

**COUNTY OF KAUAI
LEGAL PUBLIC NOTICE
(National Housing Trust Fund Program)**

Notice is hereby given that the Kauai County Housing Agency is seeking qualified applicants for the National Housing Trust Fund (HTF) grant made available by HUD for PY 2016. The County of Kauai is anticipating the availability of \$1.35 million in PY 2016 HTF program funds for eligible projects.

HTF was established under Title 1 of the Housing and Economic Recovery Act of 2008 , Section 1131 (Public Law 110-289) to assist existing federal, state, and local efforts to increase and preserve the supply of affordable housing for extremely low-income households. HTF funds may be used by for-profit and nonprofit housing developers in the acquisition, new construction and/or rehabilitation of non-luxury rental housing with suitable amenities.

HTF Applications will be available on Monday, June 13, 2016, at the Kauai County Housing Agency, 4444 Rice Street, Piikoi Bldg., Suite 330, Lihue, Hawaii, 96766, or at the County of Kauai website (www.kauai.gov). **Deadline to submit HTF applications to the Housing Agency is July 22, 2016, at 4:00 p.m.**

Housing Agency staff will provide applicants with technical assistance on matters relating to the requirements of the HTF Program. Technical assistance is available to prospective applicants by contacting Gary Mackler at 241-4429.

By Order of the Mayor
County of Kauai
Bernard P. Carvalho, Jr.
Mayor

(Publish Date: 06/13/2016)



COUNTY OF KAUAI

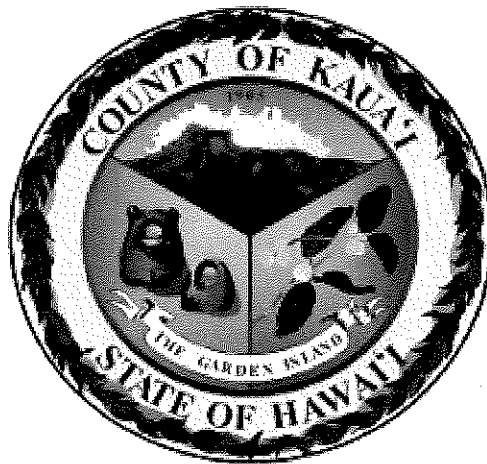
NATIONAL HOUSING TRUST FUND

APPLICATION

FOR

CONSOLIDATED PLAN

ONE-YEAR ACTION PLAN - PY 2016



County of Kauai
Kauai County Housing Agency
4444 Rice Street, Suite 330
Lihue, Hawaii 96766
Phone: (808) 241-4444

TABLE OF CONTENTS

I.	GENERAL INFORMATION FOR APPLICANTS	
A.	INTRODUCTION	4
B.	STATE ALLOCATION PLAN.	4
C.	DISTRIBUTION OF FUNDS.	4
D.	ELIGIBLE RECIPIENTS	4
E.	ELIGIBLE ACTIVITIES AND EXPENSES.	5
F.	FORMS OF ASSISTANCE	5
G.	CONSOLIDATED PLAN PRIORITY.	5
H.	APPLICATION AND AWARD PROCESS	5
I.	SELECTION CRITERIA	6
J.	MINIMUM THRESHOLDS	7
K.	PROHIBITED ACTIVITIES	9
L.	RENTAL HOUSING REQUIREMENTS.	10
M.	OTHER FEDERAL REQUIREMENTS.	12
II.	SUBMITTAL INFORMATION	
A.	APPLICATION PROCESS	14
B.	TECHNICAL ASSISTANCE	14
C.	APPLICATION TIMETABLE	14
D.	SUBMITTAL INSTRUCTIONS	15

E.	APPLICATION CHECKLIST	16
III.	APPLICATION FORM - PY 2016	18
IV.	ATTACHMENTS	
A.	ATTACHMENT 1-A - FINANCING PLAN	
B.	ATTACHMENT 1-B – DEVELOPMENT BUDGET	
C.	ATTACHMENT 1-C – PRO FORMA OPERATING BUDGET	
D.	ATTACHMENT 1-D - DEVELOPER EXPERIENCE	

NATIONAL HOUSING TRUST FUND

GENERAL INFORMATION FOR APPLICANTS

A. INTRODUCTION

The National Housing Trust Fund (“HTF”) is a new affordable housing production program that was established under Title 1 of the Housing and Recovery Act of 2008, Section 1131 (Public Law 110-289) and is administered by the U.S. Department of Housing and Urban Development (“HUD”). The purpose of HTF is to provide grants to State governments to increase and preserve the supply of decent, safe, and sanitary affordable housing for primarily extremely low-income (30% AMI) households.

B. STATE ALLOCATION PLAN

The Hawaii Housing Finance and Development Corporation (HHFDC) is the designated HTF Grantee for the State of Hawaii. As a Grantee, HHFDC’s HTF Allocation Plan has received conditional approval from HUD to allow HHFDC to allocate its HTF funds to the counties (Sub-Grantees) for rental activities. HHFDC’s Allocation Plan requires HTF projects to be selected and awarded through an application issued by the counties.

C. DISTRIBUTION OF FUNDS

For PY 2016, HHFDC is estimating the state to receive the minimum HTF allocation of \$3 million. Based on the retention of administrative funds by HHFDC and counties, and the Allocation Plan split (50/50) of HTF funds between the City and County of Honolulu and the designated neighbor island counties, Kauai County is anticipating the availability of \$1,350,000 in PY 2016 HTF funding. HHFDC must commit the HTF funds within 24 months of HUD’s execution of the HTF grant agreement.

D. ELIGIBLE RECIPIENTS

Recipient means an organization, agency or other entity (including a public housing agency, or a for-profit entity, or a nonprofit entity) eligible to apply for HTF assistance as an owner or developer to carry out an HTF-assisted project. A recipient must:

- 1) Make assurances to the County that it will comply with the requirements of the HTF program;
- 2) Demonstrate the ability and financial capacity to undertake, comply and manage the eligible activity;

- 3) Demonstrate its familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs; and
- 4) Have demonstrated experience and capacity to conduct an eligible HTF activity as evidenced by its ability to own, construct, or rehabilitate, and manage an affordable multifamily rental housing development.

E. ELIGIBLE ACTIVITIES AND EXPENSES

- ~ Real Property Acquisition;
- ~ Site Improvements;
- ~ Development hard costs (new construction; rehabilitation);
- ~ Related soft costs;
- ~ Demolition;
- ~ Financing Costs;
- ~ Relocation Assistance;
- ~ Operating cost assistance for rental housing; and
- ~ Reasonable administrative and planning costs.

F. FORMS OF ASSISTANCE

Eligible activities may be supported with the following forms of HTF assistance:

- ~ Equity investments;
- ~ Interest bearing loans or advances;
- ~ Non-interest-bearing loans or advances;
- ~ Interest subsidies;
- ~ Deferred payment loans;
- ~ Grants; or
- ~ Other forms of assistance approved by HUD.

G. CONSOLIDATED PLAN PRIORITY

A 5-Year Consolidated Plan (2015-2020) has been adopted by the County of Kauai to address the County's housing needs and strategic plan. The County intends to amend the 2016 Annual Action Plan to include the HTF Allocation Plan and to select projects that primarily focus on providing affordable rental housing.

H. APPLICATION AND AWARD PROCESS

Proposals from qualified applicants are evaluated for assistance based upon the County's priorities and selection criteria. Each application for HTF must describe the eligible

activity to be conducted with HTF funds and contain a certification signed by the Recipient that housing units assisted with HTF will comply with HTF requirements. In addition, Recipients must provide performance goals and benchmarks to complete the rental housing project.

I. SELECTION CRITERIA

Applications timely received are to be evaluated according to the following selection criteria:

1. Timeliness and Readiness to Proceed (Max. 30 pts.) – The proposed project is feasible and will meet the required timelines to commit and expend HTF funds. Factors to be considered for timeliness and readiness are site control, financial commitments, environmental factors, zoning, utilities and site and neighborhood standards;
2. Consolidated Plan Priorities (Max. 10 pts.) – The extent to which the project proposes accomplishments that will meet the rental housing objectives for the HHFDC and County. Other factors are considered, such as where the project is located in proximity to transit or employment centers, and housing that includes green building and sustainable building features or housing that serves special needs populations;
3. Development Experience and Financial Capacity (Max 25 pts.) – Ability to obligate HTF dollars and undertake funded activities in a timely manner, past performance using federal funds, evidence of experience in developing and managing projects of similar type and scope, staff qualifications, fiscal soundness, and qualifications of the proposed project team, including proven record of experience with comparable projects;
4. Financially Feasible Project (Max. 25 pts.) – Project pro forma to cover a minimum 30-year HTF affordability period and include rents that are affordable to extremely low-income households. Priority to be given for projects with extended affordability periods and project-based rental assistance; and
5. Use of Non-Federal Funding Sources (Max. 10 pts.) – For extremely low-income targeting of 30% AMI, other funding sources compatible with HTF are needed. Priority consideration will be given to the extent HTF leverages non-federal funding sources.

A minimum score of 50 points (out of the 100 total points) must be scored in order to be recommended for the award of HTF funds.

The selected Recipient will receive a Notice of Award, which will state that the County's intent to award HTF funds is subject to approval of the applicable HTF Allocation Plan and 2016 Annual Action Plan by the approving authorities of the County, HHFDC, and HUD.

J. MINIMUM THRESHOLDS

Applicants must meet all of the following Minimum Threshold requirements to receive consideration for an allocation or award of HTF:

1. **Market Assessment** - A market assessment of the housing needs of extremely low income individuals to be served by the project must be submitted as a part of the application. The assessment should review the neighborhood and other relevant market data to determine that there is a current demand for the type and number of housing units being developed.
2. **Site Control** – Evidence of site control shall be submitted with the application for HFT funds. Site control shall be substantiated by providing evidence in the form of an executed lease or sale option agreement, fee simple deed, executed land lease, or any other documentation acceptable to the County.
3. **Capital Needs Assessment** (For projects acquiring an existing property) – A capital needs assessment shall be completed by a competent third party who can render an opinion of a property's current physical condition and confirm that the proposed rehabilitation will have a useful life that exceeds the HTF affordability period. The capital needs assessment shall also identify any work that must be completed immediately to address health and safety issues, violation of Federal and State law, violation of local code, or any work necessary to ensure that the building can continue to operate as affordable housing.
4. **Rehabilitation Standards** – For projects intending to preserve rental housing through rehabilitation, HTF applicants must use County rehabilitation standards for health and safety, and for replacement of major systems including structural support, roofing, weatherproofing (e.g. windows, doors, siding), plumbing, electrical; and HVAC. For multifamily housing projects with 26 or more total units, the useful life of systems must be determined through a capital needs assessment.
5. **Project Pro Forma Feasibility:**

- i. **Debt Service Ratio (DSR) for Projects with Hard Debt:**

The Project is required to evidence a DSR of no less than 1.15x on all hard debt service requirements for the first 15 years.

ii. Debt Service Ratio for Projects without Hard Debt:

The Project is required to evidence a positive NOI throughout the 30-year pro forma period

iii. Hard Debt Service Requirement:

The Applicant is required to support all hard debt service loans and terms with executed lenders' commitment letters, letters of interest, or term sheets.

iv. Underwriting Criteria and Requirements:

- Annual income inflation rate of 2% for first 15 years and annual expense inflation rate of 3% for first 15 years, or term of the first mortgage, whichever is greater.
- Annual income inflation rate of 2% and annual expense inflation rate of 2% for the remaining term of affordability.
- Vacancy rate of no less than 5%.
- Annual Replacement Reserve of no less than \$300 per unit per year

6. Phase I Environmental Site Assessment – All proposed multifamily (more than four housing units) HTF projects require a Phase 1 Environmental Site Assessment. For acquisition/rehabilitation projects, the Phase 1 Environmental Site Assessment should address lead based paint and asbestos.

7. Developer Fee – For new construction, the maximum developer fee is 15% of total development costs or \$3,750,000 (whichever is less). For acquisition/rehabilitation, the maximum developer fee is 10% of the acquisition costs and 15% of the rehabilitation costs, or \$3,750,000 (whichever is less).

8. 2016 HTF Rent Limits:

2016 HTF RENT LIMITS

	1-Bdrm	2-Bdrm	3-Bdrm	4-Bdrm
30% MEDIAN LIMITS	\$461	\$553	\$639	\$714

* Assumes owner paid utilities. Adjustment to rent limits required for tenant-paid utilities

9. 2016 Kauai County Income Limits:

Extremely Low-income families mean families whose annual incomes do not exceed eighty percent (30%) of the median income for the area, as determined by HUD, with adjustments for smaller and larger families.

	1 PERSON	2 PERSON	3 PERSON	4 PERSON
30% OF MEDIAN	17,250	19,700	22,150	24,600

	5 PERSON	6 PERSON	7 PERSON	8 PERSON
30% OF MEDIAN	26,600	28,550	30,550	32,500

10. Maximum Per-Unit Development Subsidy Limits – The following establishes maximum limitations of HTF funds that may be invested per-unit for development of non-luxury rental housing projects within the State of Hawaii for 2016:

MAXIMUM PER UNIT HTF SUBSIDY LIMIT (Proposed)			
1 Bedroom	2 Bedrooms	3 Bedrooms	4+ Bedrooms
\$160,615	\$195,304	\$252,662	\$277,344

K. PROHIBITED ACTIVITIES

HTF funds may not be used to:

- Provide assistance to a project previously assisted with HTF funds during the affordability period or for renewal of operating cost assistance of an operating cost reserve;
- Pay for the acquisition of property owned by the grantee (state and county);
- Pay delinquent taxes, fees, or charges on properties to be assisted with HTF funds;
- Pay for political activities, advocacy, lobbying, counseling services (except for housing counseling), travel expenses (other than those eligible under §93.202(b)), or preparing or providing advice on tax returns;
- Pay for administrative, outreach, or other costs to manage and operate the grantee's HTF funds; and

- Pay for any cost that is not eligible under §93.201 and §93.202.

L. RENTAL HOUSING REQUIREMENTS

The following summarizes HTF rental housing requirements:

1. ELIGIBLE TENANTS AND RENTS

HTF-assisted units must be occupied by income-eligible households that are extremely low-income, as defined as 30% of area median income. HTF rents include utilities and are set at 30 percent of the income of a household at 30 percent of area median income, adjusted for the number of bedrooms in the unit. If the rental unit receives Federal or State project-based rental subsidy, the maximum rent is the rent allowable under that rental subsidy program as long as the tenant pays no more than 30 percent of tenant's adjusted income.

2. INITIAL RENTS AND UTILITY ALLOWANCES

The County must establish maximum monthly allowances for utilities and services and annually review and approve rents proposed by HTF-assisted project owners. If the tenant is paying the utilities, the County must ensure that the rents do not exceed the maximum rent minus the monthly utility allowance.

3. PERIOD OF AFFORDABILITY

HTF-assisted units must meet the affordability requirements for a period of not less than 30 years, which begins at project completion. The affordability requirements shall be imposed and recorded in accordance with State recordation laws.

4. TENANT INCOME AND OVER-INCOME TENANTS

Project owners must determine tenant eligibility by calculating the household's annual income using one of the two definitions of income, 24 CFR part 5.609 or the IRS Form 1040. Income determinations are conducted at initial occupancy and must be re-examined each year during the period of affordability. For HTF units that also receive project-based rental assistance, annual income must be reexamined based on the rules applicable to the project-based assistance.

5. FIXED AND FLOATING UNITS

In a project containing both HTF-assisted and other units, the County must designate fixed or floating HTF units at the time of project commitment. Fixed

units remain the same throughout the affordability period while floating units are changed to maintain compliance with the HTF requirements during the affordability period.

6. TENANT PROTECTIONS

There must be a written lease between the tenant and owner of HTF-assisted rental housing for a period of not less than 1 year, unless a shorter period is mutually agreed upon.

7. PROHIBITED LEASE TERMS

The lease may not contain any of the following provisions:

- Agreement to be sued;
- Treatment of property;
- Excusing owner from responsibility;
- Waiver of notice to be sued;
- Waiver of legal proceedings;
- Waiver of jury trial;
- Waiver of right to appeal court decision;
- Tenant chargeable with cost of legal actions regardless of outcome; and
- Mandatory supportive services.

8. TERMINATION OF TENANCY

An owner may not terminate the tenancy or refuse to renew the lease of a tenant of HTF-assisted rental housing, except for serious or repeated violation of the terms and conditions of the lease for violation of applicable Federal, State or local law, or for other good cause. To terminate or refuse to renew tenancy, the owner must provide written notice to the tenant specifying the grounds for the action and providing a specific period for vacating that is consistent with State or local law.

9. TENANT SELECTION

An owner of HTF-assisted rental housing must comply with the affirmative marketing requirements established by the County pursuant to §93.350, and adopt and follow written tenant selection policies and that:

- Limit the housing to income-eligible families;
- Are reasonably related to the applicant's ability to perform the obligations of the lease;
- Limit eligibility or give preference to a particular segment of the population if permitted in its written agreement with the County (and only if described in

the County's Consolidated Plan) and preference is established in accordance with the requirements further detailed in this section;

- Do not exclude applicants with vouchers under the Section 8 Tenant-Based assistance: Housing Choice Voucher Program or HOME Tenant-Based Rental Assistance;
- Provide for the selection of tenants from a written waiting list in the chronological order of their application, insofar as is practicable; and
- Give prompt written notification to any rejected applicant describing the grounds for any rejection.

M. OTHER FEDERAL REQUIREMENTS

To comply with 24 CFR 93, Subpart H, Applicants shall comply with all applicable federal regulations.

1. Nondiscrimination; Affirmative Marketing

The federal requirements in 24 CFR part 5, Subpart A, are applicable to participants of the HTF project. The requirements of this subpart include: nondiscrimination and equal opportunity, disclosure requirements, debarred, suspended, or ineligible contractors; and drug free workplace.

2. Lead-Based Paint

Housing assisted with HTF funds is required to be lead safe and subject to the Lead Safe Housing Regulation at 24 CFR part 35, subparts A, B, J, K, and R.

3. Displacement, Relocation, and Acquisition

To the extent feasible, displaced residential tenants must be provided a reasonable opportunity to lease and occupy a suitable, decent, safe, sanitary, and affordable dwelling in the building/complex upon completion of the project. Applicants shall take all reasonable steps to minimize displacement.

4. Funding Accountability and Transparency Act

The HTF grant to recipients shall be considered a Federal award for purposes of the Federal Funding Accountability and Transparency Act of 2006 (31 U.S.C. 6101 note).

5. Eminent Domain

HTF funds cannot be used in conjunction with property taken by eminent domain, unless eminent domain is employed for a public use, except that, public use shall

not be construed to include economic development that primarily benefits any private entity.

6. Conflict of Interest

No persons who exercise or have exercised any functions or responsibilities with respect to activities assisted with HTF funds or who are in a position to participate in a decision-making process or gain inside information with regard to these activities may obtain a financial interest or financial benefit from a HTF-assisted activity, or have a financial interest in any contract, subcontract, or agreement with respect to the HTF-assisted activity, or the proceeds from such activity, either for themselves or those with whom they have business or immediate family ties, during their tenure or for one year thereafter. Immediate family ties include the spouse, parent, brother, sister, grandparent, grandchild, and in-laws of a covered person.

The conflict of interest provisions apply to any person who is an employee, agent, consultant, officer, or elected official or appointed official of the grantee (State) or subgrantee (County).

NATIONAL HOUSING TRUST FUND

SUBMITTAL INFORMATION

A. APPLICATION PROCESS:

The Application Form (“Application”) contains the forms to prepare an application. For your submittal, use the application checklist and applicable forms. Before you start, carefully review the application packet to become familiar with the HTF Program requirements.

Applicants are expected to have sufficient project development/program experience to carry out the proposed activity(s).

The following outlines the major steps to the application process.

1. Applicant submits completed application on or before **July 22, 2016**.
2. Selection Committee scores and ranks applications and forwards results to the Housing Director. Housing Director recommends project selection to the Mayor.
3. Mayor approves or rejects Housing Director’s project selection and award recommendation.
4. Notice of Award letter is sent to applicant. Award letter may contain conditions of approval to be satisfied prior to the release of HTF funds.
5. HTF Agreement is executed between the County of Kauai and applicant. The HTF Agreement is a legal contract that sets forth the terms and conditions for the use of HTF funds.

B. TECHNICAL ASSISTANCE

Applicants wanting technical assistance are encouraged to meet with Housing Agency staff. Staff will advise prospective applicant(s) as to the suitability of their project relative to County priorities, HTF requirements, and other potential funding sources. Technical assistance does not guarantee project selection or higher ranking versus applicants who do not receive technical assistance.

C. APPLICATION TIMETABLE

The following dates are approximate and subject to change:

Applications Available	June 13, 2016
Application Deadline	July 22, 2016
Evaluation Committee Review	July 29, 2016
Projects Selected	August 1, 2016
Notice of Award	August 15, 2016

D. SUBMITTAL INSTRUCTIONS

Applicants must complete and submit the Application, applicable attachments and exhibits. Other relevant information provided on the application checklist must be included with your application. Applications shall be submitted to the Kauai County Housing Agency, 4444 Rice Street, Suite 330, Lihue, Kauai, Hawaii, 96766, Attn: Housing Director.

1. Complete the Application and all attachments and exhibits applicable to your project.
2. In most cases, comparable forms can be substituted for attachments provided. If your response does not fit the attachment form provided, use and attach a separate page to the attachment form provided. Be sure to put the attachment form name on the separate page for identification.
3. Applications must be typewritten or computer generated. An electronic file is available and can be obtained by contacting Gary Mackler, Development Coordinator, at 241-4429.
4. Use only 8-1/2" x 11" paper for the narrative responses. Narratives should be straightforward and succinct.
5. Do not spiral bind the application.
6. Use the application checklist prior to submitting your proposal.
7. Affix authorized signature(s) to HTF Certification.
8. Attach applicable resolutions authorizing filing of the proposal and signatures.
9. Submit one original HTF application.
10. Retain a copy of the HTF application for your records.

E. APPLICATION CHECKLIST

- ☐ 1. Letter of transmittal or cover letter.
- ☐ 2. Application Form. If a question or attachment does not apply, mark it N/A (not applicable).
 - ☐ Attachment 1-A – Financing Plan
 - ☐ Attachment 1-B – Development Budget
 - ☐ Attachment 1-C – Pro Forma Operating Budget
 - ☐ Attachment 1-D – Developer Experience
- ☐ 3. Applicant Information (if applicable).
 - ☐ Non-profit Articles of Incorporation
 - ☐ Corporate Bylaws
 - ☐ Most Current Years Financial Audit
 - ☐ Resolution Authorizing Individual(s) to Sign Application
- ☐ 4. Site Information (if applicable)
 - ☐ Preliminary Title Report
 - ☐ Location Map
 - ☐ Project Site Map
 - ☐ Flood Insurance Rate Map
 - ☐ Evidence of Site Control
 - ☐ Phase 1 Environmental Site Assessment
- ☐ 5. Letters of Community Support

- ___ 6. Narratives
 - ___ Need for HTF Funds
 - ___ Anticipated Results
 - ___ Financing
 - ___ Project Concept
 - ___ Experience of Development Team
- ___ 7. Exhibit 5 - Experience and Qualifications
 - ___ Resumes of Key Personnel
- ___ 8. Exhibit 6 – HTF Certification
 - ___ Certification of Authorized Official
- ___ 9. Submit the original application to:

**Kauai County Housing Agency
4444 Rice Street, Suite 330
Lihue, Hawaii 96766
Attn: Housing Director**

Deadline to submit: July 22, 2016, 4:00 p.m.

NATIONAL HOUSING TRUST FUND

APPLICATION FORM - PY 2016

SECTION I: GENERAL INFORMATION

A. APPLICANT

1. Name: _____
2. Address: _____
3. Phone: (____)____ - _____
4. Contact Person: _____ Phone: (____)____ - _____
5. The Applicant is a:

<input type="checkbox"/> public agency	<input type="checkbox"/> private non-profit organization
<input type="checkbox"/> private for-profit entity	<input type="checkbox"/> other
6. Non-Profit Articles of Incorporation (provide copy)
7. Corporate Bylaws (provide copy)
8. Financials (provide most current financial statement)
9. Name and Title of Individual(s) authorized to sign legal documents on behalf of organization:

Name: _____	Title _____
Name: _____	Title _____

(Include resolution/minutes authorizing individual(s) to sign application)

B. TYPE OF USES

1. Use Category: Check the use category(s) that most appropriately describes your use of HTF funds:

- | | |
|--|---|
| <input type="checkbox"/> Real Property Acquisition | <input type="checkbox"/> New Construction; Rehabilitation |
| <input type="checkbox"/> Site Improvements | <input type="checkbox"/> Related Soft Costs |
| <input type="checkbox"/> Demolition | <input type="checkbox"/> Financing Costs |
| <input type="checkbox"/> Relocation Assistance | <input type="checkbox"/> Operating Cost Assistance |
| <input type="checkbox"/> Developer Fees | <input type="checkbox"/> Relocation |

2. Project/Program Type: Check all that apply:

- ☐ Rental (new construction)
☐ Rental (rehabilitation)
☐ Acquisition

3. Occupancy Information:

Number of households assisted: _____

At or below 30% of median income _____

Number of Special Needs households assisted:

Mobility Impaired _____
Hearing/Vision Impaired _____
Homeless _____

C. PROJECT SUMMARY

1. Project Name: _____

2. Location (town/community): _____

3. Tax Map Key #: _____

4. Brief project description:

5. Summary of amount and use of HTF funds:

Real Property Acquisition	\$ _____
New Construction	\$ _____
Rehabilitation	\$ _____
Site Improvements	\$ _____

Related Soft Costs	\$ _____
Demolition	\$ _____
Financing Costs	\$ _____
Relocation Assistance	\$ _____
Operating Costs	\$ _____
Developer Fees	\$ _____
 TOTAL	 \$ _____

6. Amount of HTF subsidy per rental unit: \$ _____

7. Size, number and price of units:

<u>HTF Units</u>	<u>Size</u>	<u>Number</u>	<u>Rent</u>
1 bedroom units	_____ s.f.	# _____	\$ _____
2 bedroom units	_____ s.f.	# _____	\$ _____
3 bedroom units	_____ s.f.	# _____	\$ _____
4 bedroom units	_____ s.f.	# _____	\$ _____

Total number of units in project: _____

8. Number of affordable units and rents (as a percentage of median income)

	30 percent below
1 bedroom units	# _____ \$ _____
2 bedroom units	# _____ \$ _____
3 bedroom units	# _____ \$ _____
4 bedroom units	# _____ \$ _____

9. Other project facilities (if applicable):

☐ Community Center Facility
☐ Child Care Facility
☐ Other (describe): _____

10. Are amenities or services provided to tenants?

☐ Yes ☐ No (If "Yes", briefly describe) _____

11. Will project have innovative techniques in design, green building, or sustainable features?

☐ Yes ☐ No (If "Yes", briefly describe) _____

12. Provide schematic plans and/or preliminary plans, if available.

13. Period of Affordability? ____ Years

14. Who will own the project?

a. Prior to completion:

b. After construction:

c. After occupancy:

SECTION II: SITE INFORMATION

- A. Current legal owner of property:
- B. Street Address (if known):
- C. Provide the following documents, if applicable:
1. Preliminary title report
 2. Location map
 3. Project site map
 4. Flood insurance rate map
- D. Total site land area: _____ sqft/acres
- E. Describe the physical characteristics of site (shape, terrain, foliage, structures, etc.)
-
-

- F. If applicable, indicate if any of the following conditions apply to the infrastructure servicing the project site by checking the appropriate category:

	Yes	No	N/A
1. Road access to site adequate	___	___	___
2. Sewer capacity adequate	___	___	___
3. Electrical service adequate	___	___	___
4. Water service adequate	___	___	___
5. Storm drainage adequate	___	___	___
6. Trash/garbage service adequate	___	___	___
7. Fire service adequate	___	___	___
8. Police service adequate	___	___	___

Distance to fire station ___ miles

Distance to police station ___ miles

If any answer to the above questions is "No", on a separate attachment describe the requirements. Include the distance needed to bring the infrastructure to the project site and estimated time to install. Describe any actions being taken, or which must be taken to resolve any potential problems associated with infrastructure requirements.

G. Schools. For new construction projects with more than 50 housing units, provide confirmation that the Department of Education has been notified of project regarding (a) the capacity of the school servicing the area of the project, (b) current enrollment, and (c) whether the schools capacity can accommodate additional students expected to result from the project.

H. Specify any off-site public improvements required for the project:

I. Specify any special assessments or impact fees that are or may be required for the project: _____

J. Land Use: Is the proposed project subject to any of the following land use requirements? Please indicate by checking "Yes" or "No" for each item:

	Yes	No		Yes	No
State Land Use	___	___	General Plan	___	___
Subdivision Ordinance	___	___	Zoning Ordinance	___	___

If any answer to any question is "Yes", identify on a separate attachment any actions taken or needed towards obtaining the necessary approvals. Estimate the time to receive approvals.

K. Site Control (if applicable):

1. Provide evidence of site control (e.g. date of option agreement, purchase agreement, lease agreement, development agreement, land sales contract, or other pertinent documentation).
2. For a real property acquisition, include appraisal, if available, or other information stating property value.

M. Phase I Environmental Site Assessment.

1. Provide a Phase I Environmental Site Assessment.
2. Indicate which of the following environmental concerns is applicable to your project by checking "Yes" or "No":

	Yes	No
a. Project will affect a property designated as a historic site on the State or National Registers of Historic Places.	—	—
b. Project site is located in 100-year flood zone.	—	—
c. Project site is located in a wetland.	—	—
d. Project will require a Shoreline Management Permit.	—	—
e. Project will affect endangered species or their habitats.	—	—
f. Project has manmade hazards or nuisances.	—	—

If any answer to the above questions is "Yes":

Is a final Environmental Assessment or Environmental Impact Statement completed for the project?	—	—
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Have any permits or clearances related to the environmental concerns been obtained?	—	—
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If "No" to either question, identify on a separate attachment any actions taken toward obtaining an environmental clearance and anticipated time to complete such actions.

- N. Community Support: (Include letters of support from community members, other organizations, government officials, and local elected officials)
- O. Market Assessment. Provide a market assessment of housing needs for extremely low income households to be served by the HTF-assisted rental units.

SECTION III: PROJECT FINANCING

- A. Financing Plan: Complete Attachment 1-A. Identify all financing for the construction and permanent financing of the project.
- B. Development Budget: Complete Attachment 1-B. Provide a complete breakdown of the total estimated cost of the project. Identify all pre-development costs, development soft costs, hard costs and transaction costs. Include separate column to indicate the amount of HTF funding by line item.
- C. Pro Forma Operating Budget: Complete Attachment 1-C. Provide proposed rent structure, gross potential rent, vacancy loss, other income, effective gross income, total operating costs, net operating income, replacement reserves, debt service, cash flow, and debt service coverage ratio.

SECTION IV: NARRATIVES

A. NEED FOR HTF FUNDS

Explain why HTF dollars are needed for the implementation of the project.

C. ANTICIPATED RESULTS

Describe the results to be achieved. Explain how the proposed project is directly related to the housing need.

D. FINANCING

Describe all non-HTF resources to be utilized for project financing and any requirements for the non-HTF resources. Identify whether non-HTF financing commitments are firm or tentative, and under what circumstances tentative commitments become actualized.

E. PROJECT CONCEPT

Provide a narrative overview of the projects design, including site and building concept. Describe the proposed unit sizes and mix, minimum square footage of living areas, unit features, and energy and green building features.

F. EXPERIENCE OF DEVELOPMENT TEAM

Provide a narrative overview of the development team's experience and qualifications, as demonstrated by the teams past experience on housing projects of comparable size and complexity.

SECTION V: EXPERIENCE AND QUALIFICATIONS

A. Provide name of the organization that will develop the proposed project:

1. Address: _____
2. Contact person: _____
3. Phone Number: () ____ - _____

B. Describe capacity to develop the proposed project. Submit relevant documents (i.e., applicable licenses to operate project, permits, etc.) _____

C. Describe qualifications and experience of organization and individual(s) who will manage the project. _____

D. Submit resumes of key personnel involved in development, implementation and/or management of the project.

E. Legal Status of Applicant (check, as applicable):

1. Corporation: Non-profit ____ or For-profit ____

Partnership: General ____ or Limited ____

Joint Venture (explain)

Note: If the proposal is submitted by a partnership or joint venture, composed of two or more individual firms, then each member firm must submit all information listed on this form, and in addition answer the following:

- (a) Members of Joint Venture
- (b) Date of Joint Venture Agreement
- (c) State of Registration
- (d) Does the agreement between members comprising joint venture make them jointly and severally liable? If not, state terms of agreement in this regard.
- (e) Certified copy of Partnership Agreement

2. The Offeror, if a corporation, was organized on _____ under the laws of the State of _____. (Attach certified copy of Articles of Incorporation and Bylaws, or Certified copy of Partnership Agreement. Non-profit corporations are to attach a copy of the IRS tax-exempt determination).
3. Have you ever failed to complete any work awarded to you? _____. If yes, when, where and why?

4. Has any officer or partner of your organization in the past five (5) years been involved with of some other organization that defaulted on a federally funded contract? _____. If yes, state name of individual, name of owner and reason therefor?

5. Has any officer or partner of your organization in the past five (5) years been involved with some other organization declared ineligible to participate in any governmental assisted contract? () Yes () No
If "Yes", please explain: _____

6. Has any officer or partner of your organization ever filed a petition of voluntary bankruptcy? () Yes () No
7. Has there ever been filed a petition or involuntary bankruptcy against your organization, or any officer or partner of the organization? () Yes () No
8. Has the organization, or any officer or partner ever made an assignment of assets for the benefit of creditors? () Yes () No
9. Are there any unsatisfied judgments outstanding against the organization, or any director or partner of the organization? () Yes () No
10. Has the organization been a party to any litigation within the last 5 years? () Yes () No

If "yes" was answered to any question 6 through 10, give a full explanation:

SECTION VI: PROJECT SCHEDULE

Provide a project schedule showing key phases of pre-development, construction, and marketing/lease-up. Indicate the main contingencies to the timely implementation and completion of the project.

SECTION VII: HTF CERTIFICATION

WHEREAS, _____ (the "Applicant") has applied to The County of Kauai (the "HTF Sub-Grantee") for assistance from the HTF Program; and

WHEREAS, APPLICANT understands it is necessary that certain conditions be met as part of the application requirements;

Therefore, the APPLICANT certifies as follows:

1. The Applicant will comply with all applicable HTF statutes, regulations, and orders, as set forth in the HTF Program Interim Rule (24 CFR Part 93), and all amendments thereto upon selection to receive HTF funds and ending upon the conclusion of all HTF funded activities.
2. The Applicant has the demonstrated ability and financial capacity to undertake, comply, and manage the HTF activity.
3. The Applicant has the demonstrated familiarity with the requirements of other Federal, State, or local housing programs that may be used in conjunction with HTF funds to ensure compliance with all applicable requirements and regulations of such programs.
4. The Applicant has the demonstrated experience and capacity to conduct an eligible HTF rental housing activity as evidenced by its ability to: own, construct, or rehabilitate, and manage and operate an affordable multifamily rental housing development.
5. The Applicant understands and agrees that the awarding of HTF funds is subject to the availability of funds and the approval by the U.S. Department of Housing and Urban Development.
6. The Applicant, if selected for HTF funding, is prepared and has the authority within its charter, bylaws, or through statutory regulations to enter into a contractual agreement with the County of Kauai to obtain further information and to verify any statement made as it deems necessary. The Applicant makes this Application and certification with full cognizance of its governing body.

Signature: _____

Name: _____

Title: _____

Date: _____

ATTACHMENT 1-A
FINANCING PLAN

Construction Financing: List sources of construction financing.

³ If the financing is secured by a mortgage, please indicate the position of the mortgage relative to all financing.

⁴ If the financing is recourse, identify who the guarantor is and the terms of the guaranty.

ATTACHMENT 1-B
DEVELOPMENT BUDGET

ATTACHMENT 1-B (Development Budget)
PROJECT COST BREAKDOWN WORKSHEET

<u>Itemized Cost</u>	<u>Estimated Cost</u>	<u>Per Unit Cost</u>
Land Acquisition	_____	_____
Off-Site Work	_____	_____
On-Site Improvements	_____	_____
Construction		
New Building	_____	_____
Contractor Overhead	_____	_____
Contractor Profit	_____	_____
Contingency	_____	_____
Other: _____	_____	_____
Subtotal		
Interim Costs		
Construction Insurance	_____	_____
Construction Interest	_____	_____
Construction Loan Origination Fee	_____	_____
Construction Loan Credit Enhancement	_____	_____
Real Property Tax & Other Taxes	_____	_____
Subtotal	_____	_____
Architectural & Engineering Fees		
Architect Fees – Design	_____	_____
Architect Fees – Supervision	_____	_____
Engineering Fees	_____	_____
Other: _____	_____	_____
Subtotal		
Financing Fees and Expenses		
Bond Premium	_____	_____
Credit Report	_____	_____
Permanent Loan Origination Fee	_____	_____
Permanent Loan Credit Enhancement	_____	_____
Title and Recording	_____	_____
Counsel's Fee	_____	_____
Other: _____	_____	_____
Other Costs		
Appraisal		
Market Study	_____	_____
Environmental Report	_____	_____
Building Permits	_____	_____
Tax Credit Fees	_____	_____
Consultants	_____	_____
Other: _____	_____	_____

ATTACHMENT 1-B (Development Budget), continued
PROJECT COST BREAKDOWN WORKSHEET

Developer's Fees

Developer's Fee

Project Start-Up

Rent Up Reserve

Operating Reserve

Management

Marketing

Other: _____

Other: _____

Subtotal

Total Development Budget

ATTACHMENT 1-C
PRO FORMA OPERATING BUDGET

ATTACHMENT 1-C PRO FORMA OPERATING BUDGET

This form or a re-creation may be used. If recreating the format, use exact headings and categories listed here.

PART I – RENTAL INCOME

<u>HTF Rents</u>	No. of Units	Monthly Rent	Utility* Allowance	Gross Rent	Total Income
1-Bedroom					
2-Bedroom					
3-Bedroom					
Total	0	0	0	Total Rent Income	0

<u>Non-HTF Rents</u>	No. of Units	Monthly Rent	Utility* Allowance	Gross Rent	Total Income
1-Bedroom					
2-Bedroom					
3-Bedroom					
Total	0			Total Rent Income	0

ATTACHMENT 1-C
PART II – OPERATING EXPENSE DETAIL

Expense Line Item	Monthly Budget	% of Monthly Budget	Per Unit Per Month	Annual Budget	Per Unit Per Year
Advertising					
Management Fees					
Audit and Accounting					
Office Supplies/Expenses					
Insurance:					
Fire					
General Liability					
Workers Comp.					
Other					
Taxes					
Janitorial					
Professional (Legal)					
Building Maintenance					
Grounds Maintenance					
Pest Control					
Refuse Service					
Utilities:					
Water					
Sewer					
Gas & Electricity					
Other:					
Other:					
TOTAL	0	0	0	0	0

**ATTACHMENT 1-C
PART III – PRO FORMA OPERATING BUDGET**

CASH FLOW ANALYSIS	Year 1	Year 2	Year 3	Year 4 --- >	Continue through full term of financing
Gross Potential Rent					
Rent (Vacancy) Loss @ %					
Other Income					
Effective Gross Income					
Total Operating Expenses					
Net Operating Income					
Transfer to Replacement Reserves					
Debt Service – Loan #1 (% yrs amortized)					
Debt Service – Loan #2 (% yrs amortized)					
Pre-Tax Cash Flow					
Debt Service Coverage Ratio					

ATTACHMENT 1-D
DEVELOPER EXPERIENCE

ATTACHMENT 1-D- Developer Experience

Name: _____

Page 1 of 1

Copy format and add pages as needed

	Name of Property Address	Capacity of Applicant/ Developer	Type of Project	City, State	Number of Units		Financing/ Subsidy Program Utilized	Status of Project
					Low Income	Affordable		
	Koloa Affordable Rentals, Koloa, HI	Developer/ Sponsor	Multi Family Mixed Income Mixed Use	Koloa, HI	50@40% 100@60 %	81% to 140%	T/E Bonds LIHTC HOME RHTF	Operating for 20 years
1								
2								
3								
4								
5								
6								
7								
8								