



# **Illinois Housing Development Authority**

HOME Investment Partnership Program  
Small Rental Properties Program  
(SRPP)  
CFDA #14.239

**Two Year Funding  
2010 Program Year**

## **Application Instructions**

## IHDA Approval Process:

1. **HOME Staff Review:** IHDA's HOME staff will review all applications and rank them according to the point system outlined in the application. Only those proposals which have the highest ranking will be considered for funding. Not all proposals will necessarily be funded. IHDA reserves the right to fund an application for less than the requested amount. All decisions by IHDA are FINAL.
2. **Loan Committee:** Applications with the highest ranking will be taken before the IHDA Loan Committee for consideration.
3. **Public Notice:** Prior to consideration by the IHDA Board, a 30-day public notice period must take place. Public notices are sent by IHDA to the elected officials named in the application.
4. **Board Meeting:** Applications approved by Loan Committee will be presented to the IHDA Board of Directors for approval. Board meetings are held on the third Friday of each month.
5. **Conditional Commitment:** Following approval of the agency's proposal by the IHDA Board, a Conditional Commitment Letter will be sent to the agency. This letter details the terms of the agency's program as approved by the IHDA Board and lists the steps the agency must take before the closing can take place. The closing can occur only after all required documentation is submitted by the agency and approved by IHDA.
6. **Closing:** All legal documents are signed at closing. No construction or program implementation may begin prior to this time. IHDA has no obligation to provide HOME funds for the agency's program until after the closing documents have been signed by both parties. After closing, funds will be provided as specified in the closing documents.

## Section A – Applicant Information *(Label as Section A)*

### **Application/Copy of Application Fee:** *(Label as Section A, Exhibit 1)*

Include the completed original application and a copy of the application fee check in the amount of \$250.00.

### **Project Description:** *(Label as Section A, Exhibit 2)*

Provide a description of the project for which the agency is requesting the HOME grant.

### **Financial Audit:** *(Label as Section A, Exhibit 3)*

Provide a copy of the agency's most recent annual financial audit. The financial statements must be submitted in a booklet bound by the accounting firm that is providing the opinion on the financial statements. The single audit (A-133) should be provided by those agencies receiving over \$500,000 in federal funds. Findings need to be addressed as resolved or the status of the resolution. Unbound, stapled, paper clipped forms, and attestations will not be accepted.

### **Elected Officials Contact Information:** *(Label as Section A, Exhibit 4)*

Provide the name, district and address for the elected officials in ALL AREAS in which the agency intends to operate the program. IHDA will send out a public notification to each of these officials notifying them of the application and its scope of work. There is

a 30-day public notification period for all applications. All negative comments must be addressed by the Applicant. Copies of these responses must be sent to IHDA.

### Section B – IHDA Funding: *(Label as Section B)*

1. Provide list of current funding received through IHDA. Include program name and totals funds received, including the funding source.
2. Provide list of funds the agency is currently applying for through IHDA. Include programs name and totals funds requested, including the funding source.

### Section C – Proposed Program Financing Plan: *(Label as Section C)*

Complete the chart as instructed. All units to be rehabilitated must observe the minimum and maximum levels of HOME funds invested in a project. Under HOME, both the actual cost of rehabilitating the house (hard costs), related soft costs and up to 15% of project delivery costs are eligible.

Minimum HOME funds/unit = \$2,000  
Maximum HOME funds/unit = \$14,999

Administrative funds: lesser of 5% of total award or \$10,000  
Project delivery: max 15% of rehabilitation cost

**Funding sources:** If additional sources of funds will be used in conjunction with HOME funds; describe the source of funds, the amount or percentage of funds and how the sources will fit together. Provide enough information about any restrictions on the funds to show that they are compatible with HOME. Attach evidence of commitments for each loan or grant source as well as those funds committed for lead based paint removal and treatment and/or owner relocation. Only include funds that will be used on the same project as HOME funds.

### Section D – Proposed Service Area: *(Label as Section D)*

Complete the chart as instructed and attach the service area map. If targeting live near work units, attach letters of support from area employers.

### Section E – Past Performance and Agency Capacity:

*(Label as Section E)*

*Maximum eligible points = 20 for previous applicants; 10 for new applicants*

Complete the chart as instructed.

### Section F – Team Capacity and Experience: *(Label as Section F)*

*Maximum eligible points = 30*

The following team members are involved in rehabilitation programs to various degrees. Attach resumes and certifications for team members. Note: a team member may be responsible for more than one title below.

- 1. Program Manager:** Oversees program operations to ensure effectiveness; develops program budgets; maintains appropriate record-keeping systems; monitors levels of expenditures; ensures emphasis on both quality and productivity; monitors compliance with program requirements; oversees participant selection; prepares loan documents; responsible for environmental reviews and public notice procedures.

**2. Grant Manager:** Provides fund management of the program, in accordance with federal and State guidelines. Performs tracking, reporting, and cash management functions related for the program.

**3. Intake Specialist/Underwriter:** Assists owner in determining the viability of the proposed project. Verifies financial information; determines landlord capacity and credit worthiness; determines tenant eligibility; and assesses whether or not the proposed project and landlord can sustain the project viability and meet compliance requirements for the affordability period.

**4. Rehabilitation/Construction Specialist:** Conducts preliminary inspections and analyzes rehabilitation requirements of individual property; develops work write-up/bid specifications; attends pre-construction meeting/loan closing; works with owner in identifying cost-effective quality construction methods; conducts progress and final inspections; and manages contractor participation. Coordinates the construction activities on behalf of the owner; supervises the various steps in the construction management process.

**5. Construction Inspector:** Inspects the rehabilitation upon completion and certifies that the entire property meets HUD's Section 8 Housing Quality Standards and IHDA's Property Standards for Rehabilitated Housing. This person may be a member of the applicant's team or a third- party hired on a contractual basis.

**6. Risk Assessor:** Identifies lead hazards at the beginning of project. Holds responsibility for inspection of lead rehabilitation work upon completion (the entire property must, at a minimum, meet lead based paint regulations for Rehabilitated Housing under CFR part 35); certifies that the property meets the above standards, that the work is acceptable, and received final clearance. This person may be a member of the applicant's team or a third- party hired on a contractual basis.

**7. Staff Turnover:** List any staff turnover as instructed.

## Section G – Agency HOME Program Impact *(Label as Section G)*

*Maximum eligible points = 10*

Complete the chart as instructed. Attach the certification of compliance with the local consolidated plan, if applicable. Attach letters of support, evidence of community input and evidence of third party study, if applicable.

## Section H – Agency HOME Program Design: *(Label as Section H)*

*Maximum eligible points = 40*

**1. Marketing and Outreach:** Describe what actions have begun or will be done to market the program. If the agency has written procedures or brochures for this or similar programs; include them with the application.

**2. Fair Housing:** Describe the agency's policy on fair housing. All activities must comply with Federal laws pertaining to fair housing and equal opportunity.

**3. Owner Intake and Selection Process:** Describe the agency's procedures and mechanisms for owner intake and selection. Include how the agency will prioritize participants to be served through the program and assure fairness in the selection process. Common techniques include accepting applications only from the target

population or area; taking people on a first come first served basis; holding a lottery; having a specific allocation plan; or some combination of the above.

**4. Landlord's Financial Risk Assessment:** Describe the agency's policies and procedures for reviewing mortgage and lien documentation, property operating statements, and landlord's credit worthiness prior to committing HOME funds. Taxes and mortgage payments must be current. Are there any liens on the property? Is the landlord at risk of defaulting on his properties because of an unfavorable payment situation? Is the landlord fully informed of his responsibilities during the 5 year affordability period? *Please note: it is highly encouraged that HOME rehabilitation dollars be restricted to properties with fixed 1<sup>st</sup> mortgage loans.*

**5. Lead Based Paint Procedures:** Describe what procedures and mechanisms are in place for preparing lead based paint risk assessments and inspections, safe work practices, lab reports and final clearance. Describe how the agency will prepare estimates and track costs associated with lead based paint removal and treatment. Include in the description whether the agency intends to use outside consultants to perform lead based paint inspections and assessments. All units assisted with HOME funds must comply with Lead Based Paint Regulations.

**6. Environmental Review:** Describe the agency's environmental review process and procedures. It is the agency's responsibility to ensure that the environmental review is satisfied as describe under the HOME Program Rules.

**7. Contractor Prequalification:** Describe the agency's prequalification procedure for selecting and qualifying contractors and subcontractors to participate in the agency's program. Include a list of any contractors who have been prequalified to participate in the agency's program.

**8. Contractor Selection:** Provide information as instructed.

**9. MBE/WBE Contractors:** Describe the steps the agency has taken and/or will take to encourage minority/women owned contractor participation. Has your agency begun to use the Illinois Business Enterprise Program, if so how? One of IHDA's goals is to increase minority/women owned business participation in the HOME program. Include a list of MBE/WBE contractors available to participate in the agency's program.

**10. Lead Contractor Selection:** Describe the agency's prequalification procedure for selecting and qualifying lead contractors and subcontractors to participate in the agency's program. Include a list of contractors who have been pre-qualified and attach a copy of their lead based paint certification, licensing and insurances.

**11. Work Write-up and Cost Estimate:** Describe the agency's cost estimating system, including the agency's computerized spec writing program. Describe steps that have been taken to incorporate lead requirements into the agency's spec writing system. Describe the agency's method for updating the cost analysis data and maintaining "cost reasonableness" over time. Please include specific steps the agency takes to keep the pricing current. Include a sample.

**12. Relocation Procedures:** Describe the agency's policies and procedures for relocation of tenants during rehabilitation.

**13. Inspection Process:** Describe the agency's process for inspections (initial, interim and final) and the approval of work.

**14. Disbursement Process:** Describe the agency's process for bill processing, construction disbursement, lien waiver processing and title updates.

**Section I – Other:** *(Label as Section I)*

List any additional information in support of this application.

**Section J – Certification:** *(Label as Section J)*

Review and certify.

# **Illinois Housing Development Authority**

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