Notice of Funding Availability (NOFA)

Tompkins County, New York

Community Housing Affordability Program
And
Community Housing Trust Program

October 2013
Funding Round 8

Application Due Date: Tuesday, November 12, 2013 at 4:00 pm

I. Statement of Intent

Tompkins County faces a growing deficit of housing of all types. This deficit requires the development of a substantial number of new housing units over the next ten years. The Tompkins County Housing Strategy outlines four strategies that can be utilized in conjunction to achieve our goal to create over 4,000 new housing units (owned or rented) within the next ten years. These housing units are not intended to meet housing needs of undergraduate students. The Housing Fund was established to help communities and organizations throughout Tompkins County respond to the diverse affordable housing needs of residents**,** utilizing two strategies: The Community Housing Affordability Program and the Community Housing Trust Program.

The Housing Fund seeks to support projects that encourage sustainable, affordable living – projects that consider and mitigate those costs that affect affordability of living in a housing unit, including the direct cost of the housing unit, as well as transportation and energy costs.

Tompkins County, Cornell University and the City of Ithaca (the funding entities) have appropriated $400,000 in funds to be used for the Housing Fund awards to be made in 2013. Awards may be made under the Community Housing Affordability Program and/or the Housing Trust Program. Applicants can apply to one or both programs presented in this Notice of Funding Availability (NOFA).

II. Community Housing Affordability Program Overview

The Community Housing Affordability Program is a locally funded and administered fund that assists with the pre-development costs associated with residential and mixed-use real estate development projects. Eligible uses of the fund include costs associated with establishing preliminary feasibility, pre-permitting, or pre-construction for a specific non-student housing project. Funds will be provided as a 0% interest loan that will be repaid from construction or permanent financing for the project. Loans may be forgiven if circumstances beyond the developer's control so warrant, subject to the approval of the granting entity. Eligible borrowers include both for-profit and non-profit developers. Funds may be available for preliminary and advanced feasibility. Funding will not be made available for administrative costs.

III. Community Housing Trust Program Overview

The Community Housing Trust Program is designed to ensure that newly constructed housing units or rehabilitated housing units remain affordable to successive buyers. Permanent affordability is retained by such measures as separating the ownership of the land from the ownership of the housing unit, whereby only the housing unit is purchased by the homebuyer, and by restricting the amount of equity that a homeowner can take from the housing unit upon sale, or other equivalent mechanisms. Eligible uses of the fund include the cost of land, construction, or any hard costs that will reduce the cost of new non-student housing unit**s** developed, provided these housing units remain permanently affordable by using a mechanism such as the Community Housing Trust or another acceptable mechanism. Those applying to the Community Housing Trust Fund are highly encouraged to partner with Ithaca Neighborhood Housing Services (INHS) as the preferred agency that serves as a housing trust.

IV. Eligible Applicants

Applications may be submitted by any of the following entities:
1) 501 (c)(3) not-for-profit organizations incorporated in New York State.
2) Tompkins County municipalities, including the City of Ithaca, towns and villages.
3) Public Housing Authorities that serve Tompkins County.
4) Private, for-profit developers provided they do not owe or have a principal or related entity that owes delinquent real property taxes. Submission of an application constitutes a representation by the applicant that it is eligible to do so.

V. Terms and Conditions - Community Housing Affordability Program

Eligible Uses of Funds

- Initial feasibility study
- Site control expenses
- Cost of preliminary financial application(s)
- Professional fees: architects, legal, engineering, environmental, geotechnical
- Preliminary building code reviews
- Other approved, reasonable 3rd party expenses
- Zoning/site plan/environmental approvals

Funding Amount

A maximum of $5,000 is available per affordable unit developed, not to exceed $75,000 total. Applicants may request a smaller amount per unit for preliminary feasibility studies and submit a second application for more advanced feasibility costs such as pre-permitting and pre-construction costs.

Loan Rate and Term

For Profit Applicants: Unless forgiven as provided in Section II, funds will be provided as a 0% interest loan. Repayments of principal will generally occur upon closing of the permanent financing loan. Acceptable security will be negotiated on a case-by-case basis.

Non Profit Applicants: Funds will be provided as a 0% interest loan that will be repaid, assuming the project is constructed. However, a loan to a non-profit entity may be forgiven upon receipt of acceptable proof of project infeasibility, for example, due to economic findings or regulatory constraints. A non-profit entity's Housing Affordability loan **will only be forgiven upon transfer and receipt of all pre-development documents and feasibility studies to Tompkins County** for use in future housing and planning considerations.

Matching Funds

A 50% match will be required. The match may be reduced or waived for non-profit and public entities.

VI. Terms and Conditions - Community Housing Trust Program

Eligible Uses of Funds

Purchase or underwrite the direct cost of land by the housing trust or any other entity that plans to turn the land over to a housing trust, construction costs, or any other hard cost that will reduce overall cost of the housing units developed as long as these housing units remain permanently affordable. This may include expenses involved in the purchase of land such as closing costs, title search, appraisal, and survey of the land, as well as construction costs. An appraised value of the land needs to be completed.

Funding Amount
A maximum of $30,000 is available per affordable unit developed of ownership housing, not to exceed $300,000 total and $20,000 per unit for rental units not to exceed $200,000 total.

Mixed income projects are encouraged, but Housing Trust Program funding must be allocated to the affordable housing units to be developed.

Loan Rate and Term
Funds will be provided as a grant. Successful applicants must receive building permits and draw down grant funds within 2 years of award date. If the project is not completed within 18 months of grant draw down, the awardee must repay the funding entity.

Matching Funds
No match is required.

VII. Minimum Eligibility Requirements for the *Community Housing Affordability Program* and the *Community Housing Trust Program*

1. Location. Project must be located in Tompkins County.

2. Affordability. Project must include units of affordable housing for low and moderate-income households. Low and moderate-income households are defined as households earning 80% or less of area median income for Tompkins County. Rent and utilities in an apartment or the monthly mortgage payment and housing expenses for a homeowner should not exceed 30% of a household's monthly income to be considered affordable housing.

   Special Provision for Sustainable, Affordable Living Project
   Consideration may be given to funding projects proposing housing expenses up to 35% of a household's monthly income for rental projects and up to 40% for ownership projects, if and only if, the project is deemed a SUSTAINABLE, AFFORDABLE LIVING PROJECT- projects that consider and significantly mitigate the major costs that affect affordability in addition to direct housing cost: transportation and energy. To acquire funding at these higher percent of income rates, a proposal must exceed the standards set in the selection criteria for these areas and provide a comprehensive vision for developing sustainable, affordable living.

   Examples of project characteristics that might qualify for this designation would be projects located in a Development Focus Area (as defined in *Building Vibrant Communities in Tompkins County … a Development Focus Areas Strategy*[1] *or* within ¼ mile of a major employment or community service center or a public transit stop, with a complete pedestrian walkway connection between the housing units and the center or transit stop, and/or projects that achieve extremely high levels of energy efficiency. It will be necessary to demonstrate how overall household expenses can be reduced to support the higher housing cost.

[1] http://www.tompkinscountyny.gov/files/planning/documents/DevelopmentFocusAreasStrategy_adopted_10-2-12.pdf

Projects must benefit low and moderate income households. The income guidelines are as follows:[2]

Household Size	*Income Limit*
1	$43,350
2	$49,550
3	$55,750
4	$61,900
5	$66,900
6	$71,850
7	$76,800
8 or more	$81,750

3. Long-Term Affordability. Applicant must be able to demonstrate how it will ensure affordable units are delivered to low and moderate-income households. For profit applicants must demonstrate they have an agreement with a not-for-profit affordable housing agency for the agency to (a) verify incomes of potential tenants or homebuyers, and (b) monitor the rental or sales price of the affordable unit(s) to ensure that rent and utilities in an apartment, or the monthly mortgage payment and housing expenses for a homeowner, would not exceed 30% of a household's monthly income for a household earning 80% or less of area median income for Tompkins County. Successful for profit applicants will also be provided with a legal instrument to ensure that affordability is maintained for a minimum of 49 years.

4. Site Control. Applicant must have site control in the form of title, an option to purchase, a long-term lease, or other forms acceptable to the Program Oversight Committee before funding is disbursed.

5. Experience. Applicant must have a demonstrated track record in one or more of the following areas: residential real estate development/construction (multi-unit experience where applicable), affordable housing development and/or management.

6. Community Plans. Project must demonstrate alignment with the goals of the Tompkins County Comprehensive Plan including smart growth/nodal development goals, and the adopted Comprehensive Plan of the host community (if applicable).

7. Housing Strategy. Project must demonstrate alignment with the Tompkins County Housing Strategy (Exhibit A).

VIII. Application Process

Funds will be awarded to applicants on a competitive basis. The application process is as follows:

1) Notice of Funding Availability (NOFA) - A legal notice will be placed in the Ithaca Journal newspaper and this NOFA will be distributed throughout the County and the region. It is also posted at: http://www.tompkinscountyny.gov/planning/housing-choices-housing-fund.

2) If you have questions about the NOFA, please email **planning@tompkins-co.org** or call 607-274-5560. Answers to NOFA questions will be posted periodically on the Tompkins County Planning Department website.

[2] http://www.huduser.org/portal/datasets/il/il2013/2013summary.odn

3) Application Submission and Deadline - Applicants must submit one original and a CD containing an electronic PDF file of the written application with all related attachments.

Applications must be delivered by mail or in person to:

Tompkins County Planning Department
121 E. Court Street
Ithaca, New York 14850

Application deadline date*:* Tuesday, November 12, 2013 at 4:00 pm.

Late applications will not be considered.

4) Review Process - Applications will be scored by the Application Review Committee appointed by the Program Oversight Committee using the evaluation criteria outlined below. The Application Review Committee may request an interview and/or clarifying information. Applications will be recommended for funding by the Application Review Committee to the Program Oversight Committee based on scoring, interviews and qualitative assessments. The Program Oversight Committee will be responsible for making funding award recommendations, which will be forwarded to the appropriate funding entity for final approval. Top scoring by the Application Review Committee is not a guarantee of recommendation by the Program Oversight Committee or of approval by the funding entity.

5) Final Approval - All funding awards must be approved by the funding entity prior to disbursement.

6) Contract - Following final approval, successful applicants will be required to execute a funding award contract and ensure adequate ongoing asset management for a contracted period of project operation.

7) Reports, Verifications and Documentations - Successful applicants will be required to provide periodic and final project reports, verifications, and documentation during the development of the project and during the contracted period of project operation. During the development phase of the project, successful applicants will be expected to produce and meet agreed upon development timelines. Failure to comply with these requirements may result in the recapture of awarded funds.

IX. Application Format

Application layout and formatting:

- A cover page plus a MAXIMUM two-page narrative to address each of the required evaluation sections of criteria detailed in the NOFA for either the Affordability Program or the Housing Trust Program.
- All pages must be numbered in a footer using the format: “Page x of y”
- In application narrative, use section numbers that correspond to the question numbers from this NOFA.
- Include a header with applicant’s name on every page.
- Font: 12 point Times Roman.
- Minimum 1” top, bottom, and side margins.
- Number all attachments and reference those numbers in the narrative text.

X. Application Cover Page

Provide a single cover page including the following information:

- Project Name
- Project Address
- Applicant's Corporate Name and Address (including zip code)
- Corporation type and proposed ownership structure
- Contact Person
- Telephone, fax and e-mail address.
- A one-paragraph summary description of the proposed project including the requested funding proposal amount and its proposed use; total funding necessary to complete the project; total number of units, number of affordable units, and project location.
- Identify which program(s) the applicant is applying for *(Community Housing Affordability Program* and/or *Community Housing Trust Program*). Indicate how the project would change if partial funding was provided. Also, indicate how the project would change if it did not receive funding from the Housing Fund.
- Status of environmental reviews under SEQRA, NEPA, or local environmental review requirements.

XI. Evaluation Criteria

A. Community Affordability Program

Although the criteria indicate that we are looking for as much detail as possible in the proposal, we recognize that, depending upon the stage in the development process the project is at, the applicant may have a limited amount of firm information on some aspects of the project at the time of application. The applicant is encouraged to provide as much detail as possible regarding aspects of the project that have been firmly established as well as the current intent regarding aspects of the project that are not as well defined. When providing this information the level of certainty should be indicated, for example by use of wording such as "will provide" where there is a high degree of certainty and "intend to provide" where there is not.

Applications for the *Community Housing Affordability Program* will be evaluated and scored against the following criteria. Include a maximum two-page narrative for each of the following six scoring criteria (not to exceed 12 pages PLUS attachments):

Eligibility Requirements:

- **Affordability** - Project must include units of affordable housing for low- and moderate-income households earning 80% or less of the area median income for Tompkins County adjusted for household size.
- **Location** – Project location must be consistent with the *Tompkins County Comprehensive Plan*'s and *Building Vibrant Communities in Tompkins County … a Development Focus Areas Strategy* policy to prevent a sprawl development pattern by directing new development to existing communities that are already served by viable infrastructure or specifically designated development nodes.
- **Site Control** – Applicant must have legal site control of the project site (includes an option for purchase) at time of application submittal.

Evaluation Criteria

Applications for the Community Housing Affordability Program that satisfy the eligibility requirements will be evaluated and scored against the following evaluation criteria:

Criteria	**Maximum Points = 100**
1. Project Definition and Site Suitability	10
2. Applicant/Development Team Qualifications and Track Record	40
3. Smart Growth	30
4. Predevelopment Budget	10
5. Affordability	5
6. Local Support	5

1. Project Definition & Site Suitability (up to 10 points)

Clearly describe the project and the extent to which the project implements the *Housing Strategy for Tompkins County* and the project site is physically suitable for the proposed project and compatible with the surrounding neighborhood. Specific services or programs that are proposed as part of the project should be outlined in this section as well.

Also consider and include the following program information, if known:

- Number of housing units
- Target resident type: family, elderly, special needs, homeless,
- Housing type: townhouse, apartments, SRO, single-family detached
- Tenure: ownership, rental, shared equity
- Income range: targeted income of residents, mixed-income
- Physical and natural characteristics of site
- Connectivity of site to existing sidewalks, walkways, bicycle routes, roads and other transportation linkages.

2. Applicant/Development Team Qualifications and Track Record (up to 40 points)

a. Describe the extent to which the applicant/development team possesses a successful track record of developing affordable housing similar to the projected project.
b. Extent to which the applicant/development team has a development and management team with demonstrated expertise in skills necessary to successfully plan, design, finance, permit, construct and manage affordable housing. For projects that are proposing programs where extra support services would be needed, provide applicant/team experience working with appropriate support service partners and/or administering and managing support services.
c. Extent to which the applicant/development team has access to sufficient financial resources to cover cost overruns of predevelopment expenses.
d. For **affordable home-ownership projects** (includes buildings with homeowner units), include any relevant experience in managing the program, including program marketing and qualifying applicants. Attach a resume for each of the key members of your development team or a description of their role in three projects representative of some or all of the characteristics of the one proposed. If available, for proposed or actual building contractors only, use AIA form A305.
e. Provide two references.

3. <u>Smart Growth</u> (30 points)

Describe the extent to which the site meets smart growth principals, as an appropriate location for compact housing that is not dependent on automobile ownership for mobility. Demonstrate how the project supports nodal development objectives as discussed in the *Tompkins County Comprehensive Plan* and in *Building Vibrant Communities in Tompkins County … a Development Focus Areas Strategy*.

Smart growth principles are:

- Mixed land uses
- Takes advantage of compact building design
- Creates a range of housing opportunities and choices
- Creates walkable neighborhoods
- Fosters distinctive, attractive communities with a strong sense of place
- Preserves open space, farmland, natural beauty, and critical environmental areas
- Strengthens and directs development towards existing communities
- Provides a variety of transportation choices
- Makes development decisions that are predictable, fair and cost effective
- Encourages community and stakeholder collaboration in development decisions

Nodal development is development that is located in a population center as a way to direct growth towards existing communities that are already served by viable infrastructure. It includes a variety of uses and associated amenities commonly found in villages and hamlets. Nodes of development would ideally offer a variety of housing types, mix of non-residential land uses, a pedestrian-friendly design, and a public transportation option within a neighborhood scale. The intention of nodal development is to create a walkable, affordable, accessible, and distinctive community. Maintaining rural character outside of the nodes is a positive outcome associated with Nodal development. Nodal development in small, rural areas is particularly appropriate when it revitalizes or expands upon existing hamlet, village, or employment centers.

Specifically, the project:

- Is located less than ¼ mile from a designated stop for public transportation.
- Utilizes existing public infrastructure such as roads, sewer, water and other public utilities.
- Is located less than ½ mile from services or facilities such as parks, post office, neighborhood retail, banks, etc.
- Is connected to a major employment center by an uninterrupted and safe pedestrian route less than two (2) miles in length and/or an uninterrupted and safe bicycle route not longer than four (4) miles in length.
- Built at an average density of at least seven (7) units per acre.
- Will contribute to development/retention of a quality neighborhood.
- Protects natural resources, preserves rural and agricultural lands and minimizes environmental impacts associated with new development.

4. <u>Predevelopment Budget</u> (up to 10 points)

a. Attach a development budget clearly indicating the proposed use of the Housing Fund and the proposed total development cost per unit of affordable housing. Describe your strategy to create a feasible development plan and preliminary financing plan including adequacy of work plan to overcome feasibility obstacles.

b. Predevelopment Budget Activity Table, as identified here:

Predevelopment Budget Activity	Estimated Cost
Site Control/Option	
Geotechnical Analysis	
Environmental Assessment	
Site Survey fee	
Architectural fees	
Engineering fees	
Legal fees	
Market Study/Appraisal fees	
Zoning/Site Plan/Environmental Approvals	
Other 3rd Party Expenses	
Total Predevelopment Budget:	
Requested Amount from Housing Fund:	
Match Funding (at least 50%):	
Source of Match Funding:	

*** NOTE**: The Housing Fund will not fund Administrative Costs or Reserves. Other funds must be used.

5. <u>Affordability</u> (up to 5 points)

Provide a description for how the project will achieve the affordability objectives of 80% of current median incomes for the County and how the project will maintain long-term affordability of units. For profit applicants must demonstrate they have an agreement with a not-for-profit affordable housing agency for the agency to (a) verify incomes of potential tenants or homebuyers, and (b) monitor the rental or sales price of the affordable unit(s) to ensure that rent and utilities in an apartment, or the monthly mortgage payment and housing expenses for a homeowner, would not exceed 30% of a household's monthly for a household earning 80% or less of area median income for Tompkins County.

6. <u>Local Support</u> (up to 5 points)

Provide evidence of local support, which could be a letter or resolution from local municipality, community organizations serving low and moderate-income individuals, or other evidence of community support.

B. Community Housing Trust Program

Applications for the *Community Housing Trust Program* will be evaluated and scored against the following criteria:

Criteria	**Maximum Points = 100**
1. Applicant Track Record	20 points
2. Development Budget & Project Leverage	20 points
3. Project Readiness & Financial Feasibility	15 points
4. Long Term Affordability	10 points
5. Smart Growth Characteristics	10 points
6. Green Building Practices	10 points
7. Project Design & Impact	10 points
8. Property Tax Impacts	5 points

Although the criteria indicate that we are looking for as much detail as possible in the proposal, we recognize that, depending upon the stage in the development process the project is at, the applicant may have a limited amount of firm information on some aspects of the project at the time of application. The applicant is encouraged to provide as much detail as possible regarding aspects of the project that have been firmly established as well as the current intent regarding aspects of the project that are not as well defined. When providing this information the level of certainty should be indicated, for example by use of wording such as "will provide" where there is a high degree of certainty and "intend to provide" where there is not.

Include a maximum two-page narrative for each of the following eight scoring criteria (not to exceed 16 pages PLUS attachments):

1) Applicant Track Record (up to 20 points)

a. Describe your experience developing or administering other affordable housing projects. Briefly describe the scope of up to three recent projects that are representative of some or all of the characteristics of the one proposed, the funding involved, and the start and completion dates of each project. Summarize your method of construction (i.e., use of a general contractor or a construction manager).

b. Identify the development and management team, including developer, any contracted development professionals and construction contractors. Describe the qualifications and experience of the key members of your development team. Describe financial strength and lender resources proposed for this project. For each major contractor (architect, contractor, property manager, etc.) provide a list of the three most recent projects similar in scope to this project that they have completed. You are encouraged to use minority and women owned businesses for consultants, contractors and sub-contractors to the greatest extent possible.

c. For **affordable home-ownership projects** (includes buildings with homeowner units), include your team's experience in managing the program, including program marketing and qualifying applicants. For projects that require support services, provide team's experience working with appropriate support service partners or administering and managing specialized services.

d. Attach a resume for each of the key members of your development team or a description of their role in three projects representative of some or all of the characteristics of the one proposed. If available, for proposed or actual building contractors only, use AIA form A305.

e. Provide two references.

2) Development Budget & Project Leverage (up to 20 points)

a. Attach a development budget clearly indicating the proposed use of the Housing Fund and the total development cost per unit of affordable housing (use the attached sample development budget format). If no development budget exists, describe your strategy to create a feasible development plan and preliminary financing plan including adequacy of work plan to overcome feasibility obstacles.

b. Attach a Source of Funds chart using the following format to identify sources of other funds for this project and status of funds.

SOURCE OF FUNDS	COMMITTED	PROPOSED	TYPE OF FUNDING (Grant, Forgivable Loan, Loan, Equity)	AMOUNT
Bank Financing	☐	☐		$
Public Financing: Identify Source	☐	☐		
Equity	☐	☐		
Other	☐	☐		
Community Housing Affordability Program*	☐	☐		
Community Housing Trust Program*	☐	☐		
			TOTAL DEVELOPMENT COSTS	$
			Community Housing Affordability Program as a % of Total	%
			Community Housing Trust Program as a % of Total	%

*** NOTE**: The Housing Fund will not fund Administrative Costs or Reserves. Other funds must be used.

c. If available, attach written third-party evidence of other financing/funding commitments (required for applicants requesting more than $2,000 per unit). These commitments must be current commitments and available for expenditure up to and including the time frame for use as outlined in your proposed development schedule.

3) Project Readiness & Financial Feasibility (up to 15 points)

Provide a narrative describing project readiness that includes the following:

a. Project location and current status of site control. Attach evidence of site control.
b. Attach evidence of local support (Specific details can be found in *Attachment Checklist*).
c. Status of design drawings, plans to address any known or potential project site environmental conditions, zoning approvals and State Environmental Quality Review (SEQR) Act requirements. Attach preliminary project design documents if applying for more than $2,000 per unit.
d. Current status of the project and proposed timeline for project implementation with key milestones included.
e. Describe how grant/loan funds will leverage other funding and describe the relationship between the funds requested and total funding.
f. Rental projects should attach a 10-year operating pro-forma (use attached rental sample operating pro-forma) and Rental Operating Budget (use attached form).
g. For sale units should attach a For Sale Unit Pricing (use attached form) and For Sale Net Sales Proceeds and Distribution of Funds (use attached form).

4) Long Term Affordability (up to 10 points)

Explain how the project will remain permanently affordable through application of the principles of a community housing trust. Permanent affordability is defined as affordable for at least 49 years. For profit applicants must demonstrate they have an agreement with a not-for-profit affordable housing agency for the agency to (a) verify incomes of potential tenants or homebuyers, and (b) monitor the rental or sales price of the affordable unit(s) to ensure that rent and utilities in an apartment, or the monthly mortgage payment and housing expenses for a homeowner, would not exceed 30% of a household's monthly for a household earning 80% or less of area median income for Tompkins County.

5) Smart Growth (up to 10 points)

Demonstrate how the project supports smart growth or meets nodal development objectives as discussed in the *Tompkins County Comprehensive Plan* and in *Building Vibrant Communities in Tompkins County … a Development Focus Areas Strategy*. Smart growth principles are:

- Mixed land uses
- Takes advantage of compact building design
- Creates a range of housing opportunities and choices
- Creates walkable neighborhoods
- Fosters distinctive, attractive communities with a strong sense of place
- Preserves open space, farmland, natural beauty, and critical environmental areas
- Strengthens and directs development towards existing communities
- Provides a variety of transportation choices
- Makes development decisions that are predictable, fair and cost effective
- Encourages community and stakeholder collaboration in development decisions

Nodal development is development that is located in a population center as a way to direct growth towards existing communities that are already served by viable infrastructure. It includes a variety of uses and associated amenities commonly found in villages and hamlets. Nodes of development would ideally offer a variety of housing types, mix of non-residential land uses, a pedestrian-friendly design, and a public transportation option within a neighborhood scale. The intention of nodal development is to create a walkable, affordable, accessible, and distinctive community. Maintaining rural character outside of the nodes is a positive outcome associated with Nodal development. Nodal development in small, rural areas is particularly appropriate when it revitalizes or expands upon existing hamlet, village, or employment centers.

Specifically, the project:

- Is located less than ¼ mile from a designated stop for public transportation.
- Utilizes existing public infrastructure such as roads, sewer, water and other public utilities.
- Is located less than ½ mile from services or facilities such as parks, post office, neighborhood retail, banks, etc.
- Is connected to a major employment center by an uninterrupted and safe pedestrian route less than two (2) miles in length and/or an uninterrupted and safe bicycle route not longer than four (4) miles in length.
- Built at an average density of at least seven (7) units per acre.
- Will contribute to development/retention of a quality neighborhood.
- Protects natural resources, preserves rural and agricultural lands and minimizes environmental impacts associated with new development.

6) Green Building Practices (up to 10 points)

Explain green building practices that will be utilized to encourage sustainable development such as:

a. Energy efficiency
b. Use of sustainable materials
c. Water efficiency
d. Occupant health and safety
e. Waste reduction
f. Intent to apply for LEED certification

7) Project Design & Impact (up to 10 points)

Show how new housing development matches the housing needs of Tompkins County to increase the number of affordable and moderate priced housing units suitable for a broad range of household incomes, types and sizes. Both rental and owner housing should be developed in forms and sizes that provide more choice than are presently available today. Mixed income development is desired.

a. Identify the tenure of the housing (rental, ownership), the type of housing (numbers of units per building: single family, duplex, townhomes), and the size of the units (total square footage and mix of number of bedrooms/bathrooms).
b. State the estimated total development cost, average cost per unit and proposed sale prices or rental rates per average unit.
c. Clearly identify the number of units in the overall project and the number of affordable housing units as a percentage of the total units created by the proposed project.
d. For the affordable units, identify the number and size of units that will be available to each low and moderate-income range (below 30%, 30-50%, and 50-80% of area median income).
e. Attach a plan to ensure residents meet income eligibility guidelines at time of entry.
f. Explain the degree to which residents of various income levels will be able to afford the proposed housing. What is the minimum income needed to afford the proposed units and what is the housing cost as a percentage of area median income. If the project is development of housing for sale to income-eligible owner-occupants, describe the permanent mortgage underwriting criteria that will be permitted (maximum debt to income ratios, maximum interest rates, etc.).
g. Attach sample unit type description (use attached sample unit type description).
h. Demonstrate how the project achieves the affordability objectives of 80% of current area median income for the County.
i. Demonstrate how the project encourages a mix of uses and/or incomes.
j. Describe universal design elements or other design features that could serve a variety of special needs populations.
k. Describe site details such as landscaping, sidewalks, or other amenities.
l. Describe the use of durable or environmentally friendly building materials that will insure quality construction, low repair and maintenance, and durable lifespan such as: R ratings, window types, plumbing fixtures, cabinetry, appliances, features and amenities.
m. Describe the design and construction standards that indicate quality and finish levels with specific examples of interior, exterior, street and landscaping.

8) Property Tax Impacts (up to 5 points)

Explain how new housing will pay a fair share of taxes, or payments in lieu of taxes, so as not to shift the cost of providing public services and infrastructure to other residents.

Application Certification and Execution
Provide a dated and executed certification/signature page at the end of the Application using the following format:

DATED: _____, 2013

The undersigned hereby certifies that the applicant will notify the appropriate representative of the Housing Fund regarding any material changes to the project.

The undersigned hereby certifies that a representative of the Housing Fund has the right to request a credit check of the applicant.

The undersigned hereby certifies that he/she is authorized to execute this Application on behalf of the Applicant and that to the best of his/her knowledge all of the representations herein made by the Applicant are true.

_____
(Print Name of Applicant)

BY_____
(Signature)

_____
(Print Name Signed)

_____
(Print Official Title)

COMMUNITY HOUSING AFFORDABILITY PROGRAM – 2013
ATTACHMENT CHECKLIST

Include the following attachments with the application:

_____*** Evidence of Site Control or Option on Site**

_____**1. Project Definition and Site Suitability –** a narrative describing the project, its components, partners, as well as consideration of physical site as suitable for affordable housing development

_____**2. Applicant/Development Qualifications and Track Record -** a resume for each key member of the development team or a description of their role in three projects similar to the one proposed. If available, for proposed or actual building contractors only, use AIA form A305. Provide two references.

_____**3. Smart Growth -** Evidence of Compliance with Local Housing Plans, Tompkins County Comprehensive Plan, the adopted Comprehensive Plan of the host community (if applicable), Building Vibrant Communities in Tompkins County … a Development Focus Areas Strategy, and the Tompkins County Housing Strategy.

Identify plan and provide pertinent pages or provide a letter of compliance from the planning body.

_____**4. Predevelopment Budget Sheet**

Predevelopment Budget Activity	Estimated Cost
Site Control/Option	
Geotechnical Analysis	
Environmental Assessment	
Site Survey fee	
Architectural fees	
Engineering fees	
Legal fees	
Market Study/Appraisal fees	
Zoning/Site Plan/Environmental Approvals	
Other 3rd Party Expenses	
Total Predevelopment Budget:	
Requested Amount from Housing Fund:	
Match Funding (at least 50%):	
Source of Match Funding:	

_____**5. Affordability**

- Plan for ensuring units are available to low and moderate income individuals

_____ **6. Local Support**

- Letter or resolution from local municipality, community organizations serving low and moderate income individuals, or other evidence of community support.

_____ **Other Attachments:** Include any other information useful in describing your project such as marketing materials, waiting lists, etc.

For Not for Profit Applicants: (provide one copy only)

_____ A. Most Recent Audited Financial Statement – if available
_____ B. Certificate of Incorporation
_____ C. List of Board of Directors: Names and Employment
_____ D. IRS 501c3 Tax Status Letter

For Private Developer Applicants: (provide one copy only)

_____ A. Statement of current Financial Position as of most recent fiscal year
_____ B. Most Recent Federal Tax Returns
_____ C. List of principals. Provide names and addresses of the Applicant's officers, directors, major shareholders, general and limited partners
_____D. List of Related Entities. List names and addresses of any related entities.
_____E. Evidence of an agreement with a not-for profit affordable housing agency to ensure long term affordability of the unit(s) and to verify incomes of potential tenants or homebuyers.

COMMUNITY HOUSING TRUST PROGRAM – 2013
ATTACHMENT CHECKLIST

Include the following attachments with the application:

Applicant Track Record

_____ 1. Development Team Experience - a resume for each key member of the development team or a description of their role in three projects similar to the one proposed. If available, for proposed or actual building contractors only, use AIA form A305. Provide two references.

Development Budget & Project Leverage

_____ 2. Development Budget (use attached form)
_____ 3. Sources of Funds (Reference Item 2, page 7)

Project Readiness & Financial Feasibility

_____ 4. Evidence of site control.
- Required by applicants requesting more than $2,000 per unit.

_____ 5. Preliminary project design documents.
- Required by applicants requesting more than $2,000 per unit.

_____ 6. Evidence of local support.
- Letter or resolution from local municipality, community organizations serving low and moderate income individuals, or other evidence of community support.

_____ 7. Rental 10-Year Cash Flow (use attached form)
_____ 8. Rental Operating Budget (use attached form)
_____ 9. For Sale Unit Pricing (use attached form)
_____ 10. For Sale Net Sales Proceeds and Distribution of Funds (use attached form)
_____ 11. Preliminary Funding Commitments.
- Required by applicants requesting more than $2,000 per unit.

Project Design and Impact

_____ 12. Sample unit type description (use attached form)
_____ 13. Plan for ensuring units are available to low and moderate income individuals.

Smart Growth

_____ 14. Evidence of Compliance with Local Housing Plans
- Tompkins County Comprehensive Plan, the adopted Comprehensive Plan of the host community (if applicable), Building Vibrant Communities in Tompkins County … a Development Focus Areas Strategy, and the Tompkins County Housing Strategy.
- Identify plan and provide pertinent pages or provide a letter of compliance from the planning body.

Other

_____ 15. Other Attachments: Include any other information useful in describing your project such as marketing materials, waiting lists, etc.

For Not for Profit Applicants: (provide one copy only)

_____ A. Most Recent Audited Financial Statement – if available
_____ B. Certificate of Incorporation
_____ C. List of Board of Directors: Names and Employment
_____ D. IRS 501c3 Tax Status Letter

For Private Developer Applicants: (provide one copy only)

_____ A. Statement of current Financial Position as of most recent fiscal year

_____ B. Most Recent Federal Tax Returns

_____ C. List of principals. Provide names and addresses of the Applicant's officers, directors, major shareholders, general and limited partners.

_____ D. List of Related Entities. List names and addresses of any related entities.

_____ E. Evidence of an agreement with a not-for profit affordable housing agency to ensure long term affordability of the unit(s) and to verify incomes of potential tenants or homebuyers.

Attachment__ Development Budget

PROJECT CATEGORIES	COST	% of Total Costs	For-Sale Units (SF)	$ per SF	Rental Units (SF)	$ per SF	Method of Calculation/ Notes
REPAYMENT OF HOUSING FUND LOAN							
ACQUISITION							
Acquisition – Land Portion							
Acquisition – Building Portion							
SITE WORK							
On-Site Work							
Off-Site Work							
REHAB/CONSTRUCTION							
New Construction Costs							
Rehabilitation costs							
Construction Contingency (____ %)							
Fees and Permits							
OTHER DEPRECIABLE							
Furniture, Fixtures, Equipment							
PROFESSIONAL FEES							
Architect Fee – Design/supervision							
Impact fees							
Engineering							
Accounting / R.E. Attorney							
Appraisal, Market Study, Environmental Report Consulting, Cost Certification, etc.							
Other Contingency (____ %)							
DEVELOPER'S FEES							
Developer's Fees							
INTERIM COSTS							
Construction Interest							
Construction Loan Fee							
Insurance, Title, etc.							
Taxes, Performance, Premium, etc.							
PERMANENT FINANCING FEES & EXPENSES							
Permanent Loan Fees							
Tax Credit Fees							
START-UP EXPENSES							
Organizational Expense							
Marketing							
SYNDICATION COSTS							
Syndication Legal Fee							
Tax Opinions, other fees							
PROJECT RESERVES							
Operating / Vacancy / Lease up Reserves							
Maintenance / Replacement Reserves							
FUNDS LEVERAGED PER UNIT							
TOTAL							

Attachment__ Rental 10-year Cash Flow Analysis

	Year 1	Year 2	Year 3	Year 4	Year 5....	Year 10
Rental Income						
Laundry & Misc.						
Other						
Total Gross Income						
Less: Vacancy						
Adjusted Gross Income						
Less: Operating Expenses						
Less: Operating Reserves						
Less: Replacement Reserves						
NOI Before Debt Service & Ground Rent						
Less: Debt Service (1)						
NOI Before Ground Rent						
Less: Ground Rent to Trust Fund (if any)						
Cash Available for Distribution (2)						
Cumulative Cash Avail for Distribution						
(_____%) to the CCC (if any)						
(_____%) to the Developer						
Developer Return on Equity						
Developer IRR						

Attachment__ Rental Operating Budget

	$ Amount
Management	
Management Fee	
Sub-total:	
Administration	
Marketing	
Audit	
Legal	
Campus Services Fees	
Sub-total:	
Salaries and Benefits	
Off-site manager	
Maintenance Personnel	
Janitorial	
Payroll Taxes, Benefits, Insurance	
Sub-total:	
Maintenance	
Supplies/Equipment	
Repairs	
Pest Control	
Janitorial	
Painting	
Sub-total:	
Utilities	
(all utilities except trash, electricity, water, sewer and gas which are not paid by tenants)	
Sub-total:	
Insurance	
Property and Liability	
Sub-total:	
Taxes	
Property	
Business	
Sub-total:	
Annual Maintenance Reserves	
Sub-total:	
Other	
Other	
Sub-total:	
Total:	_____
Total per Apartment Unit:	_____

Attachment__ For-Sale Unit Pricing

Plan ID	Unit Type	# of Units	Gross SF/Unit	Gross SF/Type	Price PSF	Unit Sales Price	Gross Sales Proceeds
Example: M1	3 br/ 2 ba	10	1,800	18,000	$200	$360,000	$3,600,000
		Total # of Units	Weighted Average Unit Size	Total Gross SF	Weighted Average Price PSF	Weighted Average Unit Price	Total Gross Sales Proceeds

Attachment__ For-Sale Net Sales Proceeds and Distribution of Funds

	$ Amount
Gross Sales Proceeds	
Less: Cost of Sales	( )
Net Sales Proceeds	
Less: Construction financing/interest/fees	( )
Less: Developer equity	( )
Profit Available for Distribution	
(_____%) to Developer	
(_____%) to (Other)	

Attachment___ Unit Type Description

	LMI Category	Quantity	Gross SF	Pad Dimen.	Stories	Height	Bdrms /Baths	Gross Rent	Remarks/ Amenities
Rental Example	30-50%	15	1000	20' x 50'	2	21'	2/1.5	$475	attached unit; 1 space covered
								Sale Price	
For-Sale									

Exhibit A

Housing Strategy for Tompkins County
(Endorsed by the Tompkins County Legislature, June 2007)

There is a severe and growing housing shortage in Tompkins County, as documented in the Tompkins County Affordable Housing Needs Assessment completed in August 2006. While more housing is needed at all cost levels, the gap between supply and demand is most critical for housing that is affordable to families with median income (about $50,000) or less.

"Affordable" has a specific meaning according to HUD: a household should have to spend no more than 30 % of income on housing expenses (for owners, mortgage, taxes, utilities and insurance; for renters, rent and utilities). If a family spends more than 30% they are considered "cost-burdened." That is, they may be holding on to their home or apartment, but they probably run out of money every month for other expenses such as health care, clothing, transportation and even food.

With housing prices among the highest in upstate New York, Tompkins County has a significant percentage of residents who are cost-burdened. In 1999:

- 40% of non-student renter households paid more than 30% of their income on housing;
- 20% of households paid more than *half* of their income on housing.

By 2005, the median home price had escalated 74% while the median household income had grown only 19 %, exacerbating the affordability gap for Tompkins County families.

Not just those who struggle to keep a roof over their heads feel the costs of this housing shortage. We all bear the costs of heavy in-commuter traffic; high assessments; poor school performance by children in unstable housing; economic and social stress on families related to housing insecurity (contributing to mental health and substance abuse problems); and the large need for emergency shelter for the homeless. The consequences can be lifelong for our neighbors, co-workers and family members who can't find and keep safe, stable homes.

It is safe to say that people who are cost-burdened include carpenters, farm workers, bank tellers, retail workers, home health aides, office support staff and teachers' aides. They live in every community in Tompkins County. Young families and seniors living on fixed incomes are often among the most affected households but the housing affordability issue impacts a broad segment of the population. There are solutions to this problem but they will necessitate countywide participation.

WHAT IS THE NEED?

The county's Affordable Housing Needs Assessment identifies a need for at least 3,894 new non-student housing units between 2005 and 2014. This includes both rental and owner-occupied units across all income levels. Of these units:

- 38% need to be affordable to households with up to 50% of median income;
- 16% for households making between 50% and 80% of median income; and
- 21% for households making between 80% and 120% of median income.

During the 1990s, on average 328 units per year were added to the supply. For the next decade the total number of needed units is not substantially higher than that level of construction. However *the market is currently not meeting any substantial portion of the demand for low to moderate-income*

households. This need will only be met in the future by a concerted community-wide effort to build appropriate housing.

The projected needs do not include any additional capture of current or future in-commuters, so the demand could be substantially greater if local affordability and availability issues were addressed. Moreover, the 2006 Tompkins County Economic Development Strategy identified an increased and diverse housing supply as one of three major goals critical to the cultivation of a prosperous and sustainable regional economy. *Therefore, a housing strategy for the county should plan for adding at least 4,000 units to the local housing stock over ten years, with at least half of these units affordable to households making less than 80% of median income.* It needs to be emphasized that this demand does not include students so any addition to the undergraduate or graduate student population in the county will require additional initiatives by the educational institutions to address those housing needs.

LOCATING NEW HOUSING

Addressing the housing needs of the community should – and can - be done in a way that contributes to the area's long-term sustainability. The Tompkins County Comprehensive Plan recommends a nodal pattern of development focusing on infill development and development in existing population centers where public water and sewer infrastructure is in place or can be provided in a fiscally sound manner.

Traffic concerns in the county have historically created opposition to new housing development. These concerns can be mitigated through land use management policies that strongly encourage the location of new housing developments near job centers and require a nodal development pattern along major highway corridors, in conjunction with improvements to the transportation infrastructure system. If housing can be built close to major employment centers, and if a nodal pattern is emphasized in new construction, the increased population densities would have the potential to support increased TCAT service. The planned siting of new housing could thus improve transit service and make it more cost-effective, reduce auto dependence, and enhance community vitality. The location of new housing near major employment centers also offers more opportunities for persons to reside where they may commute as pedestrians or bicyclists. Improvements to the transportation system should encourage such alternative modes of travel, and, whenever possible, priority should be given to funding multi-modal improvements on projects that support new housing proximate to employment centers and in nodal development patterns in accordance with the County Comprehensive Plan. Finally, measures should be implemented to protect the quality-of-life in existing neighborhoods from projected new traffic generated from the build-out of development nodes.

The type of housing development also needs to include higher density, mixed use and multi-family development. Of course, housing should be constructed to be as energy efficient as possible to assure long-term affordability and sustainability.

The locations for new housing units that would support such a nodal development pattern suggest that the following communities may provide appropriate locations to meet the identified need for a total of up to 4,000 housing units, 54 % of which need to be affordable to those making less than 80 % of median income, over ten years:

- **City of Ithaca** - 500 to 1,000 units, including development of the Southwest neighborhood and downtown housing development.
- **Town of Ithaca** - 500 to 1,000 units, including balanced growth on East, West and South hills concentrated in a nodal pattern to be determined by the Town.

- **Town of Lansing** – 500 to 1,000 units largely concentrated in a nodal pattern in and around the planned town center in South Lansing.
- **Other Villages and Hamlets** – 500 units
- **Other Infill and Rural** – 500 units
- **Total Units: 2,500 to 4,000**

These numbers can serve to guide development of local goals and priorities. As can be seen, all geographic areas would have to achieve the high end of the estimate to meet the total demand of 4,000 housing units. Affordable units should be distributed among communities, with no single municipality expected to accommodate a disproportionate percentage of such units. However, developing housing in proximity to major employment centers is key to a successful nodal development approach that will reduce auto dependence, improve the cost-effectiveness of transit service, and enhance community vitality.

PROMOTING AFFORDABLE HOUSING

As mentioned above, current market forces will not assure that new housing is developed that meets the affordability needs of the community. It is believed that in the current market climate, and considering the relative lack of sufficient Federal or State government assistance, the best chance for meeting local affordability goals is through four principal strategies. These have proven successful in other communities and were among the recommendations of the Tompkins County needs assessment.

Strategy One: Inclusionary and Incentive Zoning

Use Inclusionary and Incentive Zoning to achieve goals that at least 20% of units in new market rate projects are affordable to those making 80% of median income and that at least 40% of units are affordable to those making up to 120% of median income. Among the incentives that municipalities may offer are density bonuses and streamlined approval processes. Local municipalities have the authority to amend their local zoning ordinances to incorporate these strategies. Zoning changes will be most effective – in producing affordable housing while combating rural sprawl – if there is coordination among municipalities. The Tompkins County Council of Governments could be an appropriate forum for this coordination.

Strategy Two: Community Housing Trust

Establish a Community Housing Trust with support from major employers, financial institutions, educational institutions, government and private donors to acquire and own land on which housing for those making less than 80% of median income can be built. These housing units would be kept affordable through deed restriction on resale and/or provisions to keep rents affordable. Work with private developers to use all available sources of funding and financing tools to make a portion of the units on these Housing Trust properties affordable to those making 50% of median income.

Strategy Three: Employer Assistance

Encourage major employers to provide assistance, such as low-interest financing, down- payment subsidies, or closing-cost assistance, to employees who purchase homes in targeted infill and nodal development projects. This would support efficient provision of public services and provide an added incentive for developers to build new units in these target areas. Additionally, where employers are major land owners in a nodal location, they could make land available for housing development.

Strategy Four: Community Housing Affordability Fund

Establish a Community Housing Affordability Fund, with contributions from public and private sources, to fill funding gaps needed to keep units affordable and assist not-for- profit housing developers with pre-

development expenses. Even if strategies one through three are fully implemented it will still be difficult to meet all of the housing needs of those with household incomes below 80% of median. Federal and State housing funds have not kept pace with need therefore leaving a gap in funding for affordable housing development. Not-for-profit developers are often deterred from pursuing projects because of an uncertain development review process and the risk of losing the considerable up- front expenses inherent in such development. Availability of this local funding source could allow the Tompkins County community to maximize the use of Federal and State funds that are available.

These strategies could be used in creative combinations to achieve income diversity in neighborhoods.

IMPLEMENTATION, MONITORING AND EVALUATION

The County Planning Department will monitor both supply and demand to determine how successful these efforts are at meeting the community's housing needs. It is important that new housing units reach the market at a relatively even rate over the ten-year period. Even with a market that is deficient in housing supply, new units should be gradually absorbed if developments are to be successful and not have unintended adverse consequences for the existing housing market. For that reason it is important that projects that are now in the planning stages move to construction during the first half of the ten-year period while other conceptual projects are progressed for development in the latter half. Monitoring efforts will include a renter survey to provide current and trend information. The survey will be repeated on a regular basis if support can be obtained from community partners. In the near future a survey of senior housing needs should also be conducted to make information available regarding the types of housing that will be needed ten years from now to serve our aging population.

CONCLUSION

It should be recognized that even if this strategy is successful it will be difficult to meet all of the housing affordability needs of the community over the next ten years. However, we believe that a concerted, coordinated effort will yield results: we can cut the number of households spending more than 30% of income for their homes and reduce the amount by which they overspend. Absent such a strategy the affordability and availability gap will only get worse, with far-reaching consequences for the local economy and the social cohesion of the community.