



## MEMO

**To:** Potential Ancillary Financing Funding Applicants  
**From:** Eric Alexander, Assistant Director of Development  
Lauren Farley, HOME & HTF Program Coordinator  
**Date:** April 10, 2020  
**Subject:** HOME/HTF Funding Round Frequently Asked Questions

**Q:** How much information from the 2020 Developer’s Handbook regarding design and construction guidelines (Section 3, page 12) found at <https://www.rihousing.com/developers-handbook/> is required at application?

A: We ask that you provide as much information and documentation as is available to you at time of application to demonstrate “readiness to proceed” but completion and submission of all items is not required. At a minimum, we need schematic design and specifications, and detailed construction estimates. Bear in mind though that more information generally results in a stronger proposal with higher competitiveness. Please note that for both HOME and HTF projects, the HTF rehabilitation standards apply and can be found in Section 14 of the 2020 Developer’s Handbook.

**Q:** Do HOME and HTF require a specific form of Tenant Selection Plan?

A: While HOME and HTF do not require a specific form of Tenant Selection Plan per se, certain elements are required to be included. To make developing a compliant Tenant Selection Plan as easy as possible for our partners, RI Housing has created a HUD-approved template which can be customized for your proposal. It can be found under the “Sample Tenant Selection Plan Outline” link at <https://www.rihousing.com/HOME-HTF/>.

**Q:** Is a HUD Form 935.2 and written Affirmative Marketing Plan required if a development has less than 5 units? Is the HUD form required even if the information is included in the Tenant Selection Plan?

A: We ask for the HUD Form 935.2 and written marketing plan for all projects, no matter the number of units to assist us in reviewing your marketing strategy for underserved populations. The form is required even if you choose to present the information in the Tenant Selection Plan.

**Q:** Is a Phase 1 Environmental Assessment required prior to application?

A: If you have a completed Phase 1, we ask that you submit it with your application but it is not a required component of the application. If you have not completed it at the time of submission, please note your expected date of completion within the application. While a Phase 1 is not required at application, it provides essential information for the environmental review process and is required prior to closing.

**Q: How can we determine the maximum allowable HOME investment?**

A: There are two factors to consider – subsidy limits and cost allocation.

The subsidy limits are issued by HUD for the region and were effective as of 5/9/2019. They are as follows:

Bedrooms	HOME Maximum Per-Unit Subsidy
0	\$149,868
1	\$171,801
2	\$208,912
3	\$270,266
4+	\$296,666

Subsidy limits are a good general guide for how much HOME can be requested. They are not the whole story though. We are also required to complete a cost allocation to determine the “necessary and reasonable” investment of HOME funds into a project. The cost allocation is an exercise conducted RIHousing program staff after receipt of applications. The allocation is based on number of units, square footage, other sources, ineligible/eligible HOME expenses, etc.

Given that there is no one answer, as each proforma and project will be different, we will be working with applicants after initial cost allocation has been performed, and we will offer the opportunity for applicants to remedy proformas that exceed the maximum during the initial application review stage.

**Q: What are the HOME and HTF rent and income limits?**

A: The limits can be found on the HUD Exchange website here:

HOME

*Rent Limits:* [https://files.hudexchange.info/reports/published/HOME\\_RentLimits\\_State\\_RI\\_2019.pdf](https://files.hudexchange.info/reports/published/HOME_RentLimits_State_RI_2019.pdf)

*Income Limits:*

[https://files.hudexchange.info/reports/published/HOME\\_IncomeLmts\\_State\\_RI\\_2019.pdf](https://files.hudexchange.info/reports/published/HOME_IncomeLmts_State_RI_2019.pdf)

HTF

*Rent Limits:*

[https://files.hudexchange.info/reports/published/HTF\\_RentLimits\\_State\\_RI\\_2019.pdf](https://files.hudexchange.info/reports/published/HTF_RentLimits_State_RI_2019.pdf)

*Income Limits:*

[https://files.hudexchange.info/reports/published/HTF\\_IncomeLmts\\_State\\_RI\\_2019.pdf](https://files.hudexchange.info/reports/published/HTF_IncomeLmts_State_RI_2019.pdf)

**Q: What is the allowable Developer Fee?**

A: The maximum developer fee calculation can be found in the Developer’s Handbook, under Section 9 page 2 Section II, “New Production with Additional Subsidy (9% LIHTC and/or state or federal subsidies (other than 4% LIHTC))”, located online here:

<https://www.rihousing.com/wp-content/uploads/2020-Section-9-Program-Bulletin-2019-10-02.pdf>

**Q: How do I become a CHDO?**

A: Key requirements for CHDOs under the HOME Regulations (24 CFR 92.300(a)(1) ) include:

- Having a governing board consisting of not less than 1/3 low income persons and no more than 1/3 public officials
- Having a 501(c)(3) or (c)(4) designation from the IRS
- Having demonstrated capacity to carry out activities
- Having a history of service within the community where HOME-assisted housing is to be located (spanning longer than one year)
- Having an official purpose to provide decent, affordable housing to low- and moderate-income persons.

Organizations seeking certification or recertification as a CHDO should reach out to RIHousing staff for required information and documentation. Recertifications occur upon award of HOME funds.

Documentation of CHDO status is not expected until that time but we strongly advise you not to wait to review and gather the applicable documentation.

**Q: The CHDO Operating Budget Request asks for documentation to support the request. What would need to go along with this to substantiate the request?**

A: Documentation of payrates for staffing, a sample bill for utilities, brochures or registrations for expected training expenses, etc. would help substantiate your cost projections. This will allow us to determine and support the “cost reasonableness” of your request.

**Q: What is the expected turn-around time for applications?**

A: Applicants should expect to receive preliminary feedback on their applications within 30 days. Our intention is to bring funding recommendations to the September meeting of the RIHousing Board of Commissioners.