

**Georgia Department of Community Affairs  
Community HOME Investment Program (CHIP)  
Notice of Funds Availability  
September 1, 2017**

**I. Overview**

The Georgia Housing and Finance Authority (GHFA) hereby notifies interested Applicants of the availability of funds allocated from the HOME Investment Partnerships Program (HOME). The availability and use of these funds is subject to Federal HOME regulations (24 CFR Parts 91 and 92) and any amendments thereto, including the final regulations published by the Department of Housing and Urban Development (HUD) in the Federal Register on or about July 24, 2013, and is further subject to GHFA's policies and program requirements. The Georgia Department of Community Affairs (DCA) is the administrator of GHFA's programs.

In releasing this Notice of Funding Availability (NOFA), the goal of DCA is to facilitate 1.) New construction and reconstruction of small, affordable housing units for sale to low and moderate income home buyers; and 2.) Housing rehabilitation of owner-occupied homes. To meet these goal, funds will be awarded to successful applicants who will act as Subrecipients of GHFA to administer the programs set out in this NOFA.

Interested parties may find the regulations governing the use of HOME funds under Title 24, Part 92, of the Code of Federal Regulations. Additional HOME information may also be found at the following link

<https://www.hudexchange.info/programs/home/>

A copy of this NOFA and the Application package and other related materials will be available on the DCA website at the link listed below within seven (7) business days of the posting of this NOFA.

<https://www.dca.ga.gov/housing/housingdevelopment/programs/homeinvestment.asp>

**II. AMOUNT OF FUNDS AVAILABLE FOR AWARD**

DCA anticipates that approximately five million dollars (\$5,000,000) will be available under this NOFA. DCA reserves the right to fund, in whole or in part, any, all, or none of the applications submitted in response to this NOFA.

**III. Minimum and Maximum Amounts of Home Funds Per Development**

DCA will award up to \$300,000 per application submitted for housing rehabilitation of owner occupied homes; up to \$600,000 per application for new construction or reconstruction of homes for sale to home buyers; or up to \$600,000 for the combined activities of housing rehabilitation of owner occupied homes and new construction or reconstruction of homes for sale to home buyers. Applicants awarded funds for these activities will receive two percent (2%) in administrative funds (i.e. \$6,000 for \$300,000 awards and \$12,000 for \$600,000 awards). Eligible Applicants may submit only one Application.

**IV. Eligible Applicants**

**A. Subrecipient Role**

Successful Applicants will act as Subrecipients of GHFA HOME funds. Subrecipients are defined in the revised HOME Final Rule of July 24, 2013, as follows

“Subrecipient” means “a public agency or nonprofit organization selected by the participating jurisdiction to administer all or some of the participating jurisdiction’s HOME programs to produce affordable housing....A public agency or nonprofit organization that receives HOME funds solely as a developer or owner of a housing project is not a Subrecipient. The participating jurisdiction’s selection of a Subrecipient is not subject to the procurement procedures and requirements.”

Applicants approved for funding under this NOFA will administer the two activities: 1.) New construction and reconstruction of small, affordable housing units for sale to low and moderate income home buyers; and 2.) Housing rehabilitation of owner-occupied homes.

Administrative responsibilities of the Subrecipient will include, but are not limited to

- Selecting third party developers to complete eligible activities.
- Conducting assessments of proposed developments and coordinating appropriate work to be completed.
- Evaluating the reasonableness of proposed project costs.
- Ensuring that the work is performed in accordance with all required property standards.
- Submitting required project documentation to DCA.
- Performing federal compliance oversight.
- Monitoring Program timelines for commitment and expenditure of funds.
- Monitoring compliance with DCA and HOME Program requirements for the period of affordability.

DCA intends to enter into a formal written agreement with each selected Applicant no later than June 30, 2018.

#### B. Eligible Applicant Entities

The following entities will be considered eligible to act as a Subrecipient under this NOFA

- Local governments
- Non-profit organizations
- Public Housing Authorities

All Applicants must meet the following requirements:

The Applicant must show the capacity to carry out the proposed development by having either staff or entities under contract with relevant experience in successfully completing the administration of other developments of a similar nature and scope.

Applicants must not be out of material compliance or disqualified from any program administered by DCA or under debarment, proposed debarment or suspension by a federal agency.

#### C. Additional Qualification Requirements for Applicant Entities – Nonprofits and Public Housing Authorities

In addition, an Applicant formed as a nonprofit or public housing authority must be determined by DCA to be qualified to act as a Subrecipient. The nonprofit or public housing authority must be able to demonstrate technical expertise of staff and other project partners in housing production and management and meet the following criteria:

At the time of application, the authorized signatory of the Applicant (e.g. Chief Executive Officer) must demonstrate compliance with O.C.G.A. §50-36-1 (e) (2)-Verification of Lawful Presence within the United States

At the time of application, all non-profit applicants also must be in compliance with O.C.G.A. Section 50-20-1 through 50-20-8. Successful applicants must remain in compliance with this section through program closeout. DCA will not fund any activity should the non-profit or public housing authority fall out of compliance with O.C.G.A. Section 50-20 et. seq. until such time that the entity's compliance has been determined by Georgia Department of Audits and Accounts and, subsequently, the Commissioner of DCA has authorized proceeding with funding of existing commitments.

#### D. Additional Eligibility Requirements for Applicants – Local Governments

In addition to the requirements for all applicants, Local Governments must also meet the following requirements

1. Local governments that received a grant award under the Community HOME Investment Program (CHIP) in the 2017 or any prior grant year must have expended all at least 50% of all project and administrative funds by December 1, 2017, in order to be qualified as an applicant.
2. Local governments should also be in compliance with the audit report/grant certification form submission requirements as provided under O.C.G.A. Section 36-81-7 and Section 36-81-8.1.

### **V. Activity Summary**

#### A. Home Buyer Development

Funds will be provided to acquire, rehabilitate, or newly construct single-family units to be sold to low and moderate income home buyers. Single-family units are defined as structures with 1-4 units. All eligible applicants, including non-profit organizations, are eligible to apply for this activity

Funds to applicants for new construction, rehabilitation, and/or reconstruction of single family units for homeownership shall be provided by the applicant as a construction loan at 0% interest due upon sale to a home buyer eligible under the HOME Program. Under rare instances, the sales price less a 15% developer fee may be less than the construction loan. In these instances, the developer fee will be limited to 15% of the sales price and the remaining balance after applying the sales proceeds will be provided as a grant to the developer to satisfy the construction loan.

Fees to developers that complete developments funded under this NOFA shall be 15% of the total development cost not including the value of the land if acquisition funds are provided. This amount may be reduced if there is an identity of interest between the developer and the contractor working on the development. Subrecipients are eligible to receive project delivery costs of up to 5% of the HOME-funded total development cost. All eligible project delivery costs must be identified by the Subrecipient.

If the application proposes the development (either new construction or rehabilitation) of housing units that will be sold to low and moderate income home buyers, a formal agreement between the Subrecipient and a HUD-approved housing counseling agency to provide pre-purchase, home buyer education services to all new home buyers will be required, but not at the time of application. A firm partnership will be required in carrying out the funded activities. Partnerships that consider post-purchase education services for each new home buyer are encouraged

#### B. Housing Rehabilitation of Owner-Occupied Single Family Homes

Funds will be provided to rehabilitate existing owner-occupied single-family units. Homeowners must meet the income thresholds of less than eighty percent (80%) of the average median income for their counties. Funds to rehabilitation the homes are made in the form of a 0% deferred payment loan that is forgivable if the homeowners maintains the home as their primary residence for five (5) years for housing rehabilitation or for ten (10) years for housing reconstruction.

### **VI. Application Review Process**

All applications will initially be reviewed by DCA to determine completeness. Applicants must respond to any DCA clarification request within three (3) business days from receipt. Failure to meet this deadline will cause the Application to be deemed incomplete and the Application will not be reviewed further.

Complete Applications will be screened to determine whether the Application meets the minimum NOFA eligibility requirements. DCA will evaluate and rank each complete and eligible application according to the priorities identified herein.

### **VI. Selection Priorities**

1. Experience of the Proposed Subrecipient - Both the experience of the applicant in administering HOME funds as a Subrecipient and/or the applicant's experience in developing or administering the development of similar units will be considered.
2. Leveraging - The amount and extent of documented commitments that will leverage DCA resources will be considered.
3. Readiness to Proceed – Applications that can demonstrate the greatest readiness to proceed with program implementation will be given the highest priority.

The identification of proposed development sites is not required at the time of submission. However, if sites have been identified and site control is in place for the applicant or owner, priority will be given to these applications. Site control is identified as (A) A Warranty Deed that conveys title to the subject property(ies) to the Applicant or proposed owner, (B) a legally binding contract to purchase the proposed project site(s) in the name of the Applicant or ownership entity, or (C) a legally binding contract for a binding long-term ground lease, with a minimum term of 45 years.

#### 4. Comprehensive Community Strategy -

A. Applications for activities that will be located in a past or present Georgia Initiative for Community Housing (GICH) participating community. Further information may be found at

<http://www.fcs.uga.edu/fhce/gich/3>

B. Applications that provide documentation that the proposed housing supports community affordable housing plans.

### **VIII. Application Procedures and Award announcements**

#### **A. Application Submission Instructions**

Deadline: December 1, 2017 at 400 p.m.

Any applications received after the designated date and time will not be considered for funding. All successfully submitted application will receive a confirmation of receipt email.

The CHIP 2018 Grant Application must be submitted by email to [CHIP@dca.ga.gov](mailto:CHIP@dca.ga.gov).

Attach the following PDF documents that are relevant to your application to the submission email. Details for each of these are in the step by step application instructions in this manual.

- CHIP 2018 Application Form with the file name *CHIP 2018 [Applicant Name] Application* (for example *CHIP 2018 AnytownUSA Application*)
- CHIP 2018 [Applicant Name] Proposed Budget
- CHIP 2018 [Applicant Name] Experience Narrative
- CHIP 2018 [Applicant Name] Administration Experience
- CHIP 2018 [Applicant Name] Qualified Partners
- CHIP 2018 [Applicant Name] Construction Plans
- CHIP 2018 [Applicant Name] Target Area
- CHIP 2018 [Applicant Name] Current Housing Conditions
- CHIP 2018 [Applicant Name] Real Estate Development Market Analysis
- CHIP 2018 [Applicant Name] Affordable Housing Plan
- Nonprofits must also include the IRS nonprofit designation letter

#### **Word Version of the Application Form**

This 2018 CHIP Application packet has been posted to DCA website in PDF format. For your convenience, DCA will provide a Word version of the Application form (Appendix A). Please email [CHIP@dca.ga.gov](mailto:CHIP@dca.ga.gov) for a Word version of the CHIP 2018 Application form.

#### **Application Fee**

A \$250 application fee payable to the Georgia Housing and Finance Authority is due at time of application. If application fee is returned due to insufficient funds, the applicant will be required to pay an insufficient funds fee of \$35.00 and the application will not be scored or considered for funding.

#### **Application fee address**

CHIP Manager  
Office of Activity and Public Affairs  
Georgia Department of Community Affairs  
60 Executive Park South, N.E.

## B. Application Award and Notification

All applications will be reviewed, evaluated, and ranked according to the priorities and preferences outlined in Section VII. DCA will consider the geographic distribution of these resources across the State prior to making final funding decisions. All award results will be posted on the DCA web site and Applicants notified in writing.

## IX. Timeframe for Commencement and Completion of Developments

All HOME funds must generally be expended and all development activity must be completed within twenty-four (24) months of DCA's contract start date of August 1, 2018. "Completion" is defined as all construction activities being complete, all development funds expended, all final inspections have taken place, and certificates of occupancy issued.

All home buyer units must have ratified sales contracts within nine (9) months of the issuance of a certificate of occupancy for the unit or the unsold unit must be converted to a HOME-funded rental units.

## X. Compliance with Other Federal Requirements

In addition to the basic HOME rules previously outlined, a number of other federal and state regulations must be adhered to in the course of administering HOME funds. The certifying official of the applicant is responsible for ensuring that the proposed program, activities, goals and timetables are in compliance with all federal and state laws, regulations and executive orders. The major applicable federal laws, regulations and executive orders include, but are not limited to, the areas outlined below

### A. Non-Discrimination and Equal Access

Applicants must take measures to ensure non-discriminatory treatment, outreach and access to HOME resources. This applies to employment and contracting, as well as to marketing and selection of program participants. DCA does not discriminate based on disability in the administration of Federal HOME funds.

### B. Fair Housing and Equal Opportunity

Applicants and their activities must comply with all of the federal laws, executive orders and regulations pertaining to fair housing and equal opportunity listed below

- Title VI of the Civil Rights Act of 1964, As Amended (42 U.S.C. 2000d et seq.)
- The Fair Housing Act (41 U.S.C. 3601-3620)
- Section 104(b) (2) of the Fair Housing Act
- Fair Housing Act implementing regulations for HUD programs at 24 CFR Part 100-115
- Equal Opportunity in Housing (Executive Order 11063, as amended by Executive Order 12259)
- Equal Opportunity in Housing Regulations at 24 CFR Part 107
- Age Discrimination Act of 1975, As Amended (42 U.S.C. 6101)
- Title VIII of Civil Rights Act of 1968 (2 U.S.C. 3601 et. seq. and implementing regulations, as amended
- Affirmative marketing in accordance with the HOME Investment Partnerships Act and 24 CFR 92.351
- Section 3 of the Housing and Urban Development Act of 1968

- Georgia Fair Lending Act

#### C. Accessibility for Individuals with Disabilities

- Section 504 of the Rehabilitation Act of 1973

#### D. Equal Opportunity

- Equal Employment Opportunity Executive Order 11246, as amended, and implementing regulations at 41 CFR Part 60

#### E. Contracting and Procurement

- Procurement Standards at 24 CFR 85.36 and for nonprofit organizations at 24 CFR Part 84 and OMB Circular A-110
- HOME Program Conflict of Interest Provisions at 24 CFR 92.356
- Debarred, Suspended or Ineligible Contractors at 24 CFR Part 5

#### F. Environmental

- National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR Parts 50 and 58

#### G. Lead Based Paint

- Section 1012 and 1013 of the Residential Anti-Lead Based Paint Hazard Reduction Act of 1992, which is Title X of the Housing and Community Development Act of 1992 and implementing regulations at 24 CFR Part 35

#### H. Acquisition and Relocation

- Uniform Relocation Act (URA)
- Section 104(d) of the Housing and Community Development Act, known as the Barney Frank Amendments

#### I. Financial Management

- 24 CFR Part 85 ("Common Rule") and for nonprofit organizations see CFR Part 84
- Federal OMB Circular A-133
- Federal OMB Circular A-87

#### J. Housing

- The Truth in Lending Act (Regulation Z)
- Title I Consumer Protection Act (PL 90321)
- Construction Industry Licensing Board Act (O.C.G.A. Section 43-14-1, et. seq.)
- Georgia Industrialized Building Act of 1982, As Amended (O.C.G.A. Title 8, Chapter 2, Article 2, Part 1 "Industrialized Buildings"; Part 2
- Manufactured Housing [Mobile Homes]
- Mandatory State Construction Codes, as well as the International Energy Conservation Code
- Construction and Safety Standards at 24 CFR 3280 for new manufactured housing

- Georgia Fair Lending Act

#### K. Labor Standards

- Every contract for the new construction or rehabilitation 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 pre-determined by the Secretary of Labor pursuant to the Davis-Bacon Act (40 U.S.C. 276a-5). Such contracts are also subject to the overtime provisions, as applicable, of the Contract Work Hours and Safety Standards Act (40 U.S.C. 327-332).
- Contractors, subcontractors, and other HOME fund recipients must comply with regulations issued under these acts and with other Federal laws and regulations pertaining to labor standards and HUD Handbook 1344.1 (Federal Labor Standards Compliance in Housing and Community Development Programs).

#### L. General

- Title II of the National Affordable Housing Act of 1990, As Amended
- 24 CFR Part 92, HOME Investment Partnerships Program
- 24 CFR Part 5 A, 5.105, Other Federal Requirements
- O.C.G.A. Title 50, Chapter 18, Article 4, Georgia Open Records Act

### **Section XI. Compliance with State Requirements**

In addition to the basic HOME rules and Federal requirements, the certifying official of the Applicant is responsible for ensuring that the proposed program, activities, goals and timetables are in compliance with all state laws, regulations and executive orders, including.

#### A. Immigration

- O.C.G.A. 50-36-1, Verification of Lawful Presence within the United States
- HB 87, Illegal Immigration Reform and Enforcement Act of 2011

#### B. Non-profit Contractors

- O.C.G.A. 50-20-1, Relations with Non-profit Contractors

#### C. Single-family Construction Requirements

- O.C.G.A. 8-3-172, Funding for Single-family Housing; Construction Requirements

### **XII. Community Integration for Persons with Disabilities**

In addition to embracing its role in creating housing opportunities, DCA seeks to support the broader goals of community integration expressed in the original Olmstead Decision. The 1999 US Supreme Court decision in *Olmstead v L.C.*, 527 U.S. 581 (1999), held that people with disabilities have the right to live in the least restrictive, most integrated settings.

DCA defines a "person with a disability" as "Any person who has a physical or mental impairment that substantially limits one or more major life activities; has a record of such impairment; or is regarded as having such impairment." In general, a physical or mental impairment includes hearing, mobility and visual impairments, chronic substance abuse issues, chronic mental illness, AIDS, AIDS Related Complex,

and mental retardation that substantially limit one or more major life activities. Major life activities include walking, talking, hearing, seeing, breathing, learning, performing manual tasks and caring for oneself.

The “most integrated setting” is defined as “a setting that enables individuals with disabilities to interact with non-disabled persons to the fullest extent possible.” Integrated settings are those that provide individuals with disabilities opportunities to live, work, and receive services in the greater community in a manner similar to individuals without disabilities. Integrated settings are located in mainstream society and offer access to community activities and opportunities at times, frequencies and with persons of an individual’s choosing. Integrated settings also afford individuals choice in their daily life activities and provide individuals with disabilities the opportunity to interact with non-disabled persons to the fullest extent possible. Settings that are not integrated include, but are not limited to, properties which target more than 20% of the units to individuals with disabilities. For purposes of this NOFA, DCA will not consider applications that propose housing populated exclusively for or which target more than 20% of the units to individuals with a disability except in two instances (1) the preservation of existing, subsidized affordable housing which is occupied by persons with disabilities and (2) scattered site units in which 2,000 feet or more separate a unit targeted for an individual with a disability from other units targeted to individuals with disabilities. In the second instance, the distance will be measured from lot line to lot line regardless of their ownership and financing. Funding sources, including rental assistance, that require documentation of a disability as a condition will be considered documentation that the unit targets individuals with disabilities.

Further, in assessing whether a property supports the broader goals of community integration under the Olmstead Decision, individuals with disabilities must have access to community resources such as public transportation, educational facilities, libraries, shopping venues, and recreational activities. In addition, these households should not be limited to interacting with or traveling about the community with other individuals with a disability or people from the same residential setting. For example, requiring residents with similar disabilities to shop, travel by van, or recreate together as a group does not satisfy this criteria. If proposed housing units are geographically isolated or distant from transportation and community activities or located in a campus or institution like setting, DCA will not select the Application for funding.

### **XIII. Property Standards**

All funded properties must meet certain property standards. At minimum, all units must meet HUD’s Uniform Physical Condition Standards (UPCS). However, the HOME regulation also requires that all housing that is rehabilitated or financed with HOME funds must meet all applicable local codes (including state codes), rehabilitation standards, ordinances, and zoning ordinances at the time of development completion. The State Code can be found at the following link

<http://www.dca.state.ga.us/development/constructioncodes/programs/codes2.asp>

### **XIV. Period of Affordability Compliance**

During the Period of Affordability, Subrecipients will be required to carry out ongoing compliance monitoring activities as dictated by HOME rules. DCA will monitor their performance in completing

these activities. The period of affordability will be determined by the level of assistance provided each unit as outlined in the HOME regulations in Section 92.254 for homeownership units and can vary from 5 to 20 years

For homeownership developments, the liens will be considered satisfied by the owner's continued occupancy in the home as their primary residence as verified throughout the period of affordability. Failure to fulfill this requirement during this time frame will result in a recapture of net proceeds as described in DCA's 2013-2017 Consolidated Plan including the 2016 Annual Action