------|--|--|
| 11:00 – 11:20 | Call to Order w/ Introductions | Philip Mobley, Chair |
| 11:20 – 11:45 | Public Comments {3 minutes per comment} | |
| 11:45 – 1:45 | JHCDC | Elaine D. Spencer, Chief |
| | a. Roles and Responsibilities | |
| | b. Program Overview | LaCree Carswell – Comm. Dev |
| | <i>Constituency, Programs, Partners, Process</i> | Darrell V. Griffin Sr. – Housing Svcs. |
| | | Laura Stagner – Fin. & Comp. |
| | c. Universal Application Process | Laura Stagner – Fin. & Comp. |
| | | LaCree Carswell – Comm. Dev |
| | d. Legislative Process | Elaine D. Spencer, Chief |
| 1:45 – 2:00 | Final Comments | Philip Mobley |
| 2:00 | Adjourn | |

Highlights of the Changes in the 2013 HOME Final Rule

Introduction

The 2013 Rule contains many new provisions and changes that will have substantive and broad-based impact on how participating jurisdictions administer HOME activities. The 2013 Rule also codifies existing policy guidance that has been previously issued by HUD, and addresses a number of technical and non-substantive “housekeeping” items within the HOME regulation.

The key substantive changes in the regulation are intended to:

- Accelerate the timely production and occupancy of assisted housing,
- Strengthen the performance of PJs and their partners in producing and preserving affordable housing units,
- Provide PJs with greater flexibility in the design and implementation of their programs, and
- Increase administrative transparency and accountability.

Timely Production and Occupancy of Assisted Housing

The 2013 Rule revised a number of commitment and completion deadlines and imposed new occupancy deadlines:

- **HOME projects must be completed within four years of commitment.** Any project that is not completed timely will be terminated and PJs will be required to repay HOME funds drawn. [§92.205(e)(2)]
- **HOME-assisted rental units must be occupied by income-eligible households within 18 months of project completion;** if not, PJs must repay HOME funds for the vacant units. Note, for units that remain vacant six months following completion, the PJ must identify and develop an enhanced marketing plan and report this information to HUD. [§92.252]
- **A homebuyer unit must have a ratified sales contract within nine months of construction completion,** or the PJ must either convert it to a HOME rental unit or repay the full HOME investment. [§92.254(a)(3)]
- **CHDO set-aside funds must be committed to specific projects within 24 months of the PJ receiving its HOME allocation.** The PJ can no longer “reserve” CHDO funds for projects that will be identified at a later date. [§92.2 Commitment, §92.300(a)(1)]
- **CHDO set-aside funds must be expended within 5 years** of when the PJ receives its formula allocation. [§92.500(d)(1)(A) and (C), and §92.500(d)(2)]

Strengthen Performance in Producing and Preserving Affordable Housing

The 2013 Rule provides regulatory guidance to strengthen PJs’ performance in the production and preservation of HOME- assisted projects. These changes relate to underwriting, property standards and construction oversight, CHDO qualifications and capacity, and long-term viability of projects.

Underwriting and Program Design

- **PJs must underwrite all HOME projects** to ensure that each project is financially sustainable over its affordability period. The underwriting review evaluates cost reasonableness, market demand, developer capacity, and the commitment of other funding sources. [§92.250(b)]

- **PJs must adopt program policies for homebuyer programs** that include underwriting guidelines to determine the appropriate amount of assistance necessary to assist the low-income buyer; assessment of a buyer's ability to purchase and remain in the home (e.g., housing and consumer debt ratios, anticipated income, and available assets); and anti-predatory lending and subordination policies. [*§92.254(f)*]
- **Homebuyers must receive housing counseling** before receiving HOME assistance (downpayment assistance) or purchasing a HOME-assisted unit. [*§92.254(a)(3)*]

Property Standards and Construction Oversight

- **Property standards are updated** to reference current national codes and to require that PJs establish standards that will sustain quality assisted housing for at least the affordability period. Within the 2013 Rule, property standards requirements are reorganized by project type – new construction, rehabilitation, acquisition without rehabilitation, and manufactured housing. [*§92.251*]
- **PJs must identify and plan for major systems repairs.** For rental rehabilitation projects with 26+ units, this must be done via a capital needs assessment. The PJ must require that the scope of rehabilitation work and replacement reserves deposits must be sufficient to ensure the useful life of essential building components throughout the period of affordability. For homeownership housing, major systems must have a useful life of at least five years upon project completion. [*§92.251(b)(ii) and (viii)*]
- **PJs must develop inspection policies and procedures**, including initial inspections of properties to be rehabilitated or acquired to determine the necessary scope of work to bring each property up to applicable standards; and progress and final inspections for all new construction and rehabilitation projects to ensure projects are constructed according to approved plans. HUD will issue guidance to identify for PJs the minimum required inspectable elements based on the Uniform Physical Conditions Standards. [*§92.251(g)*]

CHDO Qualification and Capacity Requirements

- **To qualify as a CHDO, a nonprofit must have paid staff whose experience qualifies them to undertake CHDO set-aside activities.** Capacity cannot be demonstrated by use of a consultant, except in the first year that a CHDO becomes certified. [*§92.2 Community housing development organization*]
- **Each time the PJ commits HOME funds, it must re-certify a nonprofit's qualifications** to be a CHDO and its capacity to own, sponsor, or develop housing. [*§92.300(a)*]
- **The roles of owner, developer, and sponsor for CHDOs using set-aside funds are more specifically defined.** Among other changes, the 2013 Rule permits a PJ to provide CHDO set-aside funds for a CHDO that owns rental housing that it does not develop. [*§92.300(a)(2) – (6)*]

Long-Term Viability of Rental Projects

- **During the affordability period, PJs must examine the financial condition of projects** with 10 or more HOME-assisted units at least annually, and must take action where feasible to correct problems that threaten a project's financial viability. [*§92.504(d)(2)*]

Provide Flexibility in Program Design and Administration

The 2013 Rule provides flexibility to PJs by permitting new ways to design and administer local HOME Programs for increased program efficiency and effectiveness.

- **PJs may utilize a risk-based monitoring system and adjust the schedule of ongoing rental unit inspections** as part of a risk-based monitoring system, but inspections must occur no less frequently than every 3 years. The first on-site inspection must occur within 12 months of project completion. §92.504(d)
- **PJs are permitted to charge certain fees:** reasonable application fees, homebuyer counseling fees, and ongoing rental monitoring fees. The cost of inspections and income determinations for Tenant-Based Rental Assistance (TBRA) recipients may be charged as project soft costs. [§92.214(b)(1) and §92.209(a)]

Increase Administrative Transparency and Accountability

The rule requires PJs to develop several new written policies and procedures, making local program requirements clearer to program participants and the public as a whole.

- **PJs must develop risk-based monitoring systems** for all HOME funded activities and projects, including on-site monitoring schedules and financial oversight protocols for rental properties. [§92.504(a) and §92.504(d)(2)]

Key Changes

Timely Production and Occupancy of Assisted Housing
 Strengthen Performance in Producing and Preserving Affordable Housing
 Provide Flexibility in Program Design and Administration
 Increase Administrative Transparency and Accountability

More Information About the HOME Final Rule

[The 2013 HOME Final Rule Effective Dates](#)
[The 2013 HOME Final Rule and the 2012/2013 HOME Appropriations Acts](#)

Important Resources

[2013 HOME Final Rule, 24 CFR Part 92 \(Changes Only\)](#)
[Section by Section Summary of the 2013 HOME Final Rule](#)



Universal Application Process

This document outlines the Universal Application process of the Housing and Community Development Division (HCDD) of the Planning and Development Department.

This document outlines the Universal Application process of the Housing and Community Development Division (HCDD) of the Neighborhoods Department pertaining to the following Federal & State Programs:

- Housing Opportunities for Persons with AIDS – HOPWA
- HOME Investment Partnership Program – HOME
- Community Development Block Grant – CDBG
- Emergency Solutions Grant – ESG
- State Housing Initiative Partnership - SHIP

THE CONSOLIDATED PLAN UNIVERSAL APPLICATION PROCESS

The Consolidated Plan, Universal Application Process, was developed in accordance with 24 Code of Federal Regulations (CFR) Part 91, et al., *Consolidated Plan and Action Plan for Community Planning and Development Programs*. The regulations require each jurisdiction to submit a Consolidated Plan-Action Plan to Federal HUD at least 45 days prior to the start of its program year as a pre-requisite to receive funds under the formula grant programs listed below:

Community Development Block Grant Program (CDBG) – CDBG funding supports neighborhood revitalization and affordable housing programs, i.e., construction or reconstruction of infrastructure and/or public facilities, housing rehabilitation, and public services. At least 70 percent of funds must directly benefit persons whose income does not exceed 80 percent of the median family income guidelines for Duval County.

HOME Investment Partnerships Program (HOME) – HOME funding is designed to expand the supply of safe and affordable housing within Duval County. Expansion of affordable housing is accomplished through ownership or rental development activities, which includes rehabilitation and construction of rental and ownership housing, down payment and closing assistance for income eligible homebuyers, a regulatory Community Housing Development Organization (CHDO) set-aside of at least (15%) for the development of neighborhood action areas, and CHDO operating funds (not to exceed 5% of allocation).

Emergency Solutions Grant Program (ESG)– ESG funding supports activities designed to improve the quality of existing emergency homeless shelters through renovation, rehabilitation, and/or conversion of emergency shelter buildings. Funding also supports essential services and operating costs of homeless shelters, as well as, supports agencies that provide social services, outreach, case management, and support assistance in the prevention of homelessness.

Housing Opportunities for Persons with AIDS (HOPWA) – HOPWA funding provides housing assistance and supportive services for low-income persons and their families living with HIV/AIDS through social service agencies. Social services agencies provide outreach, case management, short-term rent, mortgage and utility payments and support services.

The purpose of the Consolidated Plan is to combine the planning, application and reporting aspects of HUD's formula programs using one collaborative process. A complete submission must be made every five years and an Action Plan must be submitted annually. Contents of the Action-Plan include:

- Form Application
- Resources
- Consultation and Citizen Participation
- Geographic Distribution
- Certifications
- Homeless and Other Special Needs Activities
- Program Specific Requirements
- Activities
- Monitoring

Pursuant to 24 CFR Part 91, et al., the City of Jacksonville is required to have a citizen participation plan. In order to be in compliance with HUD, the jurisdiction must hold at least one public hearing. To ensure maximum public notification and involvement, HCDD conducts at least two public hearings at locations convenient to public transportation and to maximize participation. The HCDD team also makes this information available to the six (6) Citizen Planning Advisory Committees (CPACs) to increase citizen participation. The citizen participation process results in the determination of priorities for funding, such as: neighborhood revitalization/beautification, housing rehabilitation/development, and economic development/job creation.

MANDATORY TECHNICAL ASSISTANCE WORKSHOPS

Mandatory Technical Assistance workshops are designed to advise and educate future applicants on the competitive nature of the grants, the grant application process, project eligibility and provide information to assist with application preparation, in accordance with programs outlined within the Consolidated Plan. The workshops are also held to enhance the quality of applications for services that will ultimately provide the most comprehensive services to the citizens of the City.

Each workshop was facilitated by the HCDD team. The core objectives of all of the funding programs are explained in detail, followed by break-out sessions for each area of funding. During the break-out sessions, an enhanced analysis of the application components and requirements are reviewed. A sample application that successfully completed every threshold component and scored high is reviewed and distributed.

All public and non-profit, 501(c)(3), agencies applying for funds, are required to attend at least one technical assistance workshop. No applications are accepted from agencies that do not attend a mandatory technical assistance and budget workshop. In addition to the technical assistance workshops, a Mandatory Budget workshop is also held. All organizations interested in making application through the Universal Application process are directed to attend in order ensure their agency's financial staff responsible for managing the grant are present. The HCDD Finance team provides guidance on critical elements associated with completing and submitting financial audits and statements.

Training for each funding strategy is conducted on the requirements for completing the budget section related to public services, public facilities and improvement and housing related activities. The HCDD team also strongly emphasized the need for submitting complete budget information for their proposed project. Sample budget and leveraging forms are reviewed and dispersed to ensure that applicants understand the requirements of the Audit/Financial Statements and Budget/Leveraging factor. An explanation is provided that identifies this as a critical component and could result in failure to meet the threshold requirements.

If, after attending any of the workshops, applicants need additional assistance, HCDD staff members are available on Wednesday's from 9 a.m. to noon during the Universal Application timeline. The HCDD financial staff are also available throughout the application process to provide financial technical assistance.

The federal grant applications are made available on the COJ website and through advertisements in the Florida Times Union and the Florida Star. Applications are accepted from public and private non-profit 501(c)(3) agencies until the predetermined date and time. All proposed projects must meet the Consolidated Plan program national objectives of benefiting low and moderate income persons, aiding in the elimination, and/or the prevention of slum and blight.

THE UNIVERSAL APPLICATION (UA) REVIEW PROCESS

During the months of April through June (generally), committees comprised of staff members with regulatory background, contract management and oversight of federal programs, as well as, financial staff with accounting and financial review expertise conducted review each phase of the Universal Application Process, as outlined below:

Phase I of the UA Review Process (Pre-screening Review Process) - including an application pre-screening evaluation that reviews the following five (5) threshold items:

1. application signed and approved by Board or signed by a designated representative
2. proof of IRS designation as a public agency or 501 (c)(3)
3. submittal of most recent audit or annual financial statement
4. proposed project/program meets a national objective of the program
5. budget is complete and accurate

Phase II of the UA Review Process (Agency Background & Capacity/Project Review Process)

This includes a review of the agency's background and experience, agency capacity, statement of need, project description, program delivery, coordination, leveraging other funds, and budget.

Phase III of the UA Review Process (Extensive Financial Review Process)

This review includes a substantial review of the project budget, leverage, and match commitments to the project, as well as the accuracy and feasibility of the project budget. This review is conducted by the HCDD Financial Director and Senior Accountant. The financial review includes the analysis of the agency's financial capacity, fiscal planning, audit, management letter (if applicable), financial statements, and past financial performance.

Phase IV of the UA Process (Evaluation Quality Control Process)

The managers for Community Development and Housing lead the evaluation review teams to provide quality controls, internal controls, oversight and management of the process. An evaluation team comprised of the program managers, senior human services planners, project coordinator, planners, and junior planners collaborated on all of the above phases of the application review process. The teams worked closely together to ensure a standard of excellence, quality control, and transparency.

Phase V of the UA Process (Funding Recommendation Process)

The staff recommendations, fact sheets, and scoring evaluation tools were submitted to the Division Chief for review, consideration, and forwarding to the Director for discussion with the Administration. Once City approval to move forward is received, the recommendations are forwarded to the Jacksonville Housing and Community Development Commission for review and approval. The Commission reviews and approves the HCDD staff recommendations between June and July.

Following the approval by the Jacksonville Housing and Community Development Commission, a draft Consolidated Plan Action plan is prepared. Copies of the proposed plan are made available at the HDCC office and on the COJ website. A public comment hearing regarding the Consolidated Plan-Action Plan is to be held and public comments are accepted in writing.

Once the Commission has approved the Universal Application recommendations, legislation is drafted and forwarded for Council consideration and approval. Upon approval from City Council, staff proceeds to coordinate with the Office of General Council to generate corresponding contracts for the awarded agencies.