



# HOME Investment Partnerships (HOME) Application



City of Flint  
2019-20



## **Request for Proposals: HOME Multi-Family Development**

### ***FY 2019-20 HOME INVESTMENT PARTNERSHIP (HOME)***

#### **INSTRUCTIONS**

#### **I INTRODUCTION**

The City of Flint is soliciting proposals from public and community non-profit agencies for Housing Projects to be funded under its **FY 2019-2020 HOME Investment Partnership (HOME)** program. The HOME program is funded by the Federal Department of Housing and Urban Development (HUD).

The *Request for Proposals* process for FY 2019-2020 continues to target programs to specific needs. Funds are available for Multi-Family Development, consistent with the City's *Imagine Flint Master Plan*, *Blight Elimination Framework*, Housing Investment Strategy, and the 2017-2021 City of Flint 5-year Consolidated Plan.

There will be a community-based Proposal Review Committee who will rate every proposal using objective and standardized criteria.

#### **Multi-Family Development:**

The City of Flint is seeking multi-family developers and owners to submit proposals for the development of multi-family housing to increase the diversity of housing options for Flint citizens.

Projects will be competitively scored. Evaluation factors are listed in the sections below. Additional consideration will be given for projects that:

- Provide for an adaptive re-use of an old building for housing purposes;
- Are located in walkable neighborhoods;
- Incorporate energy efficiency and green building techniques in the rehabilitation; and/or
- Promote universal design standards to ensure accessibility.

#### **II HOME-FUNDED PROJECT GUIDELINES**

In order to be eligible for funding, the project must meet the following eligibility requirements:

1) Eligible low-income households:

- i. For homebuyer and owner-occupied rehabilitation projects: 100 percent of the units must be by low-income households, i.e., households with incomes not exceeding 80 percent of the area median income.
- ii. For rental projects:
  - 1. 100 percent of the HOME-funded households must have incomes not exceeding 80 percent of area median income (in “high HOME rent units”), and
  - 2. If the project has 5 or more HOME-funded units, at least 20 percent of the units must be rented to very low income households, i.e., households with incomes not exceeding 50 percent of area median incomes (“low HOME rent units.”)

**FY 2018 Income Limits Summary**

FY 2018 Income Limit Area	Median Family Income	FY 2018 Income Limit Category	Persons in Family							
	<b>Explanation</b>		1	2	3	4	5	6	7	8
Flint, MI MSA	\$57,900	Very Low (50%) Income Limits (\$)	20,550	23,500	26,450	<b>29,350</b>	31,700	34,050	36,400	38,750
		Extremely Low Income Limits (\$)*	12,350	16,460	20,780	<b>25,100</b>	29,420	33,740	36,400*	38,750*
		Low (80%) Income Limits (\$)	32,900	37,600	42,300	<b>46,950</b>	50,750	54,500	58,250	62,000

2) Current HOME income limits are available at:

<https://www.hudexchange.info/programs/home/home-income-limits/>

3) Maximum HOME rents are available at:

<https://www.hudexchange.info/programs/home/home-rent-limits/>

4) Maximum per unit subsidy limits are available at:

<https://www.hudexchange.info/resource/2315/home-per-unit-subsidy/>

5) All projects must comply with the federal HOME final rule, 24 CFR Part 92, published on 8/23/13 as well as the Interim HOME final rule published on 12/2/16. Further information on this recently revised HOME rule is available at:

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

- 6) All assisted properties are subject to extended affordability requirements at 24 CFR 92.252 (rental projects) and 92.254 (homeownership). These requirements should be incorporated into assumptions regarding operating income for rental projects or affordability projections for homebuyers. All projects financed through this program will be subject to regular compliance monitoring during the applicable affordability period.

### **III. SUBMISSION INFORMATION**

#### **A. General Instructions**

For funding consideration, all projects funded through the HOME Program must meet the General Requirements defined in Section IV of the RFP. Public and private non-profit agencies responding to this RFP must complete all information contained in Section V of this RFP. A separate response must be submitted for each separate project.

Proposal items to be submitted:

- One original document with all attachments, single-sided
- Nine (9) copies with all attachments, double-sided
- One set of Audit documentation as outlined below

**City of Flint  
Division of Community and Economic Development  
1101 S. Saginaw St.  
South Building  
Room S-8  
Flint, MI 48502**

**HAND DELIVERY REQUIRED.**

**ADDITIONALLY, A FULL ELECTRONIC PDF OF YOUR ENTIRE PROPOSAL MUST BE SUBMITTED TO THE DIVISION ELECTRONICALLY. An email copy may be sent to Mike Smith at [msmith@cityofflint.com](mailto:msmith@cityofflint.com), or you may submit an electronic copy on a flash drive when you drop off your hard copies to the Division's main office.**

Hard copies of your proposals as well as the uploaded electronic version must be received by **5:00 p.m. on Thursday, January 31<sup>st</sup>**. **NO FAX OR MAIL DELIVERIES WILL BE ACCEPTED.**

All proposals submitted by public or private non-profit agencies must be submitted in the legal name of the organization. An authorized representative of the organization who has the legal authority to enter into an agreement with the City of Flint must sign each original proposal.

**No bindings or special coverings are desired. Only submit materials that have been requested.**

Proposals that are incomplete, have an inadequate number of copies, lack required attachments, or proposals submitted after the published deadline will not be considered for funding. Changes and/or additions to the proposal after the submission will not be accepted unless specifically requested by the review committee or by occurrence of an extenuating circumstance.

The original proposal will be reviewed and evaluated by a review committee that is comprised of a citizen representative from each of Flint's nine wards, appointed by members of the Flint City Council. The review committee will make funding recommendations based upon the following factors:

- 1) Application thoroughness and extent to which the proposal meets the criteria outlined in the RFP and addresses all of the elements of the RFP in sufficient detail
- 2) Program design and extent to which the proposal addresses a Consolidated Plan priority need and HOME national objective.
- 3) Performance Measures and extent to which the program goals are clearly outlined and achievable
- 4) Project Readiness
- 5) Agency Experience and Capacity to achieve its objectives
- 6) Reasonable and Descriptive Budget
- 7) Leverage other sources of funds
- 8) Coordination and Collaboration
- 9) Evaluation Plan to show Impact

*A public hearing on these recommendations will be held in May 2019. Specific dates for the rest of the timeline will be announced through public notice in local newspapers and on the*

CED website at: <https://www.cityofflint.com/planning-and-development/community-and-economic-development/>.

B. RFP Information/Technical Assistance

There will be an Agency Application workshop on January 9<sup>th</sup> from 1-3pm at the City Hall Dome for CDBG and HOME applicants to attend with questions. Beyond that, limited technical assistance will be provided by calling (810) 766-7436 and any answers that are public knowledge will be posted on the Division of Community and Economic Development website.

IV. **GENERAL REQUIREMENTS:**

A. Eligibility for HOME funds

Applicants for HOME projects must meet the HOME definition of a Sub-recipient either as 1) a public agency or 2) a private non-profit agency. Private non-profit applicants must be able to demonstrate proof of tax-exempt nonprofit status under Section 501(c)(3) of the Internal Revenue Code. CHDO applicants must be approved as a CHDO by the City. If you are applying as a CHDO and have not yet been approved, please submit the application that can be found here: <https://www.cityofflint.com/planning-and-development/community-and-economic-development/>

B. Operating Agreement

Public and community non-profit agencies approved for HOME funding will be required to sign a written Agreement with the City of Flint to ensure compliance with City of Flint, HOME Investment Partnership, Federal Executive Orders, and HUD regulations. HOME funds are subject to Federal and local regulations including, but not limited to: non-discrimination, equal opportunity, accessibility, lead-based paint, prevailing wages, Uniform Relocation Act, audits, procurement and environmental review. Additional requirements can be found in the HOME regulations and OMB Circular A-122 and A-110. Applicants are required to familiarize themselves with these requirements prior to applying for funds to ensure that their organizations have adequate administrative systems in place. Program regulations are available at the Community and Economic Development office and online at [www.hud.gov](http://www.hud.gov).

## V. FORMAT AND CONTENT OF PROPOSALS

### A. Required Proposal Format

In order for the City to conduct a uniform review process of all submissions, proposals must be submitted in the format set forth below. Adherence to this format is critical to the City's evaluation process. Failure to follow this format may be cause for rejection of a proposal. All proposals must be typed. A minimum of 11-point font should be used. The pages must be numbered.

#### 1. Proposal Cover Sheet

The *Proposal Cover Sheet* must be completed and returned with the applicant's proposal. Failure to sign the form is grounds for the City to reject a proposal.

#### 2. Table of Contents

The *Table of Contents* must be completed and returned with the applicant's proposal. The Table of Contents must indicate the material included in the proposal by section and page number.

#### 3. Program Proposal – (Submit Attachment 1)

#### 4. Financial Underwriting (Submit Attachments 2A-D) as applicable

#### 5. Organizational Information: (Non-CHDOs only)

If your organization is seeking city of Flint designation as a Community Housing Development Organization (CHDO) complete the CHDO application. For the project-specific elements of the CHDO application, use information relevant to the project or projects that are proposed in response to this RFP. If your organization is not a CHDO, respond to the questions in this section. ***[This section should be no more than 5 pages]***

- A. Organization's history, mission and goals
- B. Describe the responsibilities of the board, staff and volunteers
- C. Describe the organization's management experience in HOME or HOME programs, including the experience of key staff (do not include resumes).
- D. Describe any comparable developments completed by the applicant during the most recent five-year period similar in scope to the proposed project
- E. Describe other collaborative activities in which the organization is involved.

- F. List all HOME funding received in the last five years. List the stated goals for those grants and actual achievement or progress on achieving those goals for each grant. Provide rationale for any lack of progress.
- G. Indicate if your organization has requested or already received Community Housing Development Organization (CHDO) operating funds from another source, the amount, and date of funding award.

#### **6. Required Attachments (non-CHDOs only)**

If the applicant is seeking funding from the HOME CHDO set-aside, the attachments identified below must be submitted as part of the application for CHDO certification with respect to the proposed project; these attachments need not be duplicated with this application. Therefore, the attachments below are for non-CHDOs only.

- A. Agency Eligibility: submit one copy of your IRS 501(c)(3) designation letter (Attachment 3).
- B. Organizational chart: (Attachment 4).
- C. List of the board of directors for your agency: (Attachment 5).
- D. Employee Roster: A roster of all full and/or part-time employees whose duties are included in the administration and/or program operation for all HOME activities. Include the total number of hours worked per week per person for all employees paid with HOME funding (Attachment 6).
- E. Agency Audit or financial statements: Attach an unbound copy of your agency's annual audited financial statements (or single audit if applicable) for the past two fiscal years. Include Management letter(s), if any, from your auditor (Attachment 7).
- F. Accounting Certification: Attach enclosed Accounting Certification form, completed and signed by your auditor (Attachment 8).
- G. Past Projects: Attach a list of your agency's past and present HOME- funded activities, the year and amount of the award, and the current balance of those grants. Provide an explanation for **each year's** unspent HOME funds (Attachment 9).

#### **7. CHDO Application (CHDOs only)**

If the applicant is seeking funding from the HOME CHDO set-aside and/or a CHDO Operating Grant, complete and submit in lieu of Sections 5 and 6.



## **Attachment 1 Program Proposal**

*(no more than 8 typed pages)*

### **A. Project Description**

1. Type of project (single/multi-family, number of units, buyer/owner/rental, rehab/new construction, etc.)
2. Amount of HOME funds requested (should be supported by Attachments 2a-d).
3. Map indicating project site and census tract (see map at end of RFP)
4. Market Data
  - i. Market trends
  - ii. Neighborhood market
  - iii. Community Conditions
  - iv. Target Population
5. Project objectives
  - i. Criteria for evaluation of project success
  - ii. Project address identified need or demand?

*Evaluation factors: Does this project and type align with city priorities (type of project, target area, etc.) E.g., does/should the city have a policy against funding scattered site rentals? Are multifamily projects OK only in certain areas or city wide? Where is the city encouraging rehab for owner-occupancy? Is there market?*

### **B. Compliance with City and Federal policy**

1. Certify compliance with federal and city policy in the following areas:
  - i. Income eligibility for beneficiaries
    - a. HOME/CDBG for owners/buyers
    - b. HOME for rental tenants
    - c. CDBG for rental tenants (multi-unit)
  - ii. Maximum completed property value (if HOME)
  - iii. Rehab/ construction standard
    - a. Code requirements (HOME)
    - b. CDBG standards
  - iv. City per unit caps
    - a. Per unit cap on owner-occupied rehab
  - v. Cross-cutting requirements

- a. Environmental
    - a. If target area, ensure that project in environmentally cleared area
    - b. Complete site-specific checklist
    - c. SHPO clearance (section 106)
  - b. Relocation/seller notification
  - c. Davis Bacon and Related Acts (DBRA)
  - d. Lead paint
  - e. Fair Housing Marketing (applies to all HOME programs and all HOME projects of over 5 units)
  - f. Religious nondiscrimination
  - g. Conflict of interest
- 2. Owner-occupied (existing owner) criteria:
  - i. Owned or mortgage (no land contracts)
  - ii. Insured
  - iii. Taxes paid
  - iv. Owner-occupancy requirement
  - v. Lien requirement
  - vi. City written agreement with owner
  - vii. Conditions for subordination
- 3. Rental
  - i. Clear understanding by applicant of affordability requirements:  
HOME
    - a. Duration of affordability period
    - b. High and Low HOME rent units
    - c. Allowable rents
    - d. Allowable Incomes
    - e. Fixed or floating units
    - f. Lease requirements
- 4. Rehab/resale
  - i. Appraised value limits (HOME)
  - ii. Recapture or resale requirements
  - iii. Insured
  - iv. Taxes paid
  - v. Owner-occupancy
  - vi. City written agreement with buyer
  - vii. Lien Requirement

viii. Conditions for subordination

*Evaluation factors: Is the project aligned with the compliance requirements of HUD and City policy and regulation? Does the grantee understand the compliance requirements for the project? Are there any compliance risks that can be further mitigated? Does the project pose a substantial compliance risk to the City or the applicant?*

**C. Developer capacity** (CHDOs will address some of these criteria in the CHDO application)

1. Proposed time lines for completion with responsibilities (all applicants)
  - i. Construction start within 12 months of commitment
  - ii. All funds committed within 24 months
  - iii. All funds expended within 4 years.
2. Experience of key people, track record (non-CHDOs only)
  - i. Board/management capacity
  - ii. Staff/consultant capacity on projects of similar size and complexity
  - iii. Past projects of similar size and complexity
  - iv. Rental property management capacity
3. Financial capacity of developer (non-CHDOs only)
  - i. Ability to handle portfolio demands: management and financial
  - ii. Liquidity: current financial statement

*Evaluation factors: Has the applicant provided timelines and assigned responsibilities for completing the project; do the persons assigned with these responsibilities have the necessary time and skills? Does the timeline provide for any necessary municipal approvals, seasonal construction issues, availability of funds, etc., to support the timeline? Has the applicant completed projects of comparable size, type and complexity? If not, who on the development team has such experience? Does the applicant have existing properties that are draining its resources; can the applicant undertake this project and still manage the rest of its portfolio? Does it have liquid assets or financing to pay contractors if other funding is delayed? Does the applicant have property management capacity, or has it engaged a property management company with experience in assisted housing?*

## **Attachment 2**

### **Financial Underwriting**

#### **Financial underwriting**

- A. Development pro forma: sources and uses (Attachment 2A)**
- B. Developer return on investment: what is the amount of HOME funds needed to provide quality housing and not exceed reasonable return to developer?**
  - 1. Rental operating pro forma: forecast of annual operating income and expense for at least the number of years in the affordability period (Attachment 2B)**
  - 2. Homebuyer affordability pro forma: market value, affordable sale price, disposition of sales proceeds; likely buyer financing product(s) (Attachment 2C)**
- C. Funding sources confirmed, costs are reasonable**
  - 1. Letters of funding verification explanation of cost reasonableness analysis (Attachment 2D)**

*Evaluation factors: Has the cost of the project been accurately determined? Has the applicant identified any other sources that are necessary, in combination with HOME funds, to complete the project? Are these additional sources committed? Do the project costs ensure that housing provided by HOME funds will be quality housing? If so, does the amount of HOME funds permit the expenditure of that amount on the housing without funding an undue return to the developer? If a rental, does the operating income permit the repayment of any debt in addition to operating and management costs, utilities, taxes, etc.?*

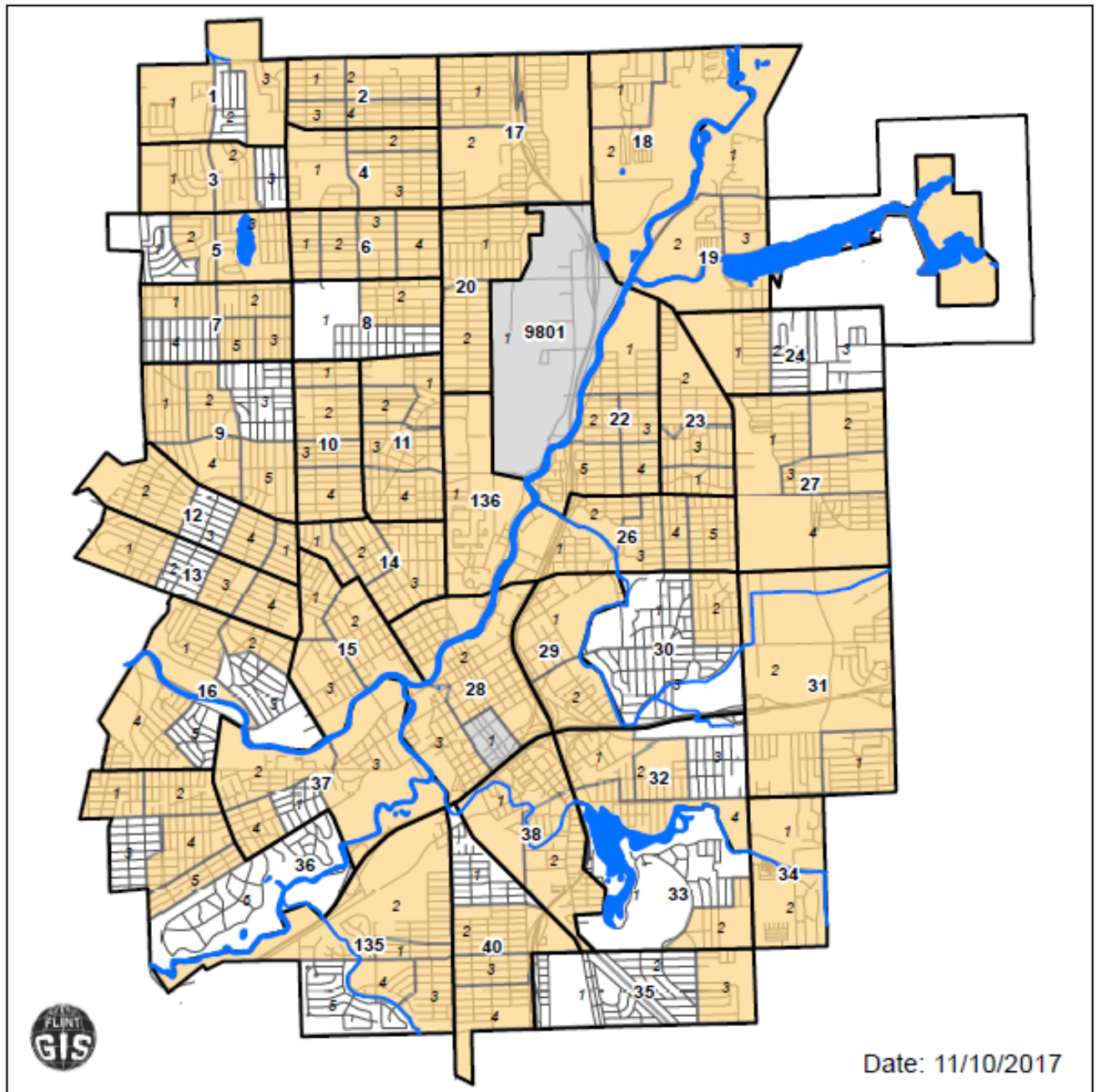
12/05/18



# Census Tracts and Block Groups with Low-Mod Income



2014 ACS 5-Year Estimate:  
Median Family Income in the Past 12 Months (2014 Inflation-Adjusted Dollars)



Census Tracts **Block Groups**

Water

Streets

Low-Moderate Income Areas

Non Low-Moderate Income Areas

Insufficient Data

*Low-Moderate Income is defined as 80% or less than the estimated median family income for the Flint Metropolitan Statistical Area*

0 0.5 1 2 Miles



City of Flint  
Department of Community and Economic Development  
FY 19-20 HOME Proposal Cover Sheet

**Submit 5 copies of this cover sheet for each application. Clearly label original.  
For multiple agency submissions, please submit additional cover sheets for each application.**

**A. ORGANIZATION INFORMATION**

Agency Name: Federal ID#:

Address:

City/State/Zip:

Fiscal Officer or Accounting Firm:

Address, if different than above:

Phone: Fax: E-mail:

Program Contact Person:

Phone: Fax: E-mail:

Project Name:	Funding Source <b>HOME</b>	Amount Requested:
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**RFP Priority Addressed (Check One)**

HOME Multi-Family Development



By signing this application, the undersigned offers and agrees if the proposal is accepted, to furnish items or services for which prices are quoted, subject to final negotiation and acceptance by the City of Flint and subsequent contract award.

Agency Authorized Official:

Print Name

Signature

Phone:

Fax:

E-mail:

Date






City of Flint  
Department of Community and Economic Development  
FY 19-20 HOME

**TABLE OF CONTENTS AND CHECKLIST**

**Submit a copy of this Table of Contents and Checklist with each application.**

**Proposal Title:**

	Check if attached	Page
<b>1. PROPOSAL COVER SHEET</b>	<input type="checkbox"/>	_____
<b>2. TABLE OF CONTENTS AND CHECKLIST</b>	<input type="checkbox"/>	_____
<b>3. PROGRAM PROPOSAL (no more than 8 pages) (Att 1)</b>		
A. Project Description	<input type="checkbox"/>	_____
B. Compliance with City and Federal policy	<input type="checkbox"/>	_____
C. Developer capacity	<input type="checkbox"/>	_____
<b>4. FINANCIAL UNDERWRITING (as applicable below)</b>		
A. Development pro forma (Att 2A)	<input type="checkbox"/>	_____
B. Rental operating pro forma (Att 2B)	<input type="checkbox"/>	_____
C. Homebuyer affordability pro forma (Att 2C)	<input type="checkbox"/>	_____
D. Confirmation of funding sources (Att 2D)	<input type="checkbox"/>	_____
<b>5. ORGANIZATIONAL INFORMATION (non-CHDO's only)</b>		
A. History, mission and goals	<input type="checkbox"/>	_____
B. Board, staff, and volunteer responsibilities	<input type="checkbox"/>	_____
C. HOME management experience	<input type="checkbox"/>	_____
D. Comparable developments	<input type="checkbox"/>	_____
E. Collaborative activities	<input type="checkbox"/>	_____
F. HOME funding history and achievement	<input type="checkbox"/>	_____
G. Other CHDO funds	<input type="checkbox"/>	_____
<b>6. REQUIRED ATTACHMENTS (non-CHDO's only)</b>		
A. IRS 501c3 designation letter (Att 3)	<input type="checkbox"/>	_____
B. Organizational chart (Att 4)	<input type="checkbox"/>	_____
C. List of Board of Directors (Att 5)	<input type="checkbox"/>	_____
D. Employee roster (Att 6)	<input type="checkbox"/>	_____
E. Past 2 years' audited financial statements, single audit, or audit statement, as applicable (Att 7)	<input type="checkbox"/>	_____
F. Accounting Certification form (Att 8)	<input type="checkbox"/>	_____
G. Past and present HOME activities (Att 9)	<input type="checkbox"/>	_____

<b>7. CHDO APPLICATION (if seeking funding from the CHDO set-aside and/or a CHDO Operating grant)</b>		_____
A. CHDO Application Cover Sheet		_____
B. CHDO Checklist: Threshold requirements		_____
C. CHDO Checklist: Capacity Requirements		_____
D. CHDO Certification Required Attachments		_____



# *Sample Budget Detail Worksheet*

# Budget Detail Worksheet

**Purpose:** The Budget Detail Worksheet may be used as a guide to assist you in the preparation of the budget and budget narrative. You may submit the budget and budget narrative using this form or in the format of your choice (plain sheets, your own form, or a variation of this form). However, all required information (including the budget narrative) must be provided. Any category of expense not applicable to your budget may be deleted.

**A. Personnel** - List each position by title and name of employee, if available. Show the annual salary rate and the percentage of time to be devoted to the project. Compensation paid for employees engaged in grant activities must be consistent with that paid for similar work within the applicant organization.

Name/Position	Computation	Cost
<i>John Smith, Investigator</i>	<i>(\$50,000 x 100%)</i>	<i>\$50,000</i>
<i>2 Investigators</i>	<i>(\$50,000 x 100% x 2)</i>	<i>\$100,000</i>
<i>Secretary</i>	<i>(\$30,000 x 50%)</i>	<i>\$15,000</i>
<i>Cost of living increase</i>	<i>(\$165,000 x 2% x .5 yr.)</i>	<i>\$1,650</i>
<i>Overtime per investigator</i>	<i>(\$37.50/hr. x 100 hrs. x 3)</i>	<i>\$11,250</i>

*The three investigators will be assigned exclusively to homicide investigations. A 2% cost of living adjustment is scheduled for all full-time personnel 6 months prior to the end of the grant. Overtime will be needed during some investigations. A half-time secretary will prepare reports and provide other support to the unit.*

**TOTAL \$177,900**

**B. Fringe Benefits** - Fringe benefits should be based on actual known costs or an established formula. Fringe benefits are for the personnel listed in budget category (A) and only for the percentage of time devoted to the project. Fringe benefits on overtime hours are limited to FICA, Workman's Compensation, and Unemployment Compensation.

Name/Position	Computation	Cost
<i>Employer's FICA</i>	<i>(\$177,900 x 7.65%)</i>	<i>\$13,609</i>
<i>Retirement</i>	<i>*(\$166,650 x 6%)</i>	<i>\$9,999</i>
<i>Uniform Allowance</i>	<i>(\$50/mo. x 12 mo. x 3)</i>	<i>\$1,800</i>
<i>Health Insurance</i>	<i>*(\$166,650 x 12%)</i>	<i>\$19,998</i>
<i>Workman's Compensation</i>	<i>(\$177,900 x 1%)</i>	<i>\$1,779</i>
<i>Unemployment Compensation</i>	<i>(\$177,900 x 1%)</i>	<i>\$1,779</i>
<i>*(\$177,900 less \$11,250)</i>		

**TOTAL \$48,964**

**Total Personnel & Fringe Benefits \$226,864**

**C. Travel** - Itemize travel expenses of project personnel by purpose (e.g., staff to training, field interviews, advisory group meeting, etc.). Show the basis of computation (e.g., six people to 3-day training at \$X airfare, \$X lodging, \$X subsistence). In training projects, travel and meals for trainees should be listed separately. Show the number of trainees and the unit costs involved. Identify the location of travel, if known. Indicate source of Travel Policies applied, Applicant or Federal Travel Regulations.

Purpose of Travel	Location	Item	Computation	Cost
Training	Boston	Airfare	(\$150 x 2 people x 2 trips)	\$600
		Hotel	(\$75/night x 2 x 2 people x 2 trips)	\$600
		Meals	(\$35/day x 3 days x 2 people x 2 trips)	\$420
Investigations	New York City	Airfare	(\$600 average x 7)	\$4,200
		Hotel and Meals	(\$100/day average x 7 x 3 days)	\$2,100

*Two of the investigators will attend training on forensic evidence gathering in Boston in October and January. The investigators may take up to seven trips to New York City to follow up investigative leads. Travel estimates are based on applicant's formal written travel policy.*

**TOTAL \$7,920**

**D. Equipment** - List non-expendable items that are to be purchased. Non-expendable equipment is tangible property having a useful life of more than two years and an acquisition cost of \$5,000 or more per unit. (Note: Organization's own capitalization policy may be used for items costing less than \$5,000). Expendable items should be included either in the "supplies" category or in the "Other" category. Applicants should analyze the cost benefits of purchasing versus leasing equipment, especially high cost items and those subject to rapid technical advances. Rented or leased equipment costs should be listed in the "Contractual" category. Explain how the equipment is necessary for the success of the project. Attach a narrative describing the procurement method to be used.

Item	Computation	Cost
3 - 486 Computer w/CD ROM	(\$2,000 x 3)	\$6,000
Video Camera	\$1,000	\$1,000

*The computers will be used by the investigators to analyze case and intelligence information. The camera will be used for investigative and crime scene work.*

**TOTAL \$7,000**

**E. Supplies** - List items by type (office supplies, postage, training materials, copying paper, and expendable equipment items costing less than \$5,000, such as books, hand held tape recorders) and show the basis for computation. (Note: Organization's own capitalization policy may be used for items costing less than \$5,000). Generally, supplies include any materials that are expendable or consumed during the course of the project.

Supply Items	Computation	Cost
<i>Office Supplies</i>	<i>(\$50/mo. x 12 mo.)</i>	<i>\$600</i>
<i>Postage</i>	<i>(\$20/mo. x 12 mo.)</i>	<i>\$240</i>
<i>Training Materials</i>	<i>(\$2/set x 500 sets)</i>	<i>\$1,000</i>
<i>Office supplies and postage are needed for general operation of the program. Training materials will be developed and used by the investigators to train patrol officers how to preserve crime scene evidence.</i>		
		<b>TOTAL <u>\$1,840</u></b>

**F. Construction** - As a rule, construction costs are not allowable. In some cases, minor repairs or renovations may be allowable. Check with the program office before budgeting funds in this category.

Purpose	Description of Work	Cost
<i>Renovation</i>	<i>Add walls</i>	<i>\$5,000</i>
	<i>Build work tables</i>	<i>\$3,000</i>
	<i>Build evidence storage units</i>	<i>\$2,000</i>
<i>The renovations are needed to upgrade the forensic lab used to analyze evidence for homicide cases.</i>		
		<b>TOTAL <u>\$10,000</u></b>

**G. Consultants/Contracts** - Indicate whether applicant's formal, written Procurement Policy or the Federal Acquisition Regulations are followed.

**Consultant Fees:** For each consultant enter the name, if known, service to be provided, hourly or daily fee (8-hour day), and estimated time on the project. Consultant fees in excess of \$250 per day require additional justification and prior approval from OJP.

Name of Consultant	Service Provided	Computation	Cost
John Doe	Forensic Specialist	(\$150/day x 30 days)	\$4,500
<i>John Doe, Forensic Specialist, will be hired, as needed, to assist with the analysis of evidence in homicide cases.</i>			
			<i>Subtotal \$4,500</i>

**Consultant Expenses:** List all expenses to be paid from the grant to the individual consultants in addition to their fees (i.e., travel, meals, lodging, etc.)

Item	Location	Computation	Cost
Airfare	Miami	(\$400 x 6 trips)	\$2,400
Hotel and Meals		(\$100/day x 30 days)	\$3,000
<i>John Doe is expected to make up to 6 trips to Miami to consult on homicide cases.</i>			
			<i>Subtotal \$5,400</i>

**Contracts:** Provide a description of the product or service to be procured by contract and an estimate of the cost. Applicants are encouraged to promote free and open competition in awarding contracts. A separate justification must be provided for sole source contracts in excess of \$100,000.

Item	Cost
Intelligence System Development	\$102,000
<i>The State University will design an intelligence system to be used in homicide investigations. A sole source justification is attached. Procurement Policy is based on the Federal Acquisition Regulation.</i>	
<i>Subtotal \$102,000</i>	

**TOTAL \$111,900**

**H. Other Costs** - List items (e.g., rent, reproduction, telephone, janitorial or security services, and investigative or confidential funds) by major type and the basis of the computation. For example, provide the square footage and the cost per square foot for rent, or provide a monthly rental cost and how many months to rent.

Description	Computation	Cost
Rent	(700 sq. ft. x \$15/sq. ft.) (\$875/mo. x 12 mo.)	\$10,500
<i>This rent will pay for space for the new homicide unit. No space is currently available in city-owned buildings.</i>		
Telephone	(\$100/mo. x 12 mo.)	\$1,200
Printing/Reproduction	(\$150/mo. x 12 mo.)	\$1,800
		<b>TOTAL \$13,500</b>

**I. Indirect Costs** - Indirect costs are allowed only if the applicant has a Federally approved indirect cost rate. A copy of the rate approval, (a fully executed, negotiated agreement), must be attached. If the applicant does not have an approved rate, one can be requested by contacting the applicant's cognizant Federal agency, which will review all documentation and approve a rate for the applicant organization, or if the applicant's accounting system permits, costs may be allocated in the direct costs categories.

Description	Computation	Cost
10% of personnel and fringe benefits	(\$226,864 x 10%)	\$22,686
<i>The indirect cost rate was approved by the Department of Transportation, the applicant's cognizant Federal agency, on January 1, 1994. (A copy of the fully executed, negotiated agreement is attached.)</i>		
		<b>TOTAL \$22,686</b>

**Budget Summary-** When you have completed the budget worksheet, transfer the totals for each category to the spaces below. Compute the total direct costs and the total project costs. Indicate the amount of Federal requested and the amount of non-Federal funds that will support the project.

Budget Category	Amount
-----------------	--------

A. Personnel	\$177,900
--------------	-----------

B. Fringe Benefits	\$48,964
--------------------	----------

C. Travel	\$7,920
-----------	---------

D. Equipment	\$7,000
--------------	---------

E. Supplies	\$1,840
-------------	---------

F. Construction	\$10,000
-----------------	----------

G. Consultants/Contracts	\$111,900
--------------------------	-----------

H. Other	\$13,500
----------	----------

Total Direct Costs	\$379,024
--------------------	-----------

I. Indirect Costs	\$22,686
-------------------	----------

TOTAL PROJECT COSTS	\$401,710
---------------------	-----------

Federal Request	\$301,283
-----------------	-----------

Non-Federal Amount	\$100,427
--------------------	-----------



# Budget Detail Worksheet

**Purpose:** The Budget Detail Worksheet may be used as a guide to assist you in the preparation of the budget and budget narrative. You may submit the budget and budget narrative using this form or in the format of your choice (plain sheets, your own form, or a variation of this form). However, all required information (including the budget narrative) must be provided. Any category of expense not applicable to your budget may be deleted.

**A. Personnel** - List each position by title and name of employee, if available. Show the annual salary rate and the percentage of time to be devoted to the project. Compensation paid for employees engaged in grant activities must be consistent with that paid for similar work within the applicant organization.

Name/Position	Computation	Cost
		SUB-TOTAL_____

**B. Fringe Benefits** - Fringe benefits should be based on actual known costs or an established formula. Fringe benefits are for the personnel listed in budget category (A) and only for the percentage of time devoted to the project. Fringe benefits on overtime hours are limited to FICA, Workman's Compensation, and Unemployment Compensation.

Name/Position	Computation	Cost
		SUB-TOTAL_____
		Total Personnel & Fringe Benefits_____



**C. Travel** - Itemize travel expenses of project personnel by purpose (e.g., staff to training, field interviews, advisory group meeting, etc.). Show the basis of computation (e.g., six people to 3-day training at \$X airfare, \$X lodging, \$X subsistence). In training projects, travel and meals for trainees should be listed separately. Show the number of trainees and the unit costs involved. Identify the location of travel, if known. Indicate source of Travel Policies applied, Applicant or Federal Travel Regulations.

Purpose of Travel	Location	Item	Computation	Cost
			TOTAL	

**D. Equipment** - List non-expendable items that are to be purchased. Non-expendable equipment is tangible property having a useful life of more than two years and an acquisition cost of \$5,000 or more per unit. (Note: Organization’s own capitalization policy may be used for items costing less than \$5,000). Expendable items should be included either in the “supplies” category or in the “Other” category. Applicants should analyze the cost benefits of purchasing versus leasing equipment, especially high cost items and those subject to rapid technical advances. Rented or leased equipment costs should be listed in the “Contractual” category. Explain how the equipment is necessary for the success of the project. Attach a narrative describing the procurement method to be used.

Item	Computation	Cost
		TOTAL_____

**E. Supplies** - List items by type (office supplies, postage, training materials, copying paper, and expendable equipment items costing less than \$5,000, such as books, hand held tape recorders) and show the basis for computation. (Note: Organization's own capitalization policy may be used for items costing less than \$5,000). Generally, supplies include any materials that are expendable or consumed during the course of the project.

Supply Items	Computation	Cost
		<b>TOTAL</b> _____

**F. Construction** - As a rule, construction costs are not allowable. In some cases, minor repairs or renovations may be allowable. Check with the program office before budgeting funds in this category.

Purpose	Description of Work	Cost
		<b>TOTAL</b> _____

**G. Consultants/Contracts** - Indicate whether applicant's formal, written Procurement Policy or the Federal Acquisition Regulations are followed.

**Consultant Fees:** For each consultant enter the name, if known, service to be provided, hourly or daily fee (8-hour day), and estimated time on the project. Consultant fees in excess of \$450 per day require additional justification and prior approval from OJP.

Name of Consultant	Service Provided	Computation	Cost
			<i>Subtotal</i> _____

**Consultant Expenses:** List all expenses to be paid from the grant to the individual consultants in addition to their fees (i.e., travel, meals, lodging, etc.)

Item	Location	Computation	Cost
			<i>Subtotal</i> _____

**Contracts:** Provide a description of the product or service to be procured by contract and an estimate of the cost. Applicants are encouraged to promote free and open competition in awarding contracts. A separate justification must be provided for sole source contracts in excess of \$100,000.

Item	Cost
<i>Subtotal</i> _____	
<b>TOTAL</b> _____	

**H. Other Costs** - List items (e.g., rent, reproduction, telephone, janitorial or security services, and investigative or confidential funds) by major type and the basis of the computation. For example, provide the square footage and the cost per square foot for rent, or provide a monthly rental cost and how many months to rent.

**I. Indirect Costs** - Indirect costs are allowed only if the applicant has a Federally approved indirect cost rate. A copy of the rate approval, (a fully executed, negotiated agreement), must be attached. If the applicant does not have an approved rate, one can be requested by contacting the applicant's cognizant Federal agency, which will review all documentation and approve a rate for the applicant organization, or if the applicant's accounting system permits, costs may be allocated in the direct costs categories.

Description	Computation	Cost
		TOTAL

**Budget Summary-** When you have completed the budget worksheet, transfer the totals for each category to the spaces below. Compute the total direct costs and the total project costs. Indicate the amount of Federal requested and the amount of non-Federal funds that will support the project.

Budget Category	Amount
A. Personnel	_____
B. Fringe Benefits	_____
C. Travel	_____
D. Equipment	_____
E. Supplies	_____
F. Construction	_____
G. Consultants/Contracts	_____
H. Other	_____
Total Direct Costs	_____
I. Indirect Costs	
TOTAL PROJECT COSTS	_____
Federal Request	_____
Non-Federal Amount	_____

## ACCOUNTING CERTIFICATION

To receive federal grant funds, it is necessary for organizations to submit a certification of the adequacy of their accounting system. This certification must be completed by an Independent Certified Public Accountant.

On behalf of \_\_\_\_\_, I hereby certify that the  
Organization Name

accounting system for the above organization is adequate to manage federal grant funds in accordance with generally accepted accounting principles and standards set forth in the U.S. Office of Management and Budget (OMB) Circular A-102.

Signed:

\_\_\_\_\_  
Independent CPA

\_\_\_\_\_  
Date

\_\_\_\_\_  
Firm Name

\_\_\_\_\_  
Address

\_\_\_\_\_  
City, State, Zip Code

**CITY OF FLINT**  
**Community and Economic Development Division**  
**MONITORING RISK ANALYSIS**

**I. Purpose**

The purpose of this Document is to provide a consistent methodology for risk analysis to establish priorities for monitoring subrecipients. In general this notice should guide program monitors in procedures for ranking those subrecipients to ensure that those who are at highest risk for compliance concerns are monitored as first priority within the resources made available.

**II. Background**

The Division has issued guidance for risk analysis processes to provide a consistent and logical approach to selecting the grantees to be monitored. Risk analysis is the mechanism used by the Division to allocate monitoring and technical assistance resources in the most efficient and effective manner. At the beginning of the fiscal year, each monitor should develop a monitoring strategy and work plan that covers all subrecipients and organizations that might be monitored during the fiscal year. The purpose of this strategy is to facilitate the development of adequate management controls that will reduce risk to acceptable levels, and to establish a framework for determining the appropriate level of monitoring, training, and/or technical assistance attention for each organization consistent with available resources. Risk analysis is the method that is used to establish priorities for in-depth monitoring by monitors and to determine where staff and resources can be best utilized. The selection process should ensure that those Subrecipients and their projects that represent the greatest vulnerability to non-compliance with the Division's policies and procedures and HUD regulations are monitored.

The major steps for implementing risk based, in-depth monitoring as it pertains to compliance include:

- Identifying compliance risks and setting monitoring objectives
- Developing risk based rating systems for subrecipients
- Developing and communicating compliance strategies and plans for oversight of identified risks
- Documenting the process and recording the rationale for choosing subrecipients
- Rating and selecting grantees for monitoring

Below is guidance from HUD on performing a risk analysis for subrecipients applying for CDBG, HOME, or ESG funding:

### Step 2 – Assess Your Subrecipients

The new rules under 2 CFR 200.331(b) require that grantees assess their subrecipients' capacity to be successful. This is done by annually conducting a risk assessment on each subrecipient. A risk assessment provides the information needed to prioritize your administrative resources to subrecipients that pose the greatest risk to the integrity of CPD programs. This process includes identifying the subrecipients to be monitored (either onsite or remotely), the program areas to be covered, and the depth of the monitoring review. The selection process should result in identifying those subrecipients and activities that represent the greatest vulnerability to fraud, waste, mismanagement, or lack of capacity.

**Tip:** A key first step is to verify that the subrecipient is not on the suspension and debarment list before making a subaward. This step is often missed.

There are several resources (listed at the end of this document) available to assist in developing a risk assessment. In determining which format is best for your organization, make sure the following factors are covered:

- |  |  |
|--|--|
| 1. What is their prior experience?   | 6. Did prior monitoring identify problems?                 |
| 2. Were prior audits conducted?  | 7. Were past awards large or complex?                      |
| 3. Were prior audit findings resolved?                                     | 8. Is the funded activity prone to problems?               |
| 4. Does the subrecipient have the capability to comply with Federal rules? | 9. Does the award present potential conflicts of interest? |
| 5. Have financial systems changed?   | 10. Has there been turnover of key personnel?              |

When conducting a risk assessment, use all information available, including news items or citizen complaints, to identify problem areas. Some activities have higher levels of risk than others and warrant additional attention. Activities that are riskier than others include rehabilitation projects involving lump-sum drawdowns; economic development activities that assist for-profit businesses; assistance to small or newly formed nonprofits that may struggle with implementing internal controls; and subrecipients not previously monitored, especially when they lack previous CPD program experience.

Be sure to document your risk assessments and show how they affected your risk plan and monitoring schedule. After completing this analysis for each subrecipient, compile a written monitoring schedule, identifying which grantees will be monitored, the method of monitoring (onsite or remote), programs and areas to be monitored, the type of monitoring (in-depth or limited), areas of technical assistance and training needed, resources needed, and projected timeframes. If adjustments are required in the middle of the program year, be sure to document those changes as well.

### III. Risk Analysis Participants

Each monitor will take responsibility for and perform the risk analysis using the methodology described in this notice. This process should



lead the monitor to a conclusion that provides the foundation for an overall work plan that clearly designates specific subrecipients for in-depth monitoring or technical assistance and proposes a specific allocation of resources and schedule to accomplish this task.

Monitoring staff are assigned primary responsibility for performing risk analyses that are outlined further in this notice. Therefore, it is imperative that each monitor consult with all necessary program office staff in gathering necessary risk analysis information and will be responsible for maintaining all necessary data on compliance in the geographic region to support effective risk analysis. It is the responsibility of the monitor to assure that the consultation process with program office staff is thorough and successful.

#### **IV. Risk Criteria**

All risk analyses are standardized and use a five factor rating system. These factors are consistent with those described in the "HUD Monitoring Desk Guide (Training Edition)". They are:

- Recent Monitoring
- Program Complexity
- Local Capacity
- Program Office Rating
- Audit Findings, Monitoring Findings and Citizen Complaints

#### **V. Analyzing Compliance Risk**

The risk analysis process will begin with a review of each subrecipient/organization against a predetermined set of criteria to determine their relative rank. This review of each subrecipient's programs will provide the basic knowledge needed to compare and rank each organization. In completing this review, all necessary program office staff shall be consulted as sources of information on relevant programs that can be used in the ranking process. This data should include information obtained from the Integrated Disbursement and Information System (IDIS), annual performance reports outlining the current projects of Subrecipients, prior monitoring visits, previous audits, citizen complaints, and annual performance reviews. In addition, special attention should be given during the risk analysis process to recent audits with findings designated as significant, material weaknesses, and Divisional priorities.

The guidance below will provide exact instructions on how to rank each responsible entity according to the five risk criteria. The monitors,

after proper consultation and analysis, should assign a numeric risk rating in each category for each subrecipient. The numbers provided within the table are maximum ratings, but the “Evaluator’s Rating” should reflect the discretion and unique knowledge of the monitors. After completing the five criteria for a subrecipient, they should proceed to the Total Score section of this notice to finalize the risk analysis process.

**A. Recent Monitoring**

Definition: The extent to which the Division is able to conduct in-depth monitoring over activities performed by subrecipients at least every three years. The degree to which other risk factors compel inquiry and the entity has not been monitored must be evaluated jointly to assign a risk rating under this factor.

A. Recent Monitoring (Total Points = 25)	Factor Score	Evaluator’s Rating	Evaluator’s Comments
a. Subrecipient has not been monitored in-depth for more than five (5) years by monitors.		25	
b. Subrecipient has neither had limited nor in-depth monitoring in last three (3) years		15	
c. Subrecipient was monitored within the last three years and no significant findings or concerns were noted.		5	

**B. Program Complexity**

Definition: Program complexity is the degree to which the Subrecipient uses HUD funds for purposes likely to involve consideration. It is possible that a smaller grantee might engage in limited activities that require review, or conversely, a larger grantee might engage in numerous highly complex activities where many concerns are reviewed.

Rating Consideration: The monitors should review the subrecipient’s scope of services to evaluate program complexity and document how that complexity was determined.

B. Program Complexity (Total Points = 25)	Factor Score	Evaluator's Rating	Evaluator's Comments
a. Responsible Entity frequently engages in large and complex projects where numerous HUD compliance requirements are involved, i.e, labor standards, development issues, procurement of goods and services,		25	
b. Responsible Entity undertakes complex projects occasionally, and has some familiarity with a variety of HUD compliance requirements.		15	
c. Responsible Entity only rarely engages in complex projects and is not familiar with many HUD compliance requirements.		5	

#### C. Local Capacity

Definition: The demonstrated capacity of the subrecipient to carry out the requirements for its programs.

Rating Considerations: The monitors should base their ratings on their own interactions with the subrecipient staff, on consultations with program office staff, and on the records in the Division such as the evaluations of previous applications for funding, CAPER results, etc.

C. Local Capacity (Total Points = 25)	Factor Score	Evaluator's Rating	Evaluator's Comments
a. Subrecipient has experienced recent staff turnover and new staff are untrained.		25	
b. Subrecipient staff has had some training with moderate expertise.		15	
c. Subrecipient staff are well trained with considerable expertise.		5	

#### D. Program Office Rating

Definition: The monitors should consult with other program staff persons as applicable to determine their perspective on risk concerns.

Rating Considerations: The monitors should assign numeric ratings to Subrecipients based on the comments of all program office directors and staff. The monitors have discretion to weigh the comments of various program offices in arriving at an overall score.

D. Program Office Rating (Total Points = 15)	Factor Score	Evaluator's Rating	Evaluator's Comments
a. Other program staff indicated grantee as high risk.		15	
b. Other program staff indicated RE as moderate risk.		10	
c. Other program staff indicated RE as low risk.		5	

E. Audit Findings, Outstanding Monitoring Findings, or Citizen Complaints

Definition: Any Single or Program audit findings, outstanding concerns or findings from prior monitoring—either limited or in-depth, or unresolved citizen complaints about the subrecipient's programs or procedures.

Rating Considerations: The monitors should use discretion and exercise careful judgment in considering audit issues or findings. Some such audit issues may be sufficiently serious in nature to warrant an automatic on-site monitoring visit. However, in other cases the monitors should base their ratings on the degree to which outstanding findings or concerns exist that have not been satisfactorily resolved. Also, the ratings should include citizen complaints that are unresolved. As in the instance of audit findings, some complaints may be serious enough in nature, and/or the number of complaints about a single instance may be sufficient in and of themselves to warrant an on-site monitoring to investigate the complaints.

E. Audit Findings, Outstanding Monitoring	Factor Score	Evaluator's Rating	Evaluator's Comments
--	--------------	--------------------	----------------------

Findings, Citizen Complaints. (Total Pts = 10)			
a. Serious outstanding audit or monitoring concerns or findings, or citizen complaints.	10		
b. Some outstanding issues from either monitoring or audits, or less serious citizen complaints.	5		
c. Few concerns or complaints	0		

#### F. Total Score

The monitors should total the scores indicated for each of the five previous factors for each Responsible Entity:

Recent Monitoring Rating (25)	Program Complexity Rating (25)	Local Capacity Rating (25)	Program Office Rating (15)	Findings/ Complaints Rating (10)	Total Risk Rating (100)
----------------------------------	--------------------------------	----------------------------	----------------------------	----------------------------------	-------------------------

To rank the universe of Subrecipients under consideration within the geographic area of the monitors, the monitors should prepare a short table to summarize the overall risk analysis results indicating which entities are highest ranked at the top of the table and all subrecipients ranked in descending order. That table should be the primary consideration in determining in-depth monitoring and technical assistance as part of the work plan, should be retained to document the risk analysis process, and should become a key part of the overall monitoring strategy that becomes part of the fiscal year work plan. Any disparities between high risk entities and those scheduled for on-site monitoring, should be highlighted and addressed within the Work Plan for the fiscal year.

**Sample HOME Multi-family Development SOURCES AND USES (with Homebuyer Affordability Analysis included)**

Date Prepared:  Date Updated:

**A General Information**

1 Municipality			
2 Project Address			
3 Year Built			
4 Census Tract			
5 Foreclosed, Abandoned, Vacant			
6 Annual Property Tax			

**B Use of Funds for Project: Acquisition**

1 Acquisition Cost	
2 Acquisition Closing Costs	
3 Other necessary costs for acquisition	
4 Total Acquisition	\$0

**Holding/Soft Costs (pre-completion)**

5 Utilities (transfer and usage)	
6 Maintenance/holding	
7 Survey	
8 Insurance during rehab	
9 Property tax during rehab	
10 Zoning/ permits	
11 Marketing/Advertising	
12 Legal Fees	
13 Specifications/inspection	
14 Total	\$0

**Rehab/Construction Preparation**

15 Environmental risk assessment	
16 Lead/asbestos testing & clearance	
17 Energy audit	
18 Appraisal/BPO	
19 Fees and permits	
20 Architects/Engineering	
21 Termite testing/extermination	
22 Due Diligence/Feasibility	
23 Project management	
24 Insurance	
25 Total	\$0

**Rehabilitation/Construction Costs**

26 Trash-out and clean-up	
27 Rehab/const including lead hazard reduction	
28	
29 Additional net cost for energy efficiency	
30 Appliances	
31 Landscaping	
32 Financing Costs	
33 Other	
34 Rehabilitation/construction cost	\$0
35 Basis for Developer Fee	\$0
36 Developer fee percentage and Amount of Fee	\$0
37 Construction contingency percentage and Amt	\$0
38 Total Development Cost (not including costs of sale)	\$0
TDC minus Developer fee adjustment	\$0
39 HOME Development Subsidy (including contingency)	\$0
Net Developer Fee	\$0

**C Sources of Funds for Project**

1 HOME	
2 Other:	
3 Other:	
4 Other:	
5 Total Sources of Funds	\$0

**6 Total Use of Funds**

\$0
-----

**7 Sources minus Uses (should be zero)**

\$0
-----

**8 Market value/sale price**

--

**D Affordability Analysis**

1 Buyer's income (est @ set-up, actual @ close)	
2 Buyer's HH size (est @ set-up, actual @ close)	
3 Buyer's monthly HH income	\$0
4 Max total debt ratio; max total monthly pmt	\$0
5 Monthly Consumer /installment debt pmt	
6 Monthly amt available for housing	\$0

**Cash Required to Close**

7 Buyer's closing costs/prepays @ closing	
8 Min. down payment required (FHA=3.5%)	\$0
9 Total cost to close	\$0
10 Paid by buyer (e.g., down payment, etc.)	
11 Paid for buyer @ closing (non-HOME)	
12 Balance HOME paid for buyer toward DP and CC	\$0

**Housing Debt**

13 Annual interest rate	
14 Term of mortgage in years	
15 Est property taxes per month	
16 Est homeowner's insurance per month	
17 Est mortgage insurance per month	
18 Homeowner association fees	

**Estimate HB Subsidy**

19 Target housing debt, P&I, mortgage, subsidy	\$0.00	\$0	\$0
20 Max housing debt ratio	\$0.00	\$0	\$0
21 HOME funds for principal reduction	\$0		
22 Total HOME 2nd Mortgage	\$0		

Mortgage amt Principal Red.

**Affordability**

23 Total Cash to Close	\$0
24 Cash from Buyer	\$0
25 Cash from other non-HOME sources	\$0
26 Total HOME 2nd Mortgage	\$0
27 First Mortgage from Buyer	\$0
28 Total Housing Debt	\$0
29 Final PITI compared to amt available for housing	#NUM!

P&I Pmt Housing Debt

#NUM! #NUM!

#NUM! <--Final PITI

#NUM!

**E Sale to Eligible Buyer**

1 Buyer's first mortgage	\$0
2 Down payment from buyer	\$0
3 Adjustments (if applicable)	
4 Total proceeds from buyer	\$0
5 Seller's Closing costs	
6 Sales commissions	
7 Sales tax	
8 Buyer's closing costs paid from HOME	\$0
9 Payoff of other (non-HOME) loans and interest	
10 Sales proceeds	\$0

**F Reconciliation**

1 Total Development Cost	\$0
3 Total HOME funds used	\$0
4 Program Income at sale	\$0
5 Net Cost of Project to HOME	\$0

**City of Flint**  
**A Municipal Center**

Department of Community and Economic Development  
1101 S. Saginaw Street  
South Building  
Flint, Michigan 48502

**Application for Community Housing Development Organization**  
**Part A: Cover Sheet**

Instructions: Complete all questions. Attach documentation in the order requested in the application. If you have questions call Emily at (810) 766-7426 x 3201.

- 1. Organization:** \_\_\_\_\_
- Name:** \_\_\_\_\_
- Address:** \_\_\_\_\_
- \_\_\_\_\_
- County:** \_\_\_\_\_
- Telephone:** \_\_\_\_\_
- Fax #:** \_\_\_\_\_
- Email:** \_\_\_\_\_

- 2. Name, title and address of contact person:**
- \_\_\_\_\_
- \_\_\_\_\_
- Daytime telephone (if different from above):** \_\_\_\_\_
- Email (if different from above):** \_\_\_\_\_

- 3. Organization's Federal Employer Identification Number:** \_\_\_\_\_

**4. Please provide the following information on your organization:**

- a. Number of paid personnel working 35 hours or more per week for the organization \_\_\_\_ ; total hours for these people per week \_\_\_\_.
- b. Number of paid personnel working less than 35 hours per week for the organization \_\_\_\_; total hours for these people per week \_\_\_\_.
- c. Number of volunteers \_\_\_\_; total number of volunteer hours contributed annually.
- d. Organization Chart
- e. Staff Position Descriptions



**CHDO CHECKLIST**  
**Part B: Threshold requirements (24 CFR 92.2)**

The information contained in this checklist refers to the definition of Community Housing Development Organizations (CHDO's) in Subpart A, Section 92.2 of the HOME Final Rule. The checklist is used as a tool to help participating jurisdictions learn more about the documents they must collect from a nonprofit in order to certify the nonprofit as a CHDO. Non-profits must submit evidence of the following and identify its location in the document.

**I. Legal Status**

- A. The non-profit organization is organized under State or local laws, as evidenced by the attached:

\_\_\_\_\_ Charter, In Section or Article \_\_\_\_\_; **OR**  
\_\_\_\_\_ Articles of Incorporation in Section or Article\_\_\_\_\_.

- B. No part of its net earnings inure to the benefit of any member, founder, contributor, or individual, as evidenced by the attached:

\_\_\_\_\_ Charter, In Section or Article \_\_\_\_\_; **OR**  
\_\_\_\_\_ Articles of Incorporation in Section or Article\_\_\_\_\_.

- C. Has a tax exemption ruling from the Internal Revenue Service (IRS) under Section 501(c) of the Internal Revenue Code of 1986, as evidenced by the attached:

\_\_\_\_\_ 501 (c) Certificate from the IRS

- D. Has among its purposes "to provide decent housing that is affordable to low and moderate-income people," as evidenced by a statement in the attached organization's:

\_\_\_\_\_ Charter, In Section or Article \_\_\_\_\_; **OR**  
\_\_\_\_\_ Articles of Incorporation in Article\_\_\_\_\_; **OR**  
\_\_\_\_\_ By –laws, in Section or Article \_\_\_\_\_; **OR**  
\_\_\_\_\_ Resolutions.

- E. Certification of Good Standing

\_\_\_\_\_ Michigan Security and Corporations Bureau; **AND**  
\_\_\_\_\_ Excluded Parties List System

## II. Capacity

- A. Conforms to the financial accountability standards of 24 CFR 84.21, as evidenced by the attached:

\_\_\_\_\_ A notarized statement by the president or chief financial officer of the organization; **OR**  
\_\_\_\_\_ A certification from a Certified Public Accountant; **OR**  
\_\_\_\_\_ A HUD approved audit summary.

- B. Has demonstrated capacity for carrying out activities assisted with HOME funds, as evidenced by the attached:

\_\_\_\_\_ Evidence of employment status (e.g. payroll or contract and resumes that describe the experience of accomplished key staff members who have successfully completed projects similar to those to be assisted with HOME funds); **OR**

\_\_\_\_\_ *If the CHDO has been in existence for one year or less, a contract(s) with consultant firms or individuals who have housing experience similar to projects to be assisted with HOME funds, to train appropriate key staff of the organization.*

- C. Has a history of serving the community where housing to be assisted with HOME funds will be used, as evidenced by the attached:

\_\_\_\_\_ **A** statement that documents at least one year of experience in serving the community by describing activities provided such as developing new housing, housing rehabilitation, property management, housing counseling, or essential services; **OR**

\_\_\_\_\_ For newly created organizations formed by local churches, service or community organizations, a statement that documents that its parent organization has at least one year of experience in serving the community by describing activities provided such as developing new housing rehabilitation, property management, housing counseling, or essential services.

The organization must describe its history (or its parent organization's history) of serving the community by describing activities which it provided (or its parent organization provided), such as, but not limited to: (1) developing new housing, rehabilitating existing stock or that have lasting benefits for the community, such as housing counseling services, managing housing stock; and (2) developing delivery mechanisms for essential services or child care facilities. The statement must be

signed by the chief executive officer of the organization or by a HUD approved representative.

### III. **Organizational Structure**

- A. Is your organization incorporated in the State of Michigan? \_\_\_\_ yes \_\_\_\_ no. Enter your organization's Michigan I.D. number: \_\_\_\_\_. Enter your organization's DUNS number \_\_\_\_\_.
- B. Maintains at least one-third of its governing board's membership for residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations as evidenced by the organization's:
- \_\_\_\_ By-Laws, in Section or Article \_\_\_\_; **OR**  
\_\_\_\_ Charter, in Section or Article \_\_\_\_; **OR**  
\_\_\_\_ Articles of Incorporation in Section or Article \_\_\_\_; **AND**  
\_\_\_\_ Certification of Board Status Form.
- Under the HOME program, for urban areas, the term, "community", is defined as one or several neighborhoods, a city, county or metropolitan area.
- C. Provides a formal process for low-income, program beneficiaries to advise the organization in all of its decisions regarding the design, siting, development, and management of all affordable housing projects, as evidenced by the attached:
- \_\_\_\_ The organization's By-laws in Section or Article \_\_\_\_; **OR**  
\_\_\_\_ Resolutions; **OR**  
\_\_\_\_ A written statement of operating procedures approved by the governing body.
- D. The non-profit organization ensures that a state or local government may not appoint more than one-third of the membership of the organization's governing body and no more than one-third of the governing board members are public officials, as evidenced by the organization's:
- \_\_\_\_ By-laws, in Section or Article \_\_\_\_; **OR**  
\_\_\_\_ Charter, in Section or Article \_\_\_\_; **OR**  
\_\_\_\_ Articles of Incorporation in Section or Article \_\_\_\_; **AND**  
\_\_\_\_ Certification of Board Status Form
- E. If the CHDO is sponsored or created by a for-profit entity, the for-profit entity may not appoint more than one-third of the membership of the CHDO's governing body, and the board members appointed by the for-profit entity may not, in turn, appoint the remaining two-thirds of the board members, as evidenced by the CHDO's:

- \_\_\_\_\_ By –laws, in Section or Article \_\_\_\_; **OR**
- \_\_\_\_\_ Charter, In Section or Article \_\_\_\_; **OR**
- \_\_\_\_\_ Articles of Incorporation in Article\_\_\_\_; **OR**
- \_\_\_\_\_ Not sponsored by a for-profit entity; **AND**
- \_\_\_\_\_ Certification of Board Status Form.

- F. If created or sponsored by a religious organization, the non-profit is a separate, secular organization with membership available to all persons regardless of religious affiliation, as evidenced by:

- \_\_\_\_\_ By –laws, in Section or Article \_\_\_\_; **OR**
- \_\_\_\_\_ Charter, In Section or Article \_\_\_\_; **OR**
- \_\_\_\_\_ Articles of Incorporation in Article\_\_\_\_; **OR**
- \_\_\_\_\_ Not created or sponsored by a religious organization.

#### **IV. Relationship with For-Profit Entities**

- A. Is not controlled, nor receives directions from individuals, or entities seeking profit from the organization, as evidenced by the attached:

- \_\_\_\_\_ The organization’s By-laws in Section or Article \_\_\_\_; **OR**
- \_\_\_\_\_ Articles of Incorporation in Section or Article\_\_\_\_;

- B. A Community Housing Development Organization may be sponsored or created by a for-profit entity, however:

- (1) the for-profit entity’s primary purpose does not include the development or management of housing, as evidenced in the attached:

- \_\_\_\_\_ By –laws, in Section or Article \_\_\_\_; **OR**
- \_\_\_\_\_ Not sponsored by a for-profit entity.

AND;

- (2) the CHDO is free to contract for goods and services from vendors(s) of its own choosing, as evidenced in the attached CHDO’s;

- \_\_\_\_\_ By –laws, in Section or Article \_\_\_\_; **OR**
- \_\_\_\_\_ Charter, In Section or Article \_\_\_\_; **OR**
- \_\_\_\_\_ Articles of Incorporation in Article\_\_\_\_.

#### **V. Financials. Provide Board-approved copies of the following:**

- \_\_\_\_\_ Most recent two years of audits

- \_\_\_\_\_ Current Adopted Fiscal Year Budget
- \_\_\_\_\_ Board Minutes Adopting Budget
- \_\_\_\_\_ Current Financial Activity Reports (income/expense and balance sheet)
- \_\_\_\_\_ Financial Operating Guidelines

Name: \_\_\_\_\_  
(Name of organization's chief executive officer)

Title: \_\_\_\_\_

Signature: \_\_\_\_\_  
(Organization's chief executive officer)

Street Address: \_\_\_\_\_

City: \_\_\_\_\_

State: \_\_\_\_\_

Zip: \_\_\_\_\_

Date: \_\_\_\_\_

## CHDO CHECKLIST

### Part C: Capacity Requirements for Proposed project

**VI. Community-wide relationships: How well does the CHDO relate to stakeholders in the community, including the PJ and potential lenders/investors?**

\_\_\_\_\_ Address relationships through a single narrative, attached as Exhibit \_\_\_\_\_, addressing relationships with the community, the City of Flint, lenders and others as appropriate for the proposed project.

**VII. Financial status: Attach documentation of the current financial strength of the CHDO's current obligations for the ownership and management of real estate:**

\_\_\_\_\_ Financial report on current portfolio of properties owned and managed by the CHDO (include rental properties and vacant properties currently offered for sale); for rental properties, include income and expense report for each

**VIII. Development capacity narrative**

**A. In the context of the proposed project, attach the following:**

\_\_\_\_\_ Narrative describing the CHDO's past performance, addressing specifically (a) past HOME-funded projects, (b) any other federally assisted real estate development projects, (c) any other real estate development activities, and (d) the administration of other grants.

**B. Organizational and management capacity:**

\_\_\_\_\_ Narrative addressing the existing management capacity of the CHDO, including (a) whether the existing executive and financial management of the CHDO is sufficient (both in terms of skills and staff time) to address the additional workload resulting from the proposed project and (b) whether the organization will need to create a new ownership partnership or other entity (such as a partnership for low-income housing tax credits or a "limited-dividend housing association" or LDHA to qualify for MSHDA bond financing) to develop the proposed project.

**C. Board Skills:**

\_\_\_\_\_ Narrative addressing the skills of the current Board of Directors in the context of the proposed project. List any board member skills important to the success of the proposed project, including (a) those listed on the "Certification of

Board Status” and (b) any other skills or roles unique to this project not listed on the Certification form.

D. Staff skills and capacity:

\_\_\_\_\_ Narrative addressing the existing staff-level skills of the CHDO, including (a) whether the existing staff has the technical skills and the available time to implement the proposed project and (b) any additional project-specific capacity from consultants or temporary staff to be engaged for this project. Include resumes if not already attached under Part 1, Section II.B above.

E. Development team:

\_\_\_\_\_ If the capacity of the staff and board of the CHDO will be expanded through project-specific consultants or other technical experts, attach a description of the development team, with resumes. Address the following roles, as appropriate:

Developer: \_\_\_\_\_

Co-developer/Partner: \_\_\_\_\_

Owner: \_\_\_\_\_

General Contractor: \_\_\_\_\_

Consultants: \_\_\_\_\_

Architect: \_\_\_\_\_

Engineer: \_\_\_\_\_

Project Manager (during construction): \_\_\_\_\_

Lead Construction Lender: \_\_\_\_\_

Marketing: \_\_\_\_\_

Project Management (post-construction): \_\_\_\_\_

**Notes on Certifications and Attachments:**

Certificate of Good Standing: Your corporation must be in good standing with the Michigan Securities and Corporations Bureau and the Federal System Award Management (formerly

EPLS). Please attach a copy of your Certificate of Good Standing issued by the both within the last 30 days.

Board Membership Certification: Your corporation must certify that no more than one-third of your boards members are public officials and that at least one-third are residents of low income neighborhoods, other low-income residents or elected representatives of low income organizations. Please attach a Certification of Board Status signed by the organization's chief executive officer.

Financial Accountability Certification: Your corporation must be certified by a certified public accountant that it has standards of financial accountability that conform to Attachment F of OMB Circular No. A-110 (Rev.) "Standards for Financial Management Systems." Attach a Financial Accountability Certification signed by the organization's certified public accountant along with documents identified in Section IV.

Charter: If filed, attached a copy of your organization's Charter.

Articles of Incorporation: Attach a copy of your organization's filed Articles.

By-Laws: Attach a copy of your organization's By-Laws.

Organization's Governing Body: Attached a list of members of your organization's governing body, residential addresses and occupations. Identify committee assignments, members of Executive Board, members of the Finance Committee. To meet the criteria of Section III, Part B on page 4 of this application, you may need to disclose income and/or provide minutes of your neighborhood organization's electing board members.

IRS 501 (c)(3) Tax Exempt Ruling: Attach a copy of your organization's tax exempt ruling.

Organization Chart: Identify Full Time, Part Time, Temporary, Voluntary and Consultant Positions

Resumes of Personnel: Attach resumes of your organization's personnel who managed and operate housing programs. Include experience, education and number of hours per week currently devoted to housing programs.

Statement Documenting Organization History: Attach a statement signed by the chief executive officer, describing past and current activities in housing development, housing rehabilitation, housing property management, housing counseling or essential housing services.



## CHDO CERTIFICATION

### Part D: Required Attachments

Requirement	Attachment	Exhibit (A, B, C, etc.)
	<b>Part 1: Threshold Requirements</b>	
IA, IB, ID, IIIB, IIID, IIIE, IIIF, IVA, IVB	Articles of Incorporation	
IC	501(c)(3) or (c)(4) determination from IRS	
ID, IIIB, IIID, IIIE, IIIF, IVA, IVB	By-Laws	
IE	State of Michigan Certificate of Good Standing	
IE	Evidence of non-debarment	
IIA	Accounting Certification	
IIB	Existing staff capacity: Organizational Chart with resumes of existing executive and housing development staff	
IIC	History of service to community	
IIIB, IIID, IIIE	Certification of Board Status Form	
IIIC	Low-income members have input on housing projects	
V	Most recent two years of audits	
V	Current budget and board resolution adopting budget	
V	Current income, expense and assets	
	<b>Part 2: Capacity for Proposed Project</b>	
VI	Narrative: Community relationships	
VII	Financial status of property portfolio	
VIIIA	Narrative: Track record in past HOME projects, housing development, grant administration	
VIIIB	Narrative: Organizational management capacity	
VIIIC	Narrative: Board capacity	
VIIID	Narrative: Staff capacity	
VIIIE	Narrative: Development team	

(Letterhead)

**FINANCIAL ACCOUNTABILITY**

**CERTIFICATION**

I, \_\_\_\_\_, am a certified public accountant and do hereby certify that the standards of financial accountability for the \_\_\_\_\_

\_\_\_\_\_  
(Insert the name of the Non-Profit Organization)  
conform to Attachment F of OMB Circular No. A-110 (Rev.) "Standards for Financial Management Systems."

Signature:

\_\_\_\_\_  
(typed name):  
(title):

Address:

\_\_\_\_\_  
\_\_\_\_\_  
city MI zip code

Date:

\_\_\_\_\_

(Letterhead)

## BOARD MEMBERSHIP

### CERTIFICATION

I, \_\_\_\_\_, the \_\_\_\_\_ of the  
(Name) (Title)

---

(Name of Non-profit)

(the "Corporation") am authorized to act on behalf of the Board of Directors (the "Board") of the Corporation and do hereby certify that at least one-third of the members of the Board are residents of low-income neighborhoods, other low-income community residents, or elected representatives of low-income neighborhood organizations. I further certify that no more than one-third of the members of the Board are public officials.

Signature:

---

(typed name):

(title):

Address:

---

\_\_\_\_\_MI\_\_\_\_\_

city

zip code

Date:

---

## **Certification of Board Status**

Applicants must complete the following **Certification of Board Status** and submit it along with their application for CHDO certification. Please list each board member by name, then place a Yes or No indicating the representation that member brings to the Board in regards to income or local government representation. Please list only current or approved board members. Do not list prospective board members who have not been approved to join the board. Add more lines to each table, as needed.

**Table A: Low Income Representation and Local Government Appointees**

	Board Member Name	Residential Address	Low-Income Representative (Y/N) ( => 1/3)			Local Government Representation (Y/N) (<1/3)		
			Low-Income Household	Resident of LI Neighborhood	Elected Rep of LI N'hood Org	City of Flint Local Official	City of Flint Employee	Appointed by Local Official?
1								
2								
3								
4								
5								
6								
7								
8								
9								
10								
11								

For each low-income representative, attach documentation (income, residency, or election by neighborhood organization, as appropriate)

**Table B: If the CHDO is sponsored/created by a for-profit organization: For-Profit Appointees:**

☐ The CHDO is not sponsored/created by a for-profit organization; Table B does not apply. Skip to Table C.

	Board Member Name	Residential Address	For-Profit Representatives/Appointees (Y/N) (<1/3)		
			Appointed by for-Profit sponsor	May Appoint other Board Members	Appointed by For-Profit Representative/Appointee
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					
11					

**Table C: Areas of Expertise of Board Members**

	<b>Board Member Name</b>	<b>Years on Board</b>	<b>Occupation</b>	<b>Place of Employment</b>	<b>Areas of Expertise (enter as many as apply)</b>	<b>Low-Income Rep; See Table A (Y/N)</b>	<b>Finance Comm? (Y/N)*</b>
<b>1</b>							
<b>2</b>							
<b>3</b>							
<b>4</b>							
<b>5</b>							
<b>6</b>							
<b>7</b>							
<b>8</b>							
<b>9</b>							
<b>10</b>							
<b>11</b>							

\*Indicate which board members are on any committee or subcommittee responsible for oversight of the organization's financial affairs.

Areas of expertise of Board Members. Areas of expertise may include, but are not limited to:

- Real estate (specify: marketing, finance, property management, appraisal, development, etc.)
- Technical (specify: Architecture, engineering, environmental, etc.)
- Legal
- Accounting
- Communications (specify: public relations, promotion, neighborhood leadership, etc.)
- Construction (specify: building, specifications, construction management, weatherization, etc.)
- Publicly funded programs (specify: HOME, CDBG, homeless programs, human services, community services, etc.)

I certify that the above listing of current, participating board members is accurate.

\_\_\_\_\_  
Board President Signature

\_\_\_\_\_  
Date