



**Washoe County Home Consortium (WCHC)
Director's Meeting
Hybrid Meeting**

AGENDA

Thursday, December 15, 2022 at 11:00 AM

Reno City Hall

1 E. 1st Street

7th Floor Caucus Room

Reno, NV 89523

DIRECTORS:

Doug Thornley
City Manager
City of Reno

Neil Krutz
City Manager
City of
Sparks

Eric Brown
County Manager
Washoe County

Public Notice:

This agenda has been physically posted in compliance with NRS 241 (notice of meetings) at Reno City Hall – 1 East First Street. In addition, this agenda has been electronically posted in compliance with NRS 241 at <http://www.reno.gov>, and NRS 232 at <https://notice.nv.gov/>. To obtain further documentation regarding posting, please contact the City Clerk's Office at (775) 334-2030, or cityclerk@reno.gov.

Members of the Board/Commission/Committee may participate in this meeting using the zoom video conference platform.

Members of the public may participate in the meeting by registering through the below zoom link which will provide the meeting ID number and call-in phone number.

Virtual link: https://us06web.zoom.us/webinar/register/WN_LUyGyB-uQfOODKZRrQTksg

In Person: One East First Street, 7th floor Caucus Conference Room

Accommodations:

Reasonable efforts will be made to assist and accommodate individuals with disabilities attending the meeting. Please contact the City Clerk's Office at (775) 334-2030 at least 48 hours in advance so that arrangements can be made.

Supporting Materials:

Staff reports and supporting material for the meeting are available by contacting Elaine Wiseman at (775) 334-2578, or WisemanE@reno.gov and on the City's website at Reno.Gov. Pursuant to NRS 241, supporting material is made available to the general public at the same time it is provided to the public body.

Order of Business:

The presiding officer shall determine the order of the agenda and all questions of parliamentary procedure at the meeting. Items on the agenda may be taken out of order. The public body may combine two or more agenda items for consideration; remove an item from the agenda; or delay discussion relating to an item on the agenda at any time. See, NRS 241. Items scheduled to be heard at a specific time will be heard no earlier than the stated time, but may be heard later.

Public Comment**In-Person:**

A person wishing to address the public body shall submit a "Request to Speak" form to the presiding officer. Public comment, whether on items listed on the agenda or general public comment, is limited to three (3) minutes per person. Unused time may not be reserved by the speaker, nor allocated to another speaker. No action may be taken on a matter raised under general public comment until the matter is included on an agenda as an item on which action may be taken. The presiding officer may prohibit comment if the content of comments is a topic that is not relevant to, or within the authority of, the public body, or if the content is willfully disruptive of the meeting by being irrelevant, repetitious, slanderous, offensive, inflammatory, irrational or amounting to personal attacks or interfering with the rights of other speakers. Any person making willfully disruptive remarks while addressing the public body or while attending the meeting may be removed from the room by the presiding officer, See, NRS 241 and the person may be barred from further audience before the public body during that session. See, Nevada Attorney General Opinion No. 00-047 (April 27, 2001); Nevada Open Meeting Law Manual, § 8.05.

Examples of disruptive conduct include, without limitation, yelling, stamping of feet, whistles, applause, heckling, name calling, use of profanity, personal attacks, physical intimidation, threatening use of physical force, assault, battery, or any other acts intended to impede the meeting or infringe on the rights of the public body or meeting participants.

Virtual:

No action may be taken on a matter raised under general public comment until the matter is included on a subsequent agenda as an action item.

Pursuant to NRS 241, those wishing to submit public comment may do so by sending an email to WisemanE@reno.gov, by leaving a voicemail at 775-334-2578 or at the meeting during virtual public comment. Public comment is limited to three (3) minutes per person.

Comments received prior to 4:00 p.m. on the day preceding the meeting will be transcribed, provided to the Board/Commission/Committee for review, and entered into the record. Comments received after 4:00 pm on the day preceding the meeting will be provided to the Board/Commission/Committee for review prior to adjournment, and entered into the record.

A. Introductory Items:

A.1. Call to Order: Roll Call

A. 2 Public Comment: This item is for either public comment on any action item or for any general public comment and is limited to no more than three (3) minutes for each commentator.

A.3 Approval of the Agenda (For Possible Action): December 15, 2022

A.4 Approval of the Minutes (For Possible Action): April 21, 2022 and August 3, 2022

B. Business Items:

B.1 PRESENTATION, DISCUSSION AND POSSIBLE APPROVAL OF A REQUEST BY THREE (3) HOMEOWNERS OF THE HILLBORO PLACE PROJECT TO DISCHARGE THE REPAYMENT OBLIGATION SECURED BY THE WCHC. (For possible action)

B.2 PRESENTATION, DISCUSSION AND POSSIBLE APPROVAL OF A REQUEST BY PEAK CAPITAL PARTNERS/BANBRIDGE APARTMENTS TO REPLACE ESCROW ACCOUNT WITH GUARANTY. (For possible action)

B.3 PRESENTATION, DISCUSSION AND POSSIBLE APPROVAL OF A REQUEST BY KW SKY VALLEY, LLC, AND ALTITUDE BY VINTAGE, LP, TO TRANSFER OWNERSHIP AND RE-SUBORDINATION OF EXISTING HOME FUNDS ON THE SOUTHRIDGE, SKYLINE, AND SKYVIEW PROPERTIES, WHICH WILL BE KNOWN AS ALTITUDE BY VINTAGE. (For possible action)

B.4 REQUEST BY 3D INVESTMENTS TO AMEND THE HOME LOAN AGREEMENT TO REDUCE THE INTEREST RATE TO 0% INTEREST MOVING FORWARD, AND TO WAIVE LOAN REPAYMENT, IN EXCHANGE FOR EXTENDING INDEFINITELY THE HOME LOAN AFFORDABILITY PERIOD ON THE HOME LOAN UNITS IN THE SIERRA CREST APARTMENTS. (For possible action)

B.5 PRESENTATION, DISCUSSION AND POSSIBLE APPROVAL OF CHANGES TO THE WCHC POLICIES AND PROCEDURES AND BY-LAWS. (For possible action)

C. Director's Items and Announcements:

Directors have an opportunity to raise issues for discussion at future meetings, as well as make announcements.

D. Staff Technical Support Update: Staff may provide an update on projects, funding or other programmatic issues.

E. Future Agenda Items: Discussion of items for future agenda.

F. Public Comment: This item is for either public comment on any action item or for any general public comment.

G. Adjournment: (For Possible Action)



**Washoe County Home
Consortium (WCHC)
Director's Meeting**

Draft Minutes

Thursday, April 21, 2022, 2:00 P.M.

A. INTRODUCTORY ITEMS

A.1. CALL TO ORDER – Roll Call

Manager Thornley called the meeting to order at 2:05 PM

Present: Manager Thornley, City of Reno

Assistant Manager Martini, City of Sparks

Manager Brown, Washoe County

Absent: Manager Krutz, City of Sparks

A.2. PUBLIC COMMENT (This item is for either public comment on any action item or for any general public comment.)

None

A.3. APPROVAL OF AGENDA (For Possible Action) – April 21, 2022

Assistant Manager Martini moved to approve the April 21, 2022, meeting agenda. Manager Thornley seconded the motion. The motion carried unanimously.

A.4. APPROVAL OF MINUTES (For Possible Action) - September 2, 2021

Assistant Manager Martini moved to approve the September 2, 2021, meeting minutes. Manager Thornley seconded the motion. The motion carried unanimously.

B. BUSINESS ITEMS

B.1. PRESENTATION, DISCUSSION AND POSSIBLE APPROVAL OF NORTHERN NEVADA COMMUNITY HOUSING'S REQUEST TO ADJUST THE UNIT INCOME REQUIREMENTS AT TREMBLING LEAVES APARTMENTS (For Possible Action)

Elaine Wiseman, staff member, presented on this item. Trembling Leaves Apartments is asking to make changes to AMI due to significant rehab needed. In the current agreement, 3 units are at 25% AMI. They are asking those three units to be at 30% AMI, which is a standard HUD income limit. There is also a request to make the balance of units at 60% AMI instead of 50%, so the residents would still qualify and not be displaced after refinancing the property because many residents are in the 60% AMI range who are currently in 50% AMI units.

Lisa Dayton clarified that there are currently 2 units at 25% AMI, so they are asking to exchange those for 3 units at 30% AMI.

Assistant Manager Martini moved to approve Northern Nevada Community Housing's request to adjust the unit income requirements at Trembling Leaves Apartments. Manager Thornley seconded the motion. Motion carried unanimously.

B.2. PRESENTATION, DISCUSSION AND POSSIBLE APPROVAL OF A RESOLUTION ADOPTING THE TECHNICAL REVIEW COMMITTEE RECOMMENDATION ON FUNDING FY 2022-2023 AFFORDABLE HOUSING PROGRAMS AND PROJECTS, APPROVING LOAN/GRANT REQUESTS FOR THE RECOMMENDED PROJECTS, AND DIRECTIONS TO STAFF ON FORWARDING THE FUNDING DECISION TO THE REGIONAL PLANNING GOVERNING BOARD FOR RATIFICATION (For Possible Action)

Elaine presented on this item. Elaine first said the two agencies, Ridge House, and Community Services Agency Development Corporation meet all the requirements for CHDO Recertification. The committee is also asking the City for funding for the Rental and Deposit Assistance Program anticipated to be a total of \$655,263 for tenant based rental assistance using the Affordable Housing Trust Fund.

Elaine then went over the CHDO Recertification and Project Funding for multiple different projects. There are approximately 1,600 units that are going to be constructed or rehabbed this year.

1. Chocolate Drive -- 6 HOME units at 50% AMI, asking for \$200,000, 30-year affordability
2. Copper Mesa – 4 HOME units at 50% AMI, asking for \$50,000, 30-year affordability
3. Dandini North – 5 HOME units at 50% AMI, asking for \$50,000, 30-year affordability
4. Everett House – 1 unit with 10 bedrooms, rehab facility for low income or previously homeless or incarcerated individuals, loan to grant \$194,500, 15-year affordability
5. Marvel Way Phase II—5 HOME units 2 at 50% AMI and 3 at 30% AMI, but all units will be serving 50% AMI and below, asking for \$750,000 loan, 50-year affordability
6. Pinyon Apartments—5 HOME units at 50% AMI, asking for \$50,000, 30-year affordability
7. The Ridge at Sun Valley—3 HOME units at 50% AMI, asking for \$50,000, 30-year affordability

8. Vintage at Redfield— 5 HOME units at 50%, 50,000 loan, 30-year affordability
All projects met eligibility criteria.

Manager Brown moved to approve 1. The funding of the City of Reno’s Rental and Deposit assistance program in the amount of \$655,263 using Affordable Housing Trust Funds; and 2. CHDO recertification of Ridge House and Community Services Agency Development Corporation; and 3. Project loan funding in the amount of \$50,000 each for Copper Mesa Apartments, Dandini Apartments, Pinyon Apartments, The Ridge at Sun Valley, and Vintage at Redfield; and 4. Project funding for Chocolate Drive in the amount of \$200,000 and Marvel Way Apartments in the amount of \$750,000; and 5. A loan to grant in the amount of \$194,500 for the rehabilitation of Ridge House Everett St.; and 6. The allowance of staff to have the authority to negotiate the composition of the HOME units as necessary, without changing the total number of HOME units. Assistant Manager Martini seconded. The motion carried unanimously.

C. DIRECTOR’S ITEMS AND ANNOUNCEMENTS: TRC members have an opportunity to raise issues for discussion at future meetings, as well as make announcements

None

D. STAFF TECHNICAL SUPPORT UPDATE: Staff may provide an update on projects, funding or other programmatic issues

Jasmine Muhta’s announcement

E. FUTURE AGENDA ITEMS: Discussion of items for future agenda

None

F. PUBLIC COMMENT (This item is for either public comment on any action item or for any general public comment.)

None

G. ADJOURNMENT (For Possible Action)

Meeting adjourned at 2:21 PM



**Washoe County Home Consortium (WCHC)
Directors Meeting Minutes**

Wednesday, August 3, 2022, 9:00 AM

DIRECTORS:

Doug Thornley	Neil Krutz	Eric Brown
City Manager	City Manager	County Manager
City of Reno	City of Sparks	Washoe County

A. INTRODUCTORY ITEMS

A.1. CALL TO ORDER – Roll Call

Elaine Wiseman called the meeting to order at 9:13am

Present: JW Hodge (filling in for Doug Thornley), Neil Krutz, and Eric Brown

A.2. PUBLIC COMMENT (This item is for either public comment on any action item or for any general public comment.)

John Gezelin made a public comment

A.3 APPROVAL OF AGENDA (For Possible Action) – August 3, 2022

City Manager Krutz approved the agenda with the removal of item B.2. County Manager Brown seconded the motion. Motion carried unanimously.

B. BUSINESS ITEMS

B.1 PRESENTATION, DISCUSSION AND POSSIBLE APPROVAL OF A REQUEST BY BOULDER CREEK PARTNERS LIMITED PARTNERSHIP AND KAK PARTNERS II, LLC FOR KAK PARTNERS II, LLC TO ACQUIRE THE BOULDER CREEK APARTMENTS LOCATED IN SUN VALLEY AND TO ASSUME THE EXISTING HOME LOAN OBLIGATIONS (For possible action)

Elaine Wiseman gave background on this item found in the staff report. Elaine said that both legal services and the Washoe County Home Consortium Technical Review Committee agreed that KAK Partners has the financial capacity to repay the loan.

Marks Abrahams said the property is over 250 units and over 1,000 people live at the property.

County Manager Brown moved to approve the request. City Manager Krutz seconded the motion. The motion carried unanimously.

B.2 PRESENTATION, DISCUSSION AND POSSIBLE APPROVAL OF A REQUEST BY PRATER PARTNERS, LIMITED PARTNERSHIP, AND 3D INVESTMENT, LLC FOR 3D INVESTMENT, LLC TO ACQUIRE THE SIERRA CREST APARTMENTS LOCATED IN SPARKS, NV, AND TO ASSUME THE EXISTING HOME LOAN OBLIGATIONS (For possible action)

This item was pulled from agenda.

B.3 PRESENTATION AND DISCUSSION AND POSSIBLE APPROVAL OF A REQUEST BY COMMUNITY SERVICES AGENCY TO AMEND THE TERMS OF THE WCHC CARRIAGE STONE APARTMENTS LOAN TO DEFER PAYMENTS OF PRINCIPAL AND INTEREST UNTIL OCTOBER 1, 2048 OR UNTIL THE PROJECT IS NO LONGER 100% AFFORDABLE HOUSING. (For possible action)

Elaine gave background of this item found in the staff report.

Leslie Colbrese said Community Services Agency is looking to do a re-syndication project and intends to keep their units affordable.

City Manager Krutz moved to approve the request. County Manager Brown seconded the motion. The motion carried unanimously.

C. DIRECTOR'S ITEMS AND ANNOUNCEMENTS: TRC members have an opportunity to raise issues for discussion at future meetings, as well as make announcements

None

D. STAFF TECHNICAL SUPPORT UPDATE: Staff may provide an update on projects, funding or other programmatic issues

Elaine said that because of the nature and frequency of the requests of loans for approval, the directors may need to meet more often than once a year. Elaine also said that staff is working with legal to amend the Intergovernmental Agreement to allow the Technical Review Committee to be the final approval for some of the decisions.

E. FUTURE AGENDA ITEMS: Discussion of items for future agenda

None

F. PUBLIC COMMENT (This item is for either public comment on any action item or for any general public comment.)

None

G. ADJOURNMENT (For Possible Action)

County Manager Brown moved to adjourn the meeting at 9:26pm. City Manager Krutz seconded the motion. The motion carried unanimously.

Staff Report

Date: July 28, 2022

To: Directors, Washoe County HOME Consortium

From: Housing and Neighborhood Development Division, City of Reno

subject: PRESENTATION, DISCUSSION AND POSSIBLE APPROVAL OF A REQUEST BY BOULDER CREEK PARTNERS LIMITED PARTNERSHIP AND KAK PARTNERS II, LLC FOR KAK PARTNERS II, LLC TO ACQUIRE THE BOULDER CREEK APARTMENTS LOCATED IN SUN VALLEY AND TO ASSUME THE EXISTING HOME LOAN OBLIGATIONS

Boulder Creek is a 250-unit affordable, multi-family apartment complex located in Sun Valley, on Moorpark Ct.. In June of 1997, WCHC entered into an "Agreement to Loan Federal HOME Investment Partnership Program (HOME Program) funds to Boulder Creek Partners Limited Partnership. Funding was provided in the amount of \$700,000 (HOME) secured by a Deed of Trust for eleven (11) HOME units, eight of which are at or below 30% AMI and three of which are at or below 45% AMI. The original loan term was 33 years, with an annual repayment of \$33,759.91, beginning February 1, 2001.

On September 29, 2017, Boulder Creek refinanced \$986,962 (\$685,286.52 in unpaid principal plus \$301,676.00 in unpaid interest), with 3% per annum simple interest on the unpaid principal balance commencing on October 1, 2017. Payments began on October 1, 2018 and on the first business day of October each year thereafter payable in equal installments of \$34,362.83. As of this time, the payments are current and the loan is not in default.

In May 2022, staff was informed the property had gone up for sale with a potential buyer (Kak Partners II, LLC) pending. Kak Partners expressed their desire to assume the existing HOME loan. With an Assignment and Assumption, new documents would be entered into between WCHC and Kak Partners II, LLC and the affordability period on the deed restricted HOME units would not change.

Kak Partners II, LLC has submitted their proforma, and legal staff is confident that this buyer has the financial capacity for loan repayment.

Staff recommends approval of the request by Boulder Creek Partners Limited Partnership and Kak Partners II, LLC for Kak Partners II, LLC to acquire the Boulder Creek Apartments located in Sun Valley, and to assume the existing HOME loan obligations.

Staff Report

Date: July 28, 2022

To: Directors, Washoe County HOME Consortium

From: Housing and Neighborhood Development Division, City of Reno

Subject: PRESENTATION, DISCUSSION AND POSSIBLE APPROVAL OF A REQUEST BY PRATER PARTNERS, LIMITED PARTNERSHIP, AND 3D INVESTMENTS, LLC FOR 3D INVESTMENTS, LLC TO ACQUIRE THE SIERRA CREST APARTMENTS LOCATED IN SPARKS, NV, AND TO ASSUME THE EXISTING HOME LOAN OBLIGATIONS (For possible action)

Sierra Crest is a 72-unit affordable, multi-family apartment complex, for seniors, located in Sparks, NV, on Prater Way. In December of 2003, WCHC entered into an Agreement to Loan Federal HOME Investment Partnership Program (HOME Program) funds to Prater Partners, LLC. Funding was provided in the amount of \$703,194. In February of 2005, the original Deed of Trust was amended to include a subsequent loan of \$400,000, bringing the total of both loans to \$1,103,194. Under this agreement, there is a 45 year affordability period, with principal and interest payments due in years 2034-2048, and 11 HOME units.

In June 2022, staff was informed the property had gone up for sale with a potential buyer (3D Investments, LLC) pending. 3D Investments, LLC expressed their desire to assume the existing HOME loan. With an Assignment and Assumption, new documents would be entered into between WCHC and 3D Investments, LLC and the affordability period on the deed restricted HOME units would not change.

3D Investments, LLC has submitted their proforma, and staff is confident that this buyer has the financial capacity for loan repayment.

Staff recommends approval of the request by Prater Partners and 3D Investments, LLC, for 3D Investments, LLC to acquire the Sierra Crest Apartments and to assume the existing HOME loan obligations.

Staff Report

Date: July 28, 2022

To: Directors, Washoe County HOME Consortium

From: Housing and Neighborhood Development Division, City of Reno

Subject: PRESENTATION AND DISCUSSION AND POSSIBLE APPROVAL OF A REQUEST BY COMMUNITY SERVICES AGENCY TO AMEND THE TERMS OF THE WCHC CARRIAGE STONE APARTMENTS LOAN TO DEFER PAYMENTS OF PRINCIPAL AND INTEREST UNTIL OCTOBER 1, 2048 OR UNTIL THE PROJECT IS NO LONGER 100% AFFORDABLE HOUSING.
(For possible action)

Community Services Agency is requesting to amend the terms of the WCHC Carriage Stone Apartments loans to be consistent with the WCHC Dakota Crest Apartments loan that had previously been modified. Specifically, the request is to defer payments of principal and interest until October 1, 2048 or until the Project is no longer 100% affordable housing.

The senior lender and investor have represented that the consistency of the repayment schedule of these loans is necessary for underwriting by the lender and investor to achieve the renovation requirements of the projects as part of the re-syndication of the tax credits for both projects under one financing transaction.

Staff Report

Date: December 15, 2022
To: Directors, Washoe County HOME Consortium
From: Housing and Neighborhood Development, City of Reno
Subject: B.1 PRESENTATION, DISCUSSION AND POSSIBLE APPROVAL OF A REQUEST BY THREE (3) HOMEOWNERS OF THE HILLBORO PLACE PROJECT TO DISCHARGE THE REPAYMENT OBLIGATION SECURED BY THE WCHC
(For possible action)

The Hillboro Place project was initiated in 2004 for nine (9) single-family residences to be rehabilitated by the Housing Authority of the City of Reno with financial assistance in the amount of \$61,310 from the Washoe County Home Consortium (WCHC). The nine (9) qualified buyers were households who did not exceed eighty percent (80%) of Area Median Income (AMI). According to the "Property Restrictions and Recapture Agreements" which were executed and recorded in January and February of 2005 (attached) this was a zero percent (0%) interest loan, with payments only due in full if the property was sold, transferred, refinanced, or no longer used as the Qualified Buyer(s) primary residence. There is a 20-year affordability period on these loans.

The final sales price of these homes were \$229,829. There were three loans given for the purchase of each of these homes:

- | | |
|---|-----------|
| 1) First Mortgage Loan (Charles Schwab Bank) | \$141,919 |
| 2) Supplemental Assistance Loan (Charles Schwab Bank) | \$25,000 |
| 3) Washoe County Home Consortium Loan/Funds | \$61,310 |

Each of the buyers put down a \$1,000 earnest money deposit, and \$600 cash down payment.

Of the nine (9) original homeowners who were a part of this project, five (5) still own and occupy their homes, two (2) were foreclosed, and two (2) sold their home (see table attached).

In 2011, all of the 'Supplemental Assistance Loans' in the amount of \$25,000 with Charles Schwab Bank were forgiven, without repayment, for the homeowners of the Hillboro Place Project. The reconveyances to reflect this were recorded on 3/9/2011.

In 2012, due to the housing market downturn, the homeowners of Hillboro Place had requested that their WCHC loans be forgiven without repayment. City of Reno staff responded with a letter to the homeowners (attached) that they were unable to fulfill this request, as they did not have the authority to waive an affordability period of the HUD/HOME funds assisted project. However, they offered to accept a prorated portion of the assistance (\$4,087.33 per remaining year of the affordability period) in order to provide some flexibility to each homeowner.

Currently, there are three (3) homeowners: Mr. Jose Ulises Escobar, Mr. Javier Octavio Garcia Salinas, and Mr. Tecele Kidane who are requesting that their WCHC loan be dissolved and forgiven without repayment. They believe that the deed restrictions on their properties are hindering them from taking advantage of the current real estate market trends and they feel they have fulfilled the minimum affordability period (their three [3] homeowner request letters are attached).

In the past, there were three (3) homeowners who have either sold or refinanced their homes, and did have to repay a prorated amount of their loan, based on the remainder of the affordability period.

Mr. Jose Ulises Escobar, Mr. Javier Octavio Garcia Salinas, and Mr. Tecele Kidane are claiming that another homeowner, Satwinder & Katherine Singh have had their loan forgiven without requiring repayment. They provided a copy of the recorded reconveyance (attached) to prove this. However, it is unclear if the loan was completely discharged without payment, or if it were also partially paid via a prorated amount. The reconveyance was recorded on June 17, 2020. City of Reno staff is unable to locate a record of a payoff statement or any payment for this transaction.

As stated above, per the original contract, there is a 20-year affordability period on these loans. However, according to 24 CFR 92.254(a) (4), there is a *minimum* of a 15 year affordability period based on the loan amount (see table below).

Homeownership assistance HOME amount per-unit	Minimum period of affordability in years
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000	15

Presently, the WCHC board has some options in regard to how to handle this: (1) Forgive the remainder of the loan, as the *minimum* affordability period timeline has been met. (2) Forgive a portion of the loan and require a prorated amount to be repaid for the remainder of the 20-year affordability period. (3) Do not forgive the remaining balance, and require it to be paid in full if and when the homeowners want to sell or refinance their homes prior to the 20-year affordability period being met.

This item will go before the WCHC TRC for approval on December, 13, 2022.



After recording return to:
Community Resources Manager
ATTN: H. Lopez
City of Reno
PO Box 1900
Reno, NV 89505

APN: 008-481-02

**Attachment A
Property Restrictions and Recapture Agreement**

WHEREAS, the Washoe County HOME Consortium, hereinafter called the "WCHC," and the Reno Housing Authority, a Nevada entity, hereinafter called the "RHA," located at 1525 E. Ninth Street, Reno, Nevada 89509, entered into an agreement dated 9/17/04 to lend money to the RHA for participation in the Affordable Housing Municipal Loan Program subject to certain restrictions and requirements; and

J.O.G. G.G.
and Gabriela Garcia, husband and wife
WHEREAS, JAVIER O. GARCIA hereinafter called the "Qualified Buyer(s)" of the property located at 1293 HILLBROD AVE, APN 00848102 is also subject to these restrictions and will become liable for the repayment requirements outlined below;

It is now, therefore, agreed as followed:

Definitions:

- A. "Qualified Buyers" shall mean a person or persons (1) constituting a household who have a combined annual income that does not exceed eighty percent (80%) of Area Median Income (AMI) as determined by the US Department of Housing and Urban Development and adjusted for family size at the time of the purchase of the unit and (2) who otherwise meet the requirements for eligibility set forth in the agreement. The following household members shall not be considered part of the household for purposes of determining annual income: foster children, live-in aides, children of live-in aides, unborn children, and children being pursued for legal custody or adoption who are not currently living with the household. A child who is subject to a shared-custody agreement in which the child resides with the household at least 50% of the time shall be considered part of the household for purposes of determining annual income. All persons on record title to the Unit shall be considered part of the household for purposes of determining annual income.

- B. "Area Median Income" shall mean the Area Median Income (AMI) reported annually for single persons and households of various sizes by the US Department of Housing and Urban Development for the Reno Metropolitan Statistical Area.
- C. "Income" shall mean the definition of income set forth pursuant to the HOME regulations using the Part 5 definition of income.
- D. "Affordability Period" shall extend through the 20-year period required by HUD to mean the period of time the qualified buyer(s) owns and occupies the home as his/her primary residence.

Property Requirements

- A. Qualified Buyer(s) shall occupy the property as their primary residence for as long as they own the property. RHA will conduct a yearly survey to ensure that the property is occupied by the Qualified Buyer(s) as a primary residence.
- B. Qualified Buyer(s) shall maintain, at all times, Comprehensive Fire and Hazard insurance covering full replacement value on the property and listing the WCHC as an additional insured. A copy of the annual insurance renewal must be forwarded to the WCHC's lead agency, the City of Reno, at the address provided in the "Loan Terms" section.
- C. Qualified Buyer(s) shall keep and maintain, at all times, any and all licenses, permits, notices and certifications which may be required by and city and county ordinance or state or federal statute.
- D. Qualified Buyer(s) shall be bound by all city and county ordinances and federal statutes, conditions, and regulations which are required by HUD, the WCHC, or any combination thereof.
- E. Qualified Buyer(s) shall sell the property in accordance with Fair Housing regulations.
- F. The property is subject to the property requirements for the full affordability period.

These property requirements are in addition to requirements enacted by the RHA.

Income Requirements

- A. Initial property sale is subject to income restrictions. The above referenced property must be sold to a Qualified Buyers(s) whose income does not exceed 80% of the Area Median Income as determined by the US Department of Housing and Urban Development and adjusted for family size.
- B. Qualified Buyer(s) are subject to third party income verification to ensure that household income is less than or equal to 80% of Area Median Income.

Loan Terms

- A. Loan is subject to the payment terms stated below:
 - a. Total Loan Amount: \$ 61310
 - b. Interest Rate: Zero (0%) percent
 - c. Payment Due: Loan is due in full if the property is sold, transferred, refinanced, or is no longer used as the Qualified Buyer(s) primary residence



during the period of affordability given above. In case of foreclosure, the WCHC must be notified and repaid from the net sales proceeds.

The WCHC must be provided with 30 days notice of any pending sale or transfer of the property. Notice, and loan payment, must be sent to:

Community Resources Program Manager
City of Reno
PO Box 1900
Reno, NV 89505

- d. *Subordination*: The total amount of the loan may be subordinated to second position. Subordination to third position may be allowed with written permission. After the first deed of trust is repaid, then the WCHC loan will move into first position unless prior written permission is given to subordinate the loan.
- e. *Other*: Neither this agreement, nor any duties or obligations under this agreement, may be assigned without prior written consent of the WCHC's lead agency, the City of Reno.

General Conditions

- A. Qualified Buyer(s) will protect, defend, indemnify, and save and hold harmless the WCHC from and against any and all liability, damages, demands, claims, suits, liens, and judgments of whatever nature including but not limited to claims for contribution or indemnification for injuries to or death of any person or persons, caused by, in connection with, or arising out of the AHMLP activities undertaken pursuant to this Agreement. Qualified Buyer's obligation to protect, defend, indemnify, and save and hold harmless as set forth in this paragraph shall include any and all attorneys' fees incurred by the WCHC in the defense or handling of said suits, demands, judgments, liens and claims and all attorneys' fees and investigation expenses incurred by the WCHC in enforcing or obtaining compliance with the provisions of this Agreement except attributable to deliberate acts or negligence of WCHC.
- B. This Agreement shall be recorded as part of the Deed of Trust.

Modification or Revocation of Agreement

- A. The WCHC may terminate this agreement at any time if the Qualified Buyer(s) are found in default of its requirements.
- B. This constitutes the entire Agreement between the parties and may only be modified by a written amendment signed by the parties, or as otherwise set forth in the terms of the Agreement.



In Witness Whereof, the parties hereto have caused this Agreement to be signed and intend to be legally bound thereby, this 14th day of February, 2005.

Qualified Buyer(s)

By: [Signature]
Name: Javier O. Garcia

By: Gabriela Garcia
Name: Gabriela Garcia

Washoe County HOME Consortium

By: [Signature]
Charles McNeely
WCHC Director
Reno City Manager

State of Nevada, County of Washoe

This instrument was acknowledged before me on Feb. 14, 2005 by Qualified Buyer(s)
Javier O. Garcia, and Gabriela Garcia

[Signature]
Notarial Officer

Approved as to Form:
[Signature]
Reno City Attorney's Office



EXHIBIT "A"

LEGAL DESCRIPTION

LOT 8 AS SHOWN ON THE MAP OF HILLBORO PLACE SUBDIVISION, TRACT MAP NO. 4337, FILED IN THE OFFICE OF THE COUNTY RECORDER OF WASHOE COUNTY, STATE OF NEVADA ON APRIL 22, 2004 AS FILE NO. 3026223 OF OFFICIAL RECORDS.

COPY



After recording return to:
Community Resources Manager
ATTN: H. Lopez
City of Reno
PO Box 1900
Reno, NV 89505



APN: 008-481-01

Attachment A
Property Restrictions and Recapture Agreement

WHEREAS, the Washoe County HOME Consortium, hereinafter called the "WCHC," and the Reno Housing Authority, a Nevada entity, hereinafter called the "RHA," located at 1525 E. Ninth Street, Reno, Nevada 89509, entered into an agreement dated 9/17/04 to lend money to the RHA for participation in the Affordable Housing Municipal Loan Program subject to certain restrictions and requirements; and

WHEREAS, TECLE KIDANE AND T. ABRAHAM hereinafter called the "Qualified Buyer(s)" of the property located at 1297 HILLBORO AVE, APN 0084810 is also subject to these restrictions and will become liable for the repayment requirements outlined below;

It is now, therefore, agreed as followed:

Definitions:

- A. "Qualified Buyers" shall mean a person or persons (1) constituting a household who have a combined annual income that does not exceed eighty percent (80%) of Area Median Income (AMI) as determined by the US Department of Housing and Urban Development and adjusted for family size at the time of the purchase of the unit and (2) who otherwise meet the requirements for eligibility set forth in the agreement. The following household members shall not be considered part of the household for purposes of determining annual income: foster children, live-in aides, children of live-in aides, unborn children, and children being pursued for legal custody or adoption who are not currently living with the household. A child who is subject to a shared-custody agreement in which the child resides with the household at least 50% of the time shall be considered part of the household for purposes of determining annual income. All persons on record title to the Unit shall be considered part of the household for purposes of determining annual income.

BK1
Requested By
FIRST AMERICAN TITLE
Washoe County Recorder
Kathryn L. Burke - Recorder
Pg 1 of 5 RPTT 0.00



After recording return to:
Community Resources Manager
ATTN: H. Lopez
City of Reno
PO Box 1900
Reno, NV 89505

APN: 008-481-03
2167017-KIC

Attachment A
Property Restrictions and Recapture Agreement

WHEREAS, the Washoe County HOME Consortium, hereinafter called the "WCHC," and the Reno Housing Authority, a Nevada entity, hereinafter called the "RHA," located at 1525 E. Ninth Street, Reno, Nevada 89509, entered into an agreement dated 9/17/04 to lend money to the RHA for participation in the Affordable Housing Municipal Loan Program subject to certain restrictions and requirements; and

WHEREAS, JOSE AND GLORIA ESCOBAR hereinafter called the "Qualified Buyer(s)" of the property located at 1289 HILLBORO AVE, APN 008 481 03 is also subject to these restrictions and will become liable for the repayment requirements outlined below;

It is now, therefore, agreed as followed:

Definitions:

- A. "Qualified Buyers" shall mean a person or persons (1) constituting a household who have a combined annual income that does not exceed eighty percent (80%) of Area Median Income (AMI) as determined by the US Department of Housing and Urban Development and adjusted for family size at the time of the purchase of the unit and (2) who otherwise meet the requirements for eligibility set forth in the agreement. The following household members shall not be considered part of the household for purposes of determining annual income: foster children, live-in aides, children of live-in aides, unborn children, and children being pursued for legal custody or adoption who are not currently living with the household. A child who is subject to a shared-custody agreement in which the child resides with the household at least 50% of the time shall be considered part of the household for purposes of determining annual income. All persons on record title to the Unit shall be considered part of the household for purposes of determining annual income.

Hillboro Place Property & Homeowner Information

Address	APN	Original Owner(s)	WCHC Agreement Recorded	Still Own, Sold or Foreclosed?	1st Mortgage Paid Off	2nd Mortgage Discharged & Reconveyed	3rd Mortgage Paid Off & Amount Paid
1297 Hillboro Avenue	008-481-01	Teclé Kidane	1/26/2005	Still own		X	
1293 Hillboro Avenue	008-481-02	Javier & Gabriela Garcia	2/15/2005	Still own		X	
1289 Hillboro Avenue	008-481-03	Ulises/Jose & Gloria Escobar	1/13/2005	Still own		X	
1285 Hillboro Avenue	008-481-04	Name Redacted for Privacy	1/13/2005	Foreclosed 7/7/2010	Foreclosed	X	Foreclosed
1281 Hillboro Avenue	008-481-05	Golam Alam	1/13/2005	Still own	X	X	\$13,930.57
1277 Hillboro Avenue	008-481-06	Elizabeth White	1/25/2005	Sold 9/29/16	X	X	\$13,605.62
1273 Hillboro Avenue	008-481-07	Name Redacted for Privacy	2/2/2005	Foreclosed 12/21/15	Foreclosed	X	Foreclosed
1269 Hillboro Avenue	008-481-08	Manuel Alvarado & Maria Cortez	2/28/2005	Sold 2/27/16	X	X	\$16,349.33
1265 Hillboro Avenue	008-481-09	Satwinder & Katherine Singh	1/31/2005	Still own	X	X	X

Requesting removing the WCHC Note & waiving payment

Homes that are either paid off, sold or foreclosed



Dear Hillboro Homeowners:

Staff of the Washoe County HOME Consortium (WCHC) understands your frustration with watching the value of your home decline, as so many in our community have. The WCHC makes every effort to be flexible in meeting the needs of those individuals and families assisted through funded projects and programs. However, all of the actions we take must be governed by the laws and regulations established for the administration of the funding used, the HOME Investment Partnership Program (HOME).

There is a very specific set of regulatory and statutory requirements we must comply with in implementing projects funded with HOME. The primary implications of the regulations are who may benefit from the provision of assistance and maintenance of affordability of funded projects. In no case may a household benefit from the investment of HOME funds that, at the time of assistance, has a household income exceeding 80% of area median income. The length of time assisted housing must remain affordable, the affordability period, depends upon the amount of assistance provided. The affordability period per 24 CFR 92.254(a)(4) for various levels of assistance is outlined in the table below.

Affordability Period by Assistance Amount	
Homeownership Assistance Amount	Minimum Period of Affordability
Less than \$15,000	5 years
\$15,000 - \$40,000	10 years
More than \$40,000	15 years

If an assisted property fails to meet the minimum affordability period the funds must be repaid to the U.S. Department of Housing and Urban Development (HUD). Under 24 CFR 92.254(a)(5) jurisdictions must impose either resale or recapture requirements to ensure the affordability of the assisted property. This policy is approved by HUD in advance of providing assistance. The WCHC has elected to utilize recapture, the repayment of funds, which "must ensure the participating jurisdiction recoups all or a portion of the HOME assistance...if the housing does not continue to be the principal residence of the family for the duration of the period of affordability." (24 CFR 92.254(a)(5)(ii))

The WCHC approved policy is to recapture the entire amount of assistance provided to the homebuyer. As a result, the assistance is provided in the form of a deferred mortgage at 0% interest and secured by a Deed of Trust, both of which are executed by the homebuyer at closing. This policy complies with HUD regulations and makes resources available to assist future first-time homebuyers.

As you are aware based upon the documents you executed and the conversations WCHC staff has had with a number of you, each Hillboro homeowner was provided \$61,310 as a third mortgage. The assistance does not accrue interest and does not require payments as long as you continue to occupy the property as your primary residence. The amount of assistance mandates an affordability period of 15 years. If each household were to meet the period of affordability, the WCHC would be willing to consider forgiving the entire loan amount based upon homeowner and market circumstances.

Unfortunately, the WCHC does not have the authority to waive the affordability period and if an assisted project does not meet this requirement must repay the assistance amount to HUD. We have offered to accept a prorated portion of the assistance (\$4,087.33 per remaining year of the affordability period) to provide some flexibility to each homeowner.

We had also previously suggested each homeowner apply to the Nevada Hardest Hit Fund Second Mortgage Reduction Plan, but it does not appear this program would be effective at meeting your goals and the HUD requirements as the maximum it would pay is \$16,500.

We understand your frustration with owning a property that is "underwater", as the majority of homeowners in the area are. However, I would encourage you to look at the positive aspects of your homeownership. As you said in your letter to Senator Reid's office your families were seeking an opportunity to become homeowners and the Reno Housing Authority (RHA), Charles Schwab Bank and the WCHC provided that opportunity in a market that you were otherwise priced out of. You were offered assistance in forms and amounts that has never been made available to any other homebuyers in our community. At this time the \$25,000 in assistance from Charles Schwab Bank has been forgiven. You are not required to make payment on a \$61,310 loan used to purchase the property, and if the housing market fails to recover by the end of the affordability period the WCHC will work with you to assist in meeting your housing needs. Finally, you likely are not paying any more to own your home than you would to rent and have a neighborhood park out your front door.

Every effort was made at the time assistance was provided to ensure each household would have a positive experience with homeownership, including insuring the loan terms were not predatory. Unfortunately, the unforeseen housing crisis has impacted the entire region and country and affected families' housing options. We have and will continue to work with you to the degree possible. Should you wish to discuss the options further please feel free to contact me at 775-334-2305 or royal-goodwinj@reno.gov.

Sincerely,



Jodi Royal-Goodwin

Housing & Neighborhood Development Administrator

Cc: Jamie Lynn Rodriguez, Regional Representative Senator Reid's Office

Delivered individually by U.S. Postal Service to:

Teclé Kidane, 1297 Hillboro Avenue

Javier & Gabriela Garcia, 1293 Hillboro Avenue

Ulises Escobar, 1289 Hillboro Avenue

Golam Alam, 1281 Hillboro Avenue

Elizabeth White, 1277 Hillboro Avenue

Eli & Liz, 1273 Hillboro Avenue

Manuel Alvarado, 1269 Hillboro Avenue

Satwinder & Katherine Singh, 1265 Hillboro Avenue

October 14, 2022

Washoe County Home Consortium

To whom it may concern:

As homeowners of the real estate properties located at:

- | | |
|---|-----------------|
| 1- 1289 Hillboro avenue, Reno NV 89512
Jose Ulises Escobar, (775) 997-8590 | APN: 008-481-03 |
| 2- 1293 Hillboro avenue, Reno NV 89512
Javier Octavio Garcia Salinas, (775) 440-4291 | APN: 008-481-02 |
| 3- 1297 Hillboro avenue, Reno NV 89512
Teclé Kidane, (775) 527-9453 | APN: 008-481-01 |

This is the fourth time that all of us are trying to contact this agency to resolve our situation with a restrictive home loan on our property deed.

It is frustrating as we do not get a clear commitment or answer as far as the feasibility to clear our properties from such real estate restrictions.

We are preoccupied and concerned about the real estate deed restrictions on our property that the Washoe County Home Consortium has on our real estate.

We believe that the intention of the consortium has been met, and we should be able to refinance, acquire an equity loan, etc. But such real estate financing tools are being taken away by the restrictive loan that we have with the WCHC.

All of us have been living in our properties as homeowners for more than seventeen years.

Please help us as some of our neighbors have been helped with the WCHC loan cancellation. This is the fourth time that, we as homeowners, have been trying to contact this office in regards to this situation.

Thank you in advance for your consideration.

August 5, 2022

Washoe County Home Consortium

To whom it may concern:

As homeowners of the real estate properties located at:

- | | |
|---|-----------------|
| 1- 1289 Hillboro avenue, Reno NV 89512
Jose Ulises Escobar, (775) 997-8590 | APN: 008-481-03 |
| 2- 1293 Hillboro avenue, Reno NV 89512
Javier Octavio Garcia Salinas, (775) 440-4291 | APN: 008-481-02 |
| 3- 1297 Hillboro avenue, Reno NV 89512
Teclé Kidane, (775) 527-9453 | APN: 008-481-01 |

We are preoccupied and concerned about the real estate deed restrictions on our property that the Washoe County Home Consortium has on our real estate.

We believe that the intention of the consortium has been met, and we should be able to refinance, acquire an equity loan, etc. But such real estate financing tools are being taken away by the restrictive loan that we have with the WCHC.

Please help us as some of our neighbors have been helped with the WCHC loan cancellation. This is the third time that, we as homeowners, have been trying to contact this office in regards with this situation.

Thank you in advance for your consideration.

July 22, 2022

Washoe County Home Consortium

To whom it may concern:

As homeowners of the real estate properties located at:

- 1- 1289 Hillboro avenue, Reno NV 89512
Jose Ulises Escobar, (775) 997-8590
- 2- 1293 Hillboro avenue, Reno NV 89512
Javier Octavio Garcia Salinas, (775) 440-4291
- 3- 1297 Hillboro avenue, Reno NV 89512
Teclé Kidane, (775) 527-9453

We were promised by the consortium that the loan on our properties that restricts our property deeds will become null and void, after fifteen years.

Due to this restriction in our home loan, we cannot re-finance, get a equity loan or perform our other financial responsibilities as any regular homeowner in the real estate market.

We are aware that some of our neighbors had petition that their consortium loan could be removed and voided, and they have been granted the removal of the loan promissory note from their property.

We are asking to help us in dealing with this home loan situation that was imposed to us by the Washoe County Home Consortium and that is not favorable to us in today's real estate market and economy.

Thank you in advance for your consideration.

~~When recorded, return to:~~
City of Reno
P.O. Box 1900
Reno, NV 89505
Attn: HOME Program Coordinator

Mail Tax Statements to:
N/A

APN 008-481-09

DOC # 5041641

06/17/2020 03:27:08 PM
Requested By
KATHERINE SINGH
Washoe County Recorder
Kalie M. Work - Recorder
Fee: \$43.00 RPTT: \$0.00
Page 1 of 3



Note: Per NRS 239B.030, this document does not contain personal information as defined in NRS 603A.040.

SUBSTITUTION OF TRUSTEE AND RECONVEYANCE OF DEED OF TRUST

Regarding:

Repayment Obligation	Promissory Note, dated January 27, 2005, for \$61,310.00, payable to Washoe County HOME Consortium, by Satwinder and Katherine Singh.
Deed of Trust	Deed of Trust dated January 27, 2005 Trustor: Satwinder and Katherine Singh Trustee: First American Title Company, a Nevada Corporation Beneficiary: Washoe County HOME Consortium, City of Reno, Lead Agency.
Recorded	On January 31, 2005, as Document Number 3163281, Official Records, Washoe County
Property Description	Lot 1 as shown on the map of Hillboro Place Subdivision, Tract Map No. 4337, filed in the office of the County Recorder of Washoe County, State of Nevada on April 22, 2004 as file No. 3026223 of Official Records.

APN 008-481-09

Discharge of Repayment Obligation

As sole holder of said Repayment Obligation, Beneficiary hereby acknowledges payment in full and discharges the Repayment Obligation secured by the Deed of Trust.

Substitution of Trustee

As permitted under the Deed of Trust, CITY OF RENO, as lead Agency of the Washoe County HOME Consortium who is the owner and holder of the Repayment Obligation described above which is secured by the Deed of Trust described above, does hereby substitute the CITY OF RENO, as Trustee in lieu of the above named trustee under said Deed of Trust.

CITY OF RENO, hereby accepts appointment as Trustee under said Deed of Trust, and desires to quitclaim and reconvey all the property and liens as a result of the discharge of the obligation secured thereby.

Reconveyance of Deed of Trust

NOW THEREFORE, in consideration of the foregoing, the CITY OF RENO, as duly substituted Trustee under said Deed of Trust does hereby QUITCLAIM, and RECONVEY TO THE PARTIES LEGALLY ENTITLED THERETO, WITHOUT WARRANTY, all of Trustee's estate and interest under said Deed of Trust in the real property described above, together with its estate and interest in any appurtenances, hereditaments, water rights, improvements, fixtures, easements, rights of way, royalties, and profits relating to the described real property.

EXECUTED on the dates indicated below

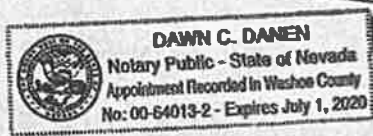
By Cylus Scarbrough
Cylus Scarbrough, Management Analyst

Date 6-10-2020

State of Nevada)
)
County of Washoe)

6-
Acknowledgement in representative capacity
(NRS 240.1665)

This instrument was acknowledged before me on June 10th, 2020, by
CYLUS SCARBROUGH as Management Analyst of the City of Reno, Nevada.



[Signature]
Notary Public

Staff Report

Date: December 15, 2022
To: Directors, Washoe County HOME Consortium
From: Housing and Neighborhood Development, City of Reno
Subject: B.2 PRESENTATION, DISCUSSION AND POSSIBLE APPROVAL OF A REQUEST BY PEAK CAPITAL PARTNERS/BANBRIDGE APARTMENTS TO REPLACE ESCROW ACCOUNT WITH GUARANTY.
(For possible action)

Banbridge Apartments is a 128 unit affordable housing apartment complex, located at 1000 El Rancho Drive, Sparks, NV 89434.

During the Washoe County HOME Consortium (WCHC), Technical Review Committee (TRC) meeting on September 13, 2022, Peak Capital Partners (Peak) requested consent to enter into an assignment and assumption agreement in order for it to recapitalize Banbridge Apartments. The WCHC TRC approved Peak Capital Partners' acquisition and assumption of the existing HOME loan obligations, including the affordability period of 52 years.

As part of the transaction, Peak formed a new entity, PC Banbridge II, LLC, which is now the owner and operator of Banbridge Apartments. The new entity entered into an assignment and assumption agreement to assume the Declaration of Restrictive Covenants, Loan Agreement, Deed of Trust, and Promissory Note. As part of the transaction, Peak's lender sought a subordination agreement for a Master Credit Facility, which was to finance properties not related to the HOME Consortium's loan. In order to secure the WCHC, Peak funded an escrow account with sufficient money to pay off the remaining balance of the WCHC loan.

Peak now seeks a long-term solution for the subordination that would replace the escrow agreement with a guaranty from Peak (please see the attached draft guaranty proposal). The guaranty states that Peak unconditionally guarantees full, complete and timely payment of the HOME loan Note to WCHC pursuant to the HOME loan assumption documents. Based on the documentation provided, it appears that Peak has sufficient capital to guarantee repayment of the HOME loan.

Staff recommends that the TRC recommend approval of the guaranty agreement, which would allow the escrow funds to be returned to Peak upon execution of the guaranty.

This item will go before the WCHC TRC for approval on December, 13, 2022.

GUARANTY

In consideration of, and as an inducement for, the loan by **Washoe County HOME Consortium**, a consortium of the Cities of Reno and Sparks, Nevada, and Washoe County, Nevada (“**Lender**”), of the principal amount of \$212,000 to PC Banbridge II, LLC, a Delaware limited liability company (“**Borrower**”), pursuant to that certain Assumption of Loan Agreement, Promissory Note and Declaration of Restrictive Covenants (Banbridge Apartments HOME Loan) (the “**Loan Assumption Documents**”), and for other good and valuable consideration, the undersigned (“**Guarantor**”) does hereby unconditionally guarantee to Lender the full, complete and timely payment of the note (the “**Note**”) pursuant to the Loan Assumption Documents.

Guarantor further agrees as follows:

1. Guarantor shall be personally bound by each and every condition and term contained in the Note as though Guarantor had executed the Note.
2. This Guaranty will continue unchanged by the occurrence of any insolvency event with respect to Borrower. Guarantor’s obligation to make payment or render performance in accordance with the terms of this Guaranty and any remedy for the enforcement of this Guaranty will not be impaired, modified, changed, released or limited in any manner whatsoever by any impairment, modification, change, release or limitation of the liability of Borrower or its estate in bankruptcy or of any remedy for the enforcement thereof, resulting from the operation of any present or future bankruptcy laws or other statutes, or from the decision of any court.
3. Guarantor unconditionally agrees to pay all attorneys’ fees and all costs and other expenses incurred in any collection or attempted collection pursuant to this Guaranty.
4. This Guaranty shall be construed in accordance with the laws of the State of Nevada, without giving effect to its conflict of laws principles.

(signature page follows)

IN WITNESS WHEREOF, the undersigned has executed this Guaranty as of the date set forth below.

Date: _____, 2022

“GUARANTOR”

Peak Capital Partners, LLC,
a Utah limited liability company

By: _____

Name: _____

Title: Manager

Staff Report

Date: December 15, 2022

To: Directors, Washoe County HOME Consortium

From: Housing and Neighborhood Development Division, City of Reno

Subject: B.3 PRESENTATION, DISCUSSION AND POSSIBLE APPROVAL OF A REQUEST BY KW SKY VALLEY, LLC, AND ALTITUDE BY VINTAGE, LP, TO TRANSFER OWNERSHIP AND RE-SUBORDINATION OF EXISTING HOME FUNDS ON THE SOUTHRIDGE, SKYLINE, AND SKYVIEW PROPERTIES, WHICH WILL BE KNOWN AS ALTITUDE BY VINTAGE

KW Sky Valley, LLC, and Altitude by Vintage, LP are requesting approval of ownership transfer and re-subordination of existing HOME funds on the Southridge, Skyline, and Skyview properties, which will be known as Altitude by Vintage.

This transaction will allow the rehabilitation and preservation of three existing multi-family tax credit properties, Southridge, Skyline, and Skyview. The properties, which were built in 1994 and 1995, are located on three adjacent parcels along Sky Valley Drive. Collectively, the developments contain 293 units—44 studio units, 58 one-bedroom units, 116 two-bedroom units, and 75 three-bedroom units—available to families with incomes at 30%, 40%, 50%, and 60% of area median income (AMI). The rehabilitation will involve re-syndication of the three properties in one financing and re-branding of the three properties as one cohesive development, Altitude by Vintage.

The request is two-fold. First, they are requesting to transfer ownership of Southridge, Skyline, and Skyview from their current owner, KW Sky Valley, LLC, to a new sole purpose entity, Altitude by Vintage, LP.

Second, they are requesting to re-subordinate the existing balance of \$6,500 in HOME funds on Southridge, Skyline, and Skyview into a new, interest only note with a new loan term and compliance period of 30 years. The new property owner, Altitude by Vintage, LP, will hold the note. Re-subordination of the HOME loan will allow them to maintain the property tax exemption for an additional 30 years, which permits them to leverage additional permanent financing to renovate the properties. The existing twelve (12) HOME units will be maintained, eight (8) of which were set to expire in 2024.

Renovation will be structured so that there will be minimal disturbances to the current residents. They expect that tenants will be able to stay in their units during the renovations or will be offered daytime accommodations while work is being carried out in their unit.

The Technical Review Committee approved this request on December 13, 2022.

Staff recommends approval of the request by KW Sky Valley, LLC, and Altitude by Vintage, LP to transfer ownership and resubordinate the existing HOME loan on the Southridge, Skyline, and Skyview properties, which will be known as Altitude by Vintage.

This item will go before the WCHC TRC for approval on December, 13, 2022.

Staff Report

Date: December 15, 2022

To: Directors, Washoe County HOME Consortium

From: Housing and Neighborhood Development Division, City of Reno

Subject: B.4 REQUEST BY 3D INVESTMENTS TO AMEND THE HOME LOAN AGREEMENT TO REDUCE THE INTEREST RATE TO 0% INTEREST MOVING FORWARD, AND TO WAIVE LOAN REPAYMENT, IN EXCHANGE FOR EXTENDING INDEFINITELY THE HOME LOAN AFFORDABILITY PERIOD ON THE HOME LOAN UNITS IN THE SIERRA CREST APARTMENTS. (For possible action)

Sierra Crest is a 72-unit affordable, multi-family apartment complex, for seniors, located in Sparks, NV, on Prater Way. In December of 2003, WCHC entered into an Agreement to Loan Federal HOME Investment Partnership Program (HOME Program) funds to Prater Partners, LLC. Funding was provided in the amount of \$703,194. In February of 2005, the original Deed of Trust was amended to include a subsequent loan of \$400,000, bringing the total of both loans to \$1,103,194. Under this agreement, there is a 45 year affordability period, with principal and interest payments due in years 2034-2048, and 11 HOME units.

In June 2022, staff was informed the property had gone up for sale with a potential buyer (3D Investments, LLC) pending. 3D Investments, LLC expressed their desire to assume the existing HOME loan. With an Assignment and Assumption, new documents would be entered into between WCHC and 3D Investments, LLC and the affordability period on the deed restricted HOME units would not change.

On July 12, 2022 the Technical Review Committee approved the request by Prater Partners and 3D Investments, LLC, for 3D Investments, LLC to assume the existing HOME loan. This item was forwarded to the Directors for approval.

On August 3, 2022, Prater Partners, LLC and 3D Investments, LLC, requested that the item on the Directors agenda be pulled from the agenda pending further changes.

On October 11, 2022 3D Investments, LLC requested that the TRC approve the affordability of the project be extended indefinitely under the HOME Agreement. As part of the extension of the affordability, they are requesting that no payments of interest or principal be made on the loan as long as the project remains affordable. This was approved by the TRC on October 11, 2022.

An additional request regarding the Sierra Crest Apartments, along with the zero percent interest rate going forward, so long as the eleven (11) HOME units in the Sierra Crest Apartment complex remain affordable, there will be no payments of principal or interest on the Loan.

Staff recommends the Directors approve the request by Prater Partners and 3D Investments, LLC, for 3D Investments, LLC to assume the existing HOME loan, as well as extend the affordability of the project indefinitely with the agreement that no payment of interest or principal be made on the loan as long as the project remains affordable.

This item will go before the WCHC TRC for approval on December, 13, 2022.

Staff Report

Date: December 15, 2022
To: Directors, Washoe County HOME Consortium
From: Housing and Neighborhood Development Division, City of Reno
Subject: B.5 PRESENTATION, DISCUSSION, AND POSSIBLE APPROVAL OF CHANGES TO THE WCHC POLICIES AND PROCEDURES AND BY-LAWS, AND RECOMMENDATION TO THE WASHOE COUNTY HOME CONSORTIUM DIRECTORS FOR FINAL APPROVAL.

The Washoe County HOME Consortium (WCHC) currently operates under the Washoe County HOME Consortium Standard Operating Policies and Procedures and Bylaws, which were last updated in 2019.

Under guidance from the TRC on October 11, 2022, the following substantial changes were made to the Policies and Procedures:

- The first request is for how modifications to written agreements, including the sale of projects, or Assignment and Assumption agreements, be processed. The current practice is for the Lead Agency to bring to the TRC for approval all changes to written agreements, including those that do not change the number of HOME units, or changes to loan terms. This approval is then forwarded to the Directors for final approval. Lead Agency staff requested, and the TRC agreed, that the amended Policies and Procedures reflect that the Lead Agency shall have the authority to amend those agreements regarding the sale of a project, providing that the terms of the agreement remains the same. Any requests which include debt forgiveness, requests to defer payments beyond five years, and/or requests to decrease the number of HOME or Trust Fund units would continue to be brought before TRC and Directors for approval.
- The second request is how the Tenant-Based Rental Assistance (TBRA) Rent/Utility Deposit Program is administered. The current language in the Policies and Procedures does not reflect the current guidelines of the program and uses outdated locations for the emergency shelter. The changes made would be in compliance with the current Affordable Housing Trust Fund guidelines, which is what funds the TBRA programs, and would continue to serve households earning 60% or below of AMI.

The other changes that were made include deleting repetitive language, spelling and grammar errors, and irrelevant sections.

Under guidance from the TRC on October 11, 2022, the following substantial changes were made to the Bylaws:

- The By-Laws currently state that the committee **WILL** be comprised of eight (8) voting members. Staff is requesting this language be amended to state a minimum number of seven (7) voting members, but **MAY** be comprised of up to eight (8) members. This change in language allows for slight flexibility as it relates to a quorum.

Other minor changes included renaming of the City of Reno Housing and Neighborhood Development Manager's title, as well as small spelling and grammar changes.

Staff is requesting that the Directors approve the proposed changes to the Policies and Procedures and Bylaws.

v. ~~8/23/2019~~12/15/2022

The Washoe County HOME Consortium Standard Operating Policies and Procedures

Objective: In 1994, the City of Reno, City of Sparks and Washoe County entered an Intergovernmental Agreement creating the Washoe County HOME Consortium (WCHC or the Consortium) in an effort to improve the provision of affordable housing throughout Washoe County. The WCHC is committed to working throughout the community to expand and improve the supply of affordable housing. The WCHC works to provide decent, safe and affordable housing to residents by alleviating the problems of excessive rent burdens, homelessness and deteriorating housing stock as well as to increase opportunities for ~~moderate-income~~moderate-income households to become homeowners. The WCHC continue to provide housing that furthers compliance with civil rights laws, and that promotes greater choice of housing opportunities.

Purpose: This manual establishes the policies and procedures by which the Consortium will conduct its responsibilities agreed upon in the terms of the Intergovernmental Agreement. This manual also defines the roles and responsibilities of the Technical Review Committee, the Directors (Managers), and the Regional Governing Board in the oversight of the Washoe County HOME Consortium.

Disclaimer: The following policies ~~were~~are developed within the guidelines of the HOME regulations established by HUD, along with the guidelines established by the State of Nevada for the use of Affordable Housing Trust Funds (AHTF). In order to maintain compliance with these two funding streams, the following policies may be revised at any time as necessitated to be in conformance with Federal and State mandates.

DEFINITIONS-----

Action Plan – The one-year portion of the Consolidated Plan that serves as the annual application for HOME funds.

Adjusted Income – Adjusted income is annual (gross) income reduced by deductions for dependents, elderly households, medical expenses, handicap assistance expenses and ~~child care~~childcare (these are the same adjustment factors used by the Section 8 program). Adjusted Income is used in HOME to compute the actual tenant payment in TBRA programs.

Affordability – The requirements of the HOME Program that relate to the cost of housing both at initial occupancy and over established timeframes, as prescribed in the HOME Final Rule (24 CFR (Code of Federal Regulations) Section 92). Affordability requirements vary depending upon the nature of the HOME assisted activity (i.e. homeownership or rental housing).

Affordable Housing Municipal Loan Program (AHMLP) – The official name of the funding program used by the WCHC to support housing projects and programs.

Annual Income – The HOME Program allows the use of Section 8 annual income and adjusted gross income as defined for reporting on IRS Form 1040. The WCHC may approve the use any of the applicable definitions, ~~but~~but once established for the program or activity, only that one definition may be utilized for *all* clients under that program/activity. WCHC **requires** the use of the Section 8 definition, unless specified in funding agreements. At least two months of source documentation (e.g., wage statements, interest statements, or unemployment compensation documentation) when determining household income for all potential HOME beneficiaries. This change establishes a minimum standard for all PJs. The income of *all* persons in the household, including non-related individuals, must be counted.

Area Median Income (AMI) –The median income of the region, established by HUD, which is adjusted for family size and used to determine the maximum income for households targeted in assisted projects. ~~This is provided by HUD~~HUD provides this on an annual basis.

Census Long Form as Definition of Income - The 2013 Rule amends §92.203(b)(2) **to eliminate** the pre-2013 Rule option PJs to use the definition of “annual income” that is based on income reported on the U.S. Census Long Form.

- (1) The PJ has executed a legally binding agreement with a recipient, sub-recipient, or contractor to use a specific amount of HOME funds for an eligible project or program;
- (2) Has executed a written agreement reserving a specific amount of funds for a CHDO.
- (3) Non-specific reservations of funds to CHDOs no longer permitted as a commitment -- **effective 90 days after the publication date of the Final Rule, on October 22, 2013.** ~~This provision will be implemented by HUD~~HUD will implement this provision for deadlines that occur on or after January 1, 2015.

Consolidated Plan – A plan prepared in accordance with the requirements set forth in 24 CFR Part 91 that describes community needs, resources, priorities and proposed activities to be undertaken utilizing certain HUD programs, including HOME.

Consortium – Geographically contiguous units of local government consolidated to be in a single unit of general local government for HOME Program purposes when certain requirements are met. The WCHC includes the City of Reno, City of Sparks, and Washoe County.

Community Housing Development Organization (CHDO) – A private, nonprofit organization that meets certification requirements established under the HOME regulations at 24 CFR Part 92.2, and is not under the direction of an entity seeking to derive profit from the CHDO's activities nor created by a for-profit entity whose primary purpose is the development or management of housing. A participating jurisdiction must set-aside at least 15 percent of its annual allocation for award to a CHDO eligible project(s). The pre-2013 Rule requires that a nonprofit organization, in order to qualify as a CHDO, must be organized under the Internal Revenue Code of 1986 (IRC) at 501(c)(3) or 501(c)(4). The 2013 Rule expands this definition to include: (1) a subordinate of a central organization under IRC 905 (this was previously permitted in practice, but is now codified); or (2) a wholly-owned entity that is regarded as an entity separate from its owner for tax purposes (e.g., a single member limited liability company that is wholly-owned by an organization that qualifies as tax-exempt), when the owner organization has a tax exemption ruling from the IRS under section 501(c)(3) or 501(c)(4) of the IRC.

Community Housing Development Organization (CHDO) Eligible Project – Each year 15 percent of the HOME grant must be set-aside for award to a project in which a certified CHDO is the developer, owner or sponsor as established in 24 CFR 92.300. If the CHDO owns the project in partnership, it must be the managing general partner (51%) and have effective project control over *all aspects* of the development and that position must be clearly defined in all agreements and documents related to this project.

Draw – The request and receipt of funds by the funded entity from the WCHC or the WCHC from a federal or state funder from an established line of credit.

Extremely Low-Income Families – Families whose annual incomes do not exceed 30 percent of the median income for the area (adjusted for family size). The definition further states that a student enrolled at an institution of higher learning, who is not a veteran, is under 24 years of age, does not have a dependent child, is not otherwise individually low-income, and does not have parents who qualify as low income *does not qualify* as a low-income family.

Fair Market Rent (FMR) – Published by HUD, usually on a yearly basis, the FMR for an area is the amount that would be needed to pay the gross rent (shelter rent plus utilities) of privately owned, decent, safe and sanitary rental housing of a modest (non-luxury) nature with suitable amenities. The FMRs are the maximum eligible rent levels allowed under the Section 8 Housing Choice Voucher Program.

Fixed HOME Unit – When HOME assisted units are “fixed” in a rental project, the specific units that are HOME assisted (and, therefore, subject to HOME rent and occupancy requirements) are designated and never change.

First-Time Homebuyer: An individual and his or her spouse who have not owned a home during the three-year period prior to purchase of a home with HOME funds. Definition also includes an individual who is a displaced homemaker or single parent as defined by HUD.

Floating HOME Unit – When HOME assisted units are “floating” in a rental project, the units that are designated as HOME assisted may change over time as long as the total number of HOME assisted units in the project remains constant.

Group Home – Housing occupied by two or more single persons or families consisting of common space and/or facilities for group use by the occupants of the unit, and (except in the case of shared one bedroom units) separate private space for each family.

HOME Assisted Units – A term that refers to the units within a HOME project for which rent, occupancy and/or resale restrictions apply. The number of units designated as HOME assisted affects the maximum HOME subsidy that may be provided to a project.

HOME Funds – Refers to all appropriations for the HOME Program, plus all repayments and interest or other returns on the investment of these funds.

HOME Investment Trust Fund – The term given to the two accounts – one at the federal level and one at the local level – that “hold” the PJ’s HOME funds. The federal HOME Investment Trust Account is the U.S. Treasury account for each participating jurisdiction. The local HOME Investment Trust Fund Account includes repayments of HOME funds, matching contributions and payment of interest or other returns on investment.

HOME Rents – The HOME Program restricts the rents of HOME assisted units. Rents of HOME assisted units cannot exceed the High and Low HOME rent levels that have been established by HUD. Rents cannot exceed 30 percent of the targeted AMI for the appropriate unit size. ~~Rents are published by HUD~~ HUD publishes rents at least annually. HOME rents may or may not be the same as Section 8 and LIHTC rents and the participating jurisdiction will provide the updated HOME rents as they become available.

Homeownership: Homeownership is defined as: Fee simple title in a 1- to 4- unit dwelling or condominium unit or at least a 99-year leasehold interest, except; Housing located in insular areas must have a ground lease for at least 40 years; Housing located on an Indian trust or restricted Indian land, for at least 50 years; Housing located on land owned by a community land trust, for at least 50 years (NEW); Manufactured housing on a ground lease that is at least equal to the applicable affordability period. (NEW) Additional guidance on manufactured housing is found at §92.251(e).

The revised 2013 definition expressly states existing HUD policy that a contract for deed (also known as an installment contract or land sales contract) is *not* an eligible form of homeownership. A contract for deed is a financing mechanism that fails to provide equitable title to the contracting party, who remains vulnerable to forfeiting the property until the final payment is made.

~~Funder a homeowner rehabs program four additional forms of ownership: heir property, life estate, living trust, and beneficiary deed.~~

~~**Joint Project** – A joint project is one in which both jurisdictions make a financial contribution to the project. The contribution can be in the form of a grant, loan, or relief of a significant tax or fee (such as waiver of impact fees, property taxes, or other taxes or fees customarily imposed on projects within the jurisdiction) and must contribute to the feasibility of the project. HOME statutory requirements prohibit a local PJ from investing HOME funds in projects outside its boundaries, except for projects located in a contiguous jurisdiction that are joint projects that serve the residents of both jurisdictions.~~

Jurisdiction – A state or unit of local government.

Low-Income Families – Families whose annual incomes do not exceed 80 percent of the median income for the area (adjusted for family size). The definition further states that a student enrolled at an institution of higher learning, who is not a veteran, is under 24 years of age, does not have a dependent child, is not otherwise individually low-income, and does not have parents who qualify as low income *does not qualify* as a low-income family. Excluded students are prohibited from receiving any type of HOME assistance, including renting HOME-assisted rental units, receiving HOME tenant-based rental assistance, or otherwise participating in the HOME program independent of their low- or very low-income families

Match – Match is the local contribution to HOME program activities. The match contribution must equal not less than 25 percent of the HOME funds drawn down in that fiscal year.

New Construction – Is the creation of new dwelling units. Any project that includes the creation of new or additional dwelling units in an existing structure is considered new construction.

Participating Jurisdiction (PJ) –Is a state, local government or consortium that has been designated by HUD to administer a HOME Program. HUD designation as a PJ occurs if a state or local government meets the funding thresholds, notifies HUD that they intend to participate in the program and has a HUD approved Consolidated Plan.

Program Income – Gross income received by the PJ, state recipient, or a sub-recipient directly generated from the use of HOME funds or matching contributions, as well as interest earned on the local HOME account. Program income does not include gross income from the use, rental, or sale of real property received by the project owner, developer, or sponsor unless the funds are paid to the PJ, ~~subrecipient~~sub recipient, or state recipient.

Project – A ~~site or an entire buildingsite, an entire building,~~ or two or more buildings, together with the site or sites on which the building or buildings are located, are under common ownership, management and financing and are to be assisted with HOME funds, under a commitment by the owner, as a single undertaking.

Project Completion – All necessary title transfer requirements and construction work have been performed; the project complies with all HOME requirements; the final draw down has been disbursed for the project; the units are ready for occupancy; and all required documentation (completion report, Section 3 report, etc.) are submitted. Tenant info is not required to be in IDIS

for rental units. For TBRA, project completion means the final draw down has been disbursed for the project. The input of beneficiary data in IDIS is no longer required for project completion; units may be marked as vacant. Projects must have all necessary title transfer requirements and construction work complete; projects must comply with all HOME requirements (**including property standards at §92.251 which apply to projects to which funds are committed 18 months after the publication date of the Final Rule, January 24, 2015**); final draw must be disbursed; and project completion data must be entered into IDIS (except for rental projects as amended). §92.502(d) requires project completion data to be entered into IDIS within 120 days of the final drawdown for all activity types.

Reconstruction (also rehabilitation) – Is the rebuilding, on the same lot, of housing standing on the same site at the time of project commitment. The number of housing units on the lot may not be changed as part of the reconstruction project, but the number of rooms per unit may change. Reconstruction also includes replacing an existing substandard unit of manufactured housing with a new or standard unit of manufactured housing. An exception to the reconstruction requirement that housing must be standing on a site at the time of commitment allows housing that was destroyed by disaster to be rebuilt on the same lot, if the HOME funds are committed to the project within 12 months of the destruction of the housing that originally stood on the site. Since reconstruction is considered rehabilitation under the HOME program, the periods of affordability for reconstructed housing are based on the per-unit investment for rental projects [§92.252(e)]

Refinancing - HOME funds can be used for refinancing only in projects where rehabilitation is the primary activity. The 2013 Rule adds a provision at §92.206(b)(1) that clarifies that for refinancing to be an eligible cost, the rehabilitation cost must exceed the amount of debt that is refinanced with HOME funds. Refinancing alone is not an eligible HOME activity and HOME funds may not be used to refinance existing debt of projects unless rehabilitation is the primary ~~activity taking~~activity-taking place.

The 2013 Rule also amends §92.206(b)(2) to require that the eligibility of costs of refinancing existing debt, and the requirement for PJs to adopt accompanying refinancing guidelines, are intended to cover all rental housing – multifamily and single family sale and recapture provisions of §92.254(a)(5).

Single Room Occupancy (SRO) – Housing consisting of single room dwelling units that are the primary residence of its occupant or occupants. The unit must contain food preparation and/or sanitary facilities if the project involves new construction, conversion of non-residential space, or reconstruction. If the units do not contain sanitary facilities, the building must contain sanitary facilities shared by the tenants. In order for a project to be designated as an SRO, its characteristics cannot be inconsistent with the PJ's applicable building and zoning code classifications. For jurisdictions whose building and zoning codes do not include an SRO designation, SRO housing is permitted because it is not “inconsistent.”

Site and Neighborhood Standards – Depending on the nature of the activity, specific guidelines apply to the properties to be eligible for funding. (24 CFR 92.251)

- For owner-occupied and homebuyer properties, the value and purchase price of the property are limited. The price or value may not exceed 95% of the area median purchase

price for the housing type; in the case of rehabilitation the limit is based on value after rehabilitation. Current maximum value limits may be obtained by contacting WCHC. The recipient must ensure they are using the current limits when assistance is provided.

- Assisted properties must also meet established guidelines regarding physical condition (Table 1 below). Generally, a unit/structure must meet the more stringent of the HUD determined property standards identified in the table below or the local building code. Locally, this means assisted properties must be inspected for and determined to ~~be in~~ compliance comply with the local building code and other applicable standards.
- In addition, all assisted housing must comply with the accessibility requirement of the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973. Site and neighborhood standards apply to all new construction, rental housing.

State Recipient – State PJs can award their HOME funds to units of local government administering a local HOME program (a state recipient). The state is responsible for ensuring that HOME funds allocated to state recipients are used in accordance with the HOME regulations and other applicable laws.

Sub-recipient – A public agency or nonprofit organization selected by a PJ to administer all or a portion of the PJ's HOME *program*. A public agency or nonprofit organization that receives HOME funds solely as a developer/owner of housing is not a sub-recipient.

Targeting – Requirements of the HOME Program relating to the income or other characteristics of households that may occupy HOME assisted units, typically by AMI.

Tenant Based Rental Assistance (TBRA) – TBRA is a rental subsidy that participating jurisdictions can provide to help individual households afford housing costs such as rent, utility costs, security deposits, and/or utility deposits. These include rental assistance programs, self-sufficiency programs, homebuyer programs, targeted population programs, anti-displacement assistance programs, and security deposit programs. HOME TBRA contracts with individual households may not exceed two years but are renewable.

Underwriting and Subsidy Layering - Underwriting is required for *all* HOME projects (rental and homebuyer) whether or not the projects are assisted with other governmental assistance. The PJ's subsidy layering and/or underwriting must demonstrate that it is not investing any ~~more~~ HOMEHOME funds, alone or in combination with other funds, than are necessary to provide quality, affordable, and financially viable housing for at least the duration of the affordability period. The evaluation must determine a reasonable level of profit or return on the owner's or developer's investment in a project.

§92.250(b)(1),(2), and (3) state that the PJ's subsidy layering and underwriting guidelines must require the PJ to:

- Establish standards to assess the reasonableness of profit or return to the owner or developer, for the size, type, and complexity of the project.

- Examine the sources and uses for each project and determine whether the costs are reasonable.
- Assess the market conditions of the neighborhood in which the project will be located.
- Assess the experience and financial capacity of the developer.
- Determine whether there are firm financial commitments for the project.

Uniform Physical Condition Standards (UPCS): The UPCS are uniform national standards established by HUD for housing that is decent, safe, sanitary, and in good repair, pursuant to 24 CFR 5.703. These standards are adopted for HOME rehabilitation, acquisition, and tenant-based rental assistance projects in accordance with revisions made to the property standards requirements at §92.251. These new requirements become effective on **January 24, 2015 (18 months after the publication date of the Final Rule)**.

Very Low-Income Families – Families whose annual incomes do not exceed 50 percent of the median income for the area (adjusted for family size). A student enrolled at an institution of higher learning, who is not a veteran, is under 24 years of age, does not have a dependent child, is not otherwise individually very low-income, and does not have parents who qualify as very low income *does not qualify* as a very low-income family. Excluded students are prohibited from receiving any type of HOME assistance, including renting HOME-assisted rental units, receiving HOME tenant-based rental assistance, or otherwise participating in the HOME program independent of their low- or very low-income families.

GENERAL ADMINISTRATION-----

Technical Review Committee: The purpose of the TRC is to provide a forum for the discussion of regional housing issues, to provide recommendations regarding the funding of affordable housing projects and programs, as well as to provide recommendations ~~in regard to~~ concerning funding priorities, policies and procedures of the Consortium. The composition and procedures of the TRC are governed by By-Laws adopted on December 15, 2022 ~~October 31, 2012 (Attachment B). This date will update.~~

Washoe County HOME Consortium Directors: The city managers of Reno and Sparks, and the county manager of Washoe County, and/or their designees, shall serve as the Directors of the Consortium. The WCHC Directors shall provide leadership and have overall management responsibility to direct the WCHC activities. The Directors shall review and consider all funding decisions of the TRC.

Truckee Meadows Regional Planning Governing Board: The Governing Board is a ratifying body that shall review and ratify all projects and programs that use funding from HOME or Affordable Housing Trust Funds. The RPGB does not act as the lead agency, nor does the Governing Board have administrative or management responsibility to direct WCHC activities.

Process to Amend and the Policies, Procedures or Priorities of the Washoe County HOME Consortium: Any revisions to documents related to the general administration, priorities, policies and procedures of the WCHC shall first be considered by the TRC, and then forwarded to the Directors for their final review, approval and possible adoption. These documents include the following:

1. The WCHC Funding Priorities.

~~The priorities shall be reviewed and updated on an annual basis promptly after each funding round in which projects have been selected.~~

- ~~4.3~~ The Technical Review Committee By-Laws.

This amendment procedure does not apply to the Intergovernmental Agreement, and does not apply to any changes necessary to comply with the HOME Final Rule 24 CFR Part 92 or State of Nevada requirements of the Trust Fund program.

Amendments to Written Agreements and Funding Approvals: Staff of the lead agency may approve modifications of written agreements, including the sale of projects, or assignment and assumption agreements, providing the following circumstances do not apply:

- Requests for debt forgiveness
- ~~Requests to defer payments beyond five years;~~
- ~~and~~ Requests to decrease the number of HOME or Trust Fund units

In the cases where the above circumstances occur, the proposed changes shall be reviewed and considered by the TRC and Directors of the Consortium. All agreements must remain in compliance with the HOME Final Rule 24 CFR Part 92 and State of Nevada Trust Fund regulations at all times.

Funding: Funds available for affordable housing activities are provided by the U.S. Department of Housing and Urban Development (HUD) through the Home Investment Partnership Program (HOME) under 24 CFR 92. In addition, the WCHC annually receives an allocation of Affordable Housing Trust Funds (AHTF) and pass-through HOME funds from the Housing Division of the State of Nevada Department of Business and Industry to support eligible affordable housing activities. The WCHC intergovernmental agreement allows other housing funds to be received through the consortium.

Activities assisted with WCHC funds are approved by the Technical Review Committee and WCHC Directors, ratified by the Regional Planning Governing Board (RPGb), and approved by HUD.

Types of Projects:

- Homeowner Rehabilitation
- Homebuyer assistance
- Rental housing development
- Tenant Based Rental Assistance (TBRA)

WCHC Schedule: The WCHC operates on a fiscal year of July 1 through June 30. Request for proposals ~~may be released~~ ~~is released~~ the first week of October and due to the City of Reno, as lead agency, in the first week of December. Funds are estimated to be available after July 1st, with the understanding that no contracts/agreements can be executed until the WCHC has executed funding agreements with HUD, which could be as late as ~~October~~ November of the fiscal year.

Long-Term Affordability: It is the intention of the WCHC to improve the efficiency and effectiveness of funding by ensuring the long-term affordability of assisted properties. The WCHC typically requires a minimum affordability period ~~and that may~~ vary depending upon the nature of the HOME assisted activity. WCHC generally requires an affordability period of 30 years for new rental projects but can vary based upon the nature of the activity and the requirements of other funding sources.

Monitoring: Monitoring is done to ensure production and accountability in funded projects and programs. Monitoring ensures compliance with funding and associated federal requirements and is an evaluation of organizational and project performance. Specific requirements are outlined in the homebuyer/homeowner and rental sections below.

Other Federal Requirements: WCHC enforces the required additional federal regulations that may apply to a project or program. Additional federal requirements may include but are not limited to: environmental reviews, labor standards, relocation requirements, lead based paint, conflict of interest, fair housing and affirmative marketing, Section 3, Section 504, and women and minority business owners. An explanatory list of applicable federal requirements is provided below.

The HOME Program has a number of basic general rules that apply to all program activities, including:

- The definition of a project
- The form and amount of subsidy
- Additional requirements of the WCHC
- Match Requirements
- Eligible costs
- The property
- The applicant or beneficiary
- The long-term affordability of the project
- Applicability of other Federal requirements

WCHC funds are intended to provide gap financing for development projects and to fund projects that would otherwise not be available in the community. In addition, WCHC funding in a project must not exceed the proportionate share based on the number of units designated as WCHC units compared to the overall project size.

Definition of a Project. Project means a site or sites together with any building or buildings located on the site(s) under common ownership, management and financing, to be assisted with HOME funds as a single undertaking. The “project” includes all of the activities associated with the site and building. For assistance provided to individuals, including TBRA, down payment assistance, or owner-occupied rehabilitation, “project” means the assistance provided to one household.

Forms of Subsidy. HOME allows virtually any form of financial assistance to be provided for eligible projects and to eligible beneficiaries. The participating jurisdiction (PJ), WCHC, determines what forms of assistance it will provide. Some forms of assistance will require legal instruments for implementation. HOME regulations list the following forms of assistance as eligible:

- **Interest or non-interest bearing loans or advances:** These loans are amortizing loans, with or without accruing interest. Repayment is expected on a regular basis so that over a fixed period of time all of the principal and interest is repaid. The term of the loan may vary and the property or some other assets are used as collateral.
- **Deferred Loans (forgivable or repayable):** These loans are not fully amortized. Instead, some, or even all, principal and interest payments are deferred until some point in the future. Deferred loans can be structured in a variety of ways and terms may differ greatly. Deferred payment loans use the property or some other form of collateral as security for repayment.
- **Grants:** Grants are provided with no requirement or expectation of repayment. They require no liens on the property or other assets.
- **Interest Subsidies:** This is usually an up-front discounted payment to a private lender in exchange for a lower interest rate on a loan.

- **Equity Investments:** An investment made in return for a share of ownership. Under this form of subsidy, the PJ acquires a financial stake in the assisted property and is paid a monetary return on the investment if money is left after expenses and loans are paid.
- **Loan Guarantees and Loan Guarantee Accounts:** HOME funds may be pledged to guarantee loans or to capitalize a loan guarantee account. A loan guarantee or loan guarantee account ensures payment of a loan in case of default.
- Except in the case of TBRA, WCHC funds are provided as **loans** with terms based upon project needs.

Subsidy Limits. The *maximum* per unit HOME subsidy varies by metropolitan area and is based on Section 221(d)(3) limits. Each year, HUD calculates these maximum amounts by area. Current subsidy limits may be obtained by contacting WCHC staff. Under the regulation the maximum limit relates to the HOME funds; however WCHC will utilize the subsidy limit to evaluate the number of units required to be WCHC assisted units based on the total funding. Preference will be given to projects complying with the HOME subsidy limits for all sources of funds. The maximum per-unit subsidy that may not be increased above 240 percent of the base limits authorized by section 221(d)(3)(ii) of the National Housing Act (12 U.S.C.7151(d)(3)(iii)).

Starting in 2013, Section 221(d)(3) program limits will no longer be calculated and published by HUD due to the elimination of the 221(d)(3) Mortgage Program. The HOME statute and the HOME regulation at 24 CFR 92.250(a) limit the amount of HOME funds that a PJ may invest in a HOME-assisted unit. The maximum HOME per-unit subsidy limit is set at the basic Section 221(d)(3)(ii) mortgage limit for elevator-type projects, by bedroom size (with adjustments up to 240% for “high cost” geographic areas). Because HUD is no longer calculating 221(d)(3) limits, PJs must continue to use the 2012 published Section 221(d)(3) limits for all HOME projects, until further notice from the Office of Community Planning and Development at HUD. These limits were published in December 2011, became effective January 1, 2012, and are available at <http://www.gpo.gov/fdsys/pkg/FR-2011-12-22/pdf/2011-32811.pdf>.

The *minimum* amount of HOME funds that must be invested in any project is \$1,000 for every assisted unit in the project. The minimum relates only to HOME funds, not to any other funds, including match that might be used for project costs. The minimum amount does not apply to tenant based rent assistance.

An evaluation must be made to ensure that the HOME funds, in combination with other ~~governmental and governmental~~ and non-governmental funds, do not exceed what is necessary to provide affordable housing. This is generally referred to as the “subsidy layering review”. PJs must conduct a subsidy layering review prior to the award of any funds. The WCHC will evaluate the reasonableness and need for the requested assistance by analyzing pro-formas for cash flow, debt-coverage ratios, and the appropriateness of fees charges with and without the HOME funds. The WCHC will: 1) examine the sources and uses for each project and determine whether the costs are reasonable; 2) assess the market conditions of the neighborhood in which the project will be located; and, 3) assess the experience of the developer, the financial capacity of the developer, and ensure that there are firm financial commitments for the project.

Additional Requirements of the WCHC: The Consortium maintains the right to establish requirements that are more restrictive than the rules and regulations of the funding source. The WCHC has adopted the following additional requirements for new construction, acquisition and/or and rehabilitation projects, but not including tenant-based rental assistance programs:

1. In projects of five or more HOME units, more than half (51% or more) of the total number of HOME units shall be affordable and serve households at or below 50 percent of the area median income.
2. For group homes, a minimum of three beds shall be provided per project, which shall serve households at or below 30 percent of the area median income.
3. The minimum level of HOME investment per project shall be \$50,000.

In limited cases, exceptions to the minimum standards above may be approved with the support and approval of the Technical Review Committee and the Directors of the Consortium.

Match Requirements. The HOME program requires participating jurisdictions to have a match of at least 25%. Sources of match can be cash, donated land or real property, infrastructure improvements, bonds issued by state or local government, donated materials, equipment, or professional services, sweat equity, and the value of foregone taxes. Forms of match typically reported by the WCHC include the Affordable Housing Trust Funds and the value of tax-exemptions resulting from the investment of HOME funds into affordable rental properties.

Due to the use of AHTF as match for local and state HOME funds, AHTF funded projects and programs will typically be required to comply with the federal regulations. Areas where funding requirements may differ are acknowledged in the appropriate sections below.

Eligible Costs. Eligible costs depend on the activity. HOME funds can be used to cover both hard (construction, rehab) and soft (fees, insurance, appraisals) costs associated with a project. Eligible expenses for which WCHC funds may be used are:

- **New Construction:** Funds can be used for new construction of both rental and ownership housing. Any project that includes the addition of dwelling units to an existing structure is considered new construction.
- **Rehabilitation:** Rehab includes the alteration, improvement or modification of an existing structure. It also includes moving an existing structure to a foundation constructed with WCHC funds.
- **Reconstruction:** Refers to rebuilding a structure on the same lot where housing is standing at the time of project commitment. HOME funds may be used to build a new foundation or repair an existing foundation. Reconstruction also includes replacing a substandard manufactured house with a new manufactured house. During reconstruction, the number of rooms per unit may change, but the number of units may not. An exception to the reconstruction requirement that housing must be standing on a site at the time of commitment allows housing that was destroyed by disaster to be rebuilt on the same lot, if

the HOME funds are committed to the project within 12 months of the destruction of the housing that originally stood on the site.

- **Conversion:** Conversion of an existing structure from another use to affordable residential housing is usually classified as rehabilitation. If conversion involves additional units beyond the walls of an existing structure, the entire project will be deemed new construction.
- **Site Improvements:** Site improvements include new on-site improvements (sidewalks, utility connections, sewer and water lines) where none are present that are essential to development or repair of existing improvements. Building new, off-site utility connections to an adjacent street is also eligible.

Acquisition of Property: Acquisition of existing standard property, or substandard property in need of rehabilitation, is eligible as part of either a homebuyer program or a rental housing project. Housing that is to be used as rental housing must meet the property standards for new construction or rehabilitation, as applicable, and document compliance, or be rehabilitated to meet these standards at the time of project completion. For acquisition projects that are homebuyer projects the housing must be free from all health and safety defects before occupancy and must meet the property standards not later than 6 months after transfer.

- **Acquisition of Vacant Land:** Acquisition of vacant land is eligible only if construction will begin on a HOME project within 12-months of purchase.
- **Demolition:** Demolition of an existing structure may be funded only if construction will begin on a HOME project within 12-months.
- **Relocation Costs:** The Uniform Relocation Act and Section 104(d) apply to all assisted properties. Both permanent and temporary relocation assistance are eligible HOME costs. However, these funds are included in the subsidy limit calculation.
- **Refinancing:** Funds may be used to refinance existing debt on funded rehabilitation properties. The refinancing must be necessary to reduce the owner's overall housing costs to make the housing more affordable.
- **Project Related Soft Costs:** These costs must be reasonable and necessary, including:
 - Finance related costs
 - Architectural, engineering and related professional services
 - Costs of a project audit required by WCHC
 - Affirmative marketing and fair housing services to prospective tenants or owners of a funded project
 - Staff time directly related to carrying out a project
 - PJ staff costs directly related to projects (except TBRA)

Prohibited Activities. Funds cannot be used for Project Reserve Accounts, Tenant Based Rental

Assistance to serve special purposes of the Section 8 program, as Match for federal programs (except McKinney-Vento Act funds), Operations or Modernization of public housing, payment of delinquent taxes, fees, or charges on properties to be assisted with WCHC funds, or for properties receiving assistance through the Low Income Housing Preservation and Resident Homeownership Act (LIHPHA) or the Emergency Low Income Preservation Act (ELIHPA).

During the first year after completion of a project, the WCHC may commit additional funds to a project. After the first year, no additional HOME funds may be provided to a previously assisted project. For existing HOME-assisted rental projects that are troubled (i.e., projects in which operating costs significantly exceed operating revenues) HUD may approve one or more of the following actions to preserve a HOME-assisted rental project:

- 1) ~~investment~~Investment of additional HOME funds provided the total amount of HOME investment
- 2) ~~use~~Use of HOME funds to capitalize operating reserves; and,
- 3) ~~reduction~~Reduction of the number of HOME units if more than the required minimum number of units were originally designated.

However, rental assistance to families may be renewed, rental assistance may be provided to families that will occupy housing previously assisted with WCHC funds, and a homebuyer may be assisted to acquire a unit that was previously assisted with HOME funds. Funds cannot be used for rent assistance if the recipient of the rent assistance is tied to occupancy in a particular project. A PJ may not use funds to reimburse itself for property in its inventory. However, a jurisdiction may use funds to acquire property or reimburse itself for property acquired with other funds in anticipation of an eligible project.

Property & Property Standards. Depending on the nature of the activity, specific guidelines apply to the properties to be eligible for funding. (24 CFR 92.251)

Table 1. Property Standards to be Utilized by Activity Type

Activity	Property Standard to be Used
Acquisition of Existing Owner-Occupied Housing, with or without rehabilitation	Local Building Code or UPCS
Tenant-Based Rental Assistance	UPCS
Rehabilitation of Housing, Multi-family or Owner-Occupied	Local Rehabilitation Standards And Local Building Codes or Minimum Property Standards And Applicable Accessibility requirements
New Construction of Housing	Local Building Code or Minimum Property Standards And Model Energy Code And Applicable Accessibility requirements

	New Construction rental housing must also meet site and neighborhood standards at 24 CFR 983.6(b)
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- For owner-occupied and homebuyer properties, the value and purchase price of the property are limited. The price or value may not exceed 95% of the area median purchase price for the housing type; in the case of ~~rehabilitation~~ rehabilitation, the limit is based on value after rehabilitation. Current maximum value limits may be obtained by contacting WCHC. The recipient must ensure they are using the current limits when assistance is provided.
- Assisted properties must also meet established guidelines regarding physical condition (Table 1 below). Generally, a unit/structure must meet the more stringent of the HUD determined property standards identified in the table below or the local building code. Locally, this means assisted properties must be inspected for and determined to be in compliance with the local building code and other applicable standards.
- In addition, all assisted housing must comply with the accessibility requirement of the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973. Site and neighborhood standards apply to all new construction, rental housing.
- Housing that is constructed or rehabilitated with HOME funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of project completion, except as provided in paragraph (b) of this section. The participating jurisdiction must have written standards for rehabilitation that ensure that HOME-assisted housing is decent, safe, and sanitary. In the absence of a local code for new construction or rehabilitation, HOME-assisted new construction or rehabilitation must meet, as applicable, one of three model codes: Uniform Building Code (ICBO), National Building Code (BOCA), Standard (Southern) Building Code (SBCCI); or the Council of American Building Officials (CABO) one or two family code; or the Minimum Property Standards (MPS) in 24 CFR 200.925 or 200.926. To avoid duplicative inspections when FHA financing is involved in a HOME-assisted property, a participating jurisdiction may rely on a Minimum Property Standards (MPS) inspection performed by a qualified person. Newly constructed housing must meet the current edition of the Model Energy Code published by the Council of American Building Officials.
- All other HOME-assisted housing (e.g., acquisition) must meet all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the housing quality standards in 24 CFR 982.401.
- The housing must meet the accessibility requirements at 24 CFR part 8, which implements Section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and covered multifamily dwellings, as defined at 24 CFR 100.201, must also meet the design and construction requirements at 24 CFR 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619).

- Construction of all manufactured housing must meet the Manufactured Home Construction and Safety Standards established in 24 CFR part 3280. These standards pre-empt State and local codes covering the same aspects of performance for such housing. Participating jurisdictions providing HOME assistance to install manufactured housing units must comply with applicable State and local laws or codes. In the absence of such laws or codes, the participating jurisdiction must comply with the manufacturer's written instructions for installation of manufactured housing units. Manufactured housing that is rehabilitated using HOME funds must meet the requirements set out in paragraph (a)(1) of this section.

(a) The following requirements apply to housing for homeownership that is to be rehabilitated after transfer of the ownership interest:

(1) Before the transfer of the homeownership interest, the participating jurisdiction must:

(2) Inspect the housing for any defects that pose a danger to health; ~~and~~

(3) Notify the prospective purchaser of the work needed to cure the defects and the time by which defects must be cured and applicable property standards are met.

(4) The housing must be free from all noted health and safety defects before occupancy and not later than 6 months after the transfer.

(5) The housing must meet the property standards in paragraph (a)(1) of this section not later than 2 years after transfer of the ownership interest.

(6) An owner of rental housing assisted with HOME funds must maintain the housing in compliance with all applicable State and local housing quality standards and code requirements and if there are no such standards or code requirements, the housing must meet the housing quality standards in 24 CFR 982.401.

(7) All housing occupied by tenants receiving HOME tenant-based rental assistance must meet the housing quality standards in 24 CFR 982.401.

The Applicant/Beneficiary. The Washoe Consortium's Affordable Housing Municipal Loan Program (AHMLP) is designed to provide affordable housing to low-income families and individuals. Therefore, the program has rules about targeting program resources and establishing applicant eligibility.

By regulation, all HOME funds must be used to assist families with incomes below 80 percent of AMI and Affordable Housing Trust Funds must benefit households at or below 60 percent of AMI. Additional restrictions apply when HOME is used for rental housing or tenant based rent assistance. For each HOME allocation, 90% of the occupants of HOME assisted rental units and households assisted with HOME funded TBRA must have incomes that are 60% or less of the area median. Known as the Project Rule, twenty percent (20%) of the units in *each* rental housing

project with *five* or more HOME assisted units must be occupied by families with incomes at or below 50% of area median income.

Beneficiaries of funds – homebuyers, homeowners, or tenants – must be determined income eligible based upon a review of their income and projecting their annual anticipated income. Annual income is the *gross* amount of income **anticipated** by all adults (everyone 18 years of age or older, including non-related individuals) in a household during the 12 months following the effective date of determination. The determination must not be more than 6 months old at the time assistance is received.

To calculate annual (gross) income, the PJ may use either of these definitions of income:

- Section 8 annual (gross) income;
- IRS adjusted gross income, using the calculation for “adjusted gross income” on IRS form 1040; or

The PJ makes the determination as to what definition will be used. There may be different definitions for different programs, but the same definition must be used within a program. For example, a PJ can use the IRS definition for its homeowner rehab program and the Section 8 definition for its TBRA program, but it cannot use the IRS definition *and* the Section 8 definition for its homeowner rehab program. ***WCHC recipients are required to use the Section 8 definition of income unless otherwise specified in the executed funding agreement.***

To determine if applicants are income eligible, recipients must verify income using **source documentation**. Third-party verification is the required method for WCHC assisted projects and programs; however, in instances where *third party verification* cannot be obtained source documentation such as wage statements, interest statements, and unemployment compensation statements for a minimum of the most recent 60 to 90 days may be used to calculate anticipated income.

Income eligibility is based on anticipated income, so likely changes in income must also be used in the determination. For example, pay stubs show current income but they do not report projected raises or bonuses, which must be included in the income calculation. *If six months has passed before assistance is provided, e.g., rehabilitation has not yet started or family closes on the purchase of a home, income must be re-certified in the manner described above.*

Rental and TBRA programs require annual re-certification of income. For TBRA programs, source documentation is required for initial and ~~all subsequent~~subsequent income verifications. For HOME and/or Trust Fund-assisted rental projects, the requirement for annual income re-certification can be fulfilled with tenant self-certification. Self-certification must include a statement that provides the family's annual income and family size, along with a certification that the information is complete and accurate. The certification must state that the family will provide source documents upon request. Income must be verified with source documentation every sixth year during the affordability period.

Long-Term Affordability. To ensure investments provide affordable housing over the long term, rent and occupancy restrictions continue throughout the period of affordability.

- **Period of Affordability** – It is the intention of the WCHC to ensure the long-term affordability of assisted properties. While the minimum length of affordability period depends on the amount of the HOME investment in the property and the nature of the activity (outlined in Table 2 below), the WCHC typically has required a minimum affordability period of **30** years for multi-family properties.

Table 2. Minimum Affordability Period by Funding Amount and Project Type

Funding/Activity	Affordability Period
Less than \$15,000	5 years
\$15,000 to \$40,000	10 years
Greater than \$40,000	15 years
New construction of Rental	20 years
Refinance of Rental	15 years

- **Occupancy** – Throughout the period of affordability, income eligible households must occupy the assisted units. When designated rental units become vacant during the period of affordability, subsequent tenants must be income eligible and must be charged the applicable rent.

If a home purchased with HOME assistance is sold during the period of affordability, resale or recapture provisions, outlined in the homebuyer section below, apply to ensure the continued provision of affordable housing. The 2013 Final Rule 24 CFR 92.254(a)(5) is revised to require PJs to obtain HUD’s specific and written approval of its resale and/or recapture requirements. WCHC will continue to follow the pre-2013 Rule procedures to submit its resale and recapture provisions for HUD approval as part of their Consolidated Plan or annual Action Plan. However, rather than provide implicit approval as part of the Consolidated Plan or annual Action Plan approval, **HUD is required to issue separate, written approval of these provisions. It is a statutory requirement that HUD approves resale or recapture provisions.**

Other Federal Requirements: Funded projects and programs are also subject to a number of cross cutting federal regulations. If the sole source of funding is AHTF, some requirements may be waived or reduced. Some of the major additional requirements are:

1. **Hatch Act, Title 5, Chapter, 15, United States Code:** Refers to political activity of certain state and local employees. These employees are those principally employed in connection with programs financed in whole or in part by loans or grants made by a United States federal agency. Employees of private nonprofit organizations are covered by the Hatch Act only if the statute through which the organization receives its federal funds contains ~~language which~~language that states that the organization shall be considered to be a state or local agency for purposes of the Hatch Act.

2. **The National Environmental Policy Act of 1969** as set forth in P. O. 91-190 and the implementing regulations in 24 CFR, Parts 51 and 58: (*P. O. 91-190 – 42 USC§4321*) The purposes

of the act are to declare a national policy which will encourage productive and enjoyable harmony between man and his environment; to promote efforts which will prevent or eliminate damage to the environment and biosphere and stimulate the health and welfare of man; to enrich the understanding of the ecological systems and natural resources; important to the National and to establish a Council on Environmental Quality. 24 CFR 51 and 56 are the environmental criteria and standards and the environmental review requirements.

3. Title VIII of the Civil Rights Act of 1968, P.L. 90-284 (Fair Housing Act) Prohibits discrimination in the sale, rental and financing of dwellings based on race, color, religion, national origin, disability or familial status, as well as establishing administrative enforcement mechanisms, revised and expanded Justice Department jurisdiction, and contains design and construction accessibility provisions for certain new multifamily dwellings developed for first occupancy. Title VIII was amended in 1988 (effective March 12, 1989) by the Fair Housing Amendments Act, which: expanded the coverage of the Fair Housing Act to prohibit discrimination based on disability or on familial status (presence of child under age of 18, and pregnant women); established new administrative enforcement mechanisms with HUD attorneys bringing actions before administrative law judges on behalf of victims of housing discrimination; and revised and expanded Justice Department jurisdiction to bring suit on behalf of victims in Federal district courts.

4. 24 CFR Parts 5, 200, 203, 236, 400, 570, 574, 882, 891, and 982: Equal Access to Housing in HUD Programs Regardless of Sexual Orientation or Gender Identity - ensure that its core programs are open to all eligible individuals and families regardless of sexual orientation, gender identity, or marital status

5. Section 109 of the Housing and Community Development Act of 1974: Prohibits discrimination on the basis of race, color, national origin, disability, age, religion and sex within Community Development Block Grant programs or activities. Section 109 investigates complaints of discrimination on these bases.

6. Title VI of the Civil Rights Act of 1964, P. L. 88-352 and the regulations of HUD with respect thereto, including 24 CFR, Parts 1: Prohibits discrimination on the basis of race, color, and national origin in programs and activities receiving federal financial assistance.

7. Executive Order 13166: Improving Access to Services for Persons With Limited English Proficiency Requires that greater emphasis be put on existing requirements under Title VI of the Civil Rights Act to protect persons who, as a result of national origin, are limited in their English proficiency (LEP)

8. Fair Housing Act: As amended, prohibits discrimination in the sale, rental, and financing of dwellings, and in other housing-related transactions, based on race, color, national origin, religion, sex, familial status (including children under the age of 18 living with parents of legal custodians, pregnant women, and people securing custody of children under the age of 18), and handicap (disability).

9. Section 3 of HUD Act of 1968, as amended, with regulations from 24 CFR 135: (applies to contracts of \$100,000 or more). Section 3 of the Housing and Urban Development Act of 1968, as amended, and the regulations of HUD with respect thereto, including 24 CFR, Part 135, Section 3 of the Housing and Urban Development Act of 1968, as amended (12 U.S.C. 1701u). Section 3 requires the WCHC to ensure that employment and other economic and business opportunities generated by the Department of Housing and Urban Development (HUD) financial assistance, to the greatest extent feasible, are directed to public housing residents and other low-income persons, particularly recipients of government housing assistance, and business concerns that provide economic opportunities to low- and very-low income persons. It is the policy of the Washoe County HOME Consortium (WCHC) to require its contractors to provide equal employment opportunity to all employees and applicants for employment without regard to race, color, religion, sex, national origin, disability, veteran's or marital status, or economic status and to take affirmative action to ensure that both job applicants and existing employees are given fair and equal treatment.

All Section 3 covered contracts, including this one shall include the Section 3 Clause (Attachment C)

10. Executive Order 11063, as amended: Prohibits discrimination in the sale, leasing, rent and other disposition of properties and facilities owned or operated by the federal government or provided with federal funds.

11. Age Discrimination Act of 1975: Prohibits discrimination on the basis of age to programs or activities receiving federal financial assistance.

12. Section 504 of the Rehabilitation Act of 1973: The Rehabilitation Act (1973) Section 504: Applies to new construction multi-family rentals of 5 or more units and substantial rehab (greater than 75% of replacement cost, which is the value of the rehab after completion) of 15 or more units, requiring 5 % of the total number of the project's *units* to be for physically impaired (a unit that is on an accessible route and is adaptable and otherwise in compliance with the standards set forth in Sec. 8.32 is accessible for purposes of this section), *PLUS* an *additional* 2% of the total number of the project's *units* to be for sensory impaired (Please note that HUD has advised that using kits marketed to adapt the unit for sensory impaired persons may not fully meet this unit requirement). For example, a complex with 40 units would need 2 units for physically impaired plus an additional one unit for sensory impaired, or 3 total units. Other situations must be addressed "to the maximum extent feasible." The act also requires that the program be made accessible (that is, with office accessibility, intake procedures, applications, etc.) and promoted affirmatively. It further requires that all units be made "visitable" by persons with disabilities to the furthest extent feasible. Employers must make employment accessible and recipients or subrecipients having 15 or more employees must designate a Section 504 Coordinator and notify program participants and employees of non-discrimination policies, as well as conduct self-evaluations of compliance with Section 504.

For this ~~project~~project, all areas of the acquired property must be made Section 504 compliant. Attachment D, Architect's Certification of Compliance with Minimum Standards for Accessibility by the Physically Handicapped, must be executed and returned to the WCHC prior to disbursement of retention.

13. Executive Order 11246 (Applies to contracts in excess of \$10,000): Bars discrimination in federal employment because of race, color, religion, sex, or national origin.

14. The Fair Labor Standards Act: Establishes minimum wage, overtime pay, recordkeeping, and child labor standards affecting full-time and part-time workers in the private sector and in Federal, State, and local governments.

15. Section 202(a) of the Flood Disaster Protection Act of 1973: Section 202(a) of the Flood Disaster Protection Act of 1973 (42 U.S.C. 4106) provides that no Federal officer or agency shall approve any financial assistance for acquisition or construction purposes (as defined under section 3(a) of said Act (42 U.S.C. 400(a)), one year after a community has been formally notified of its identification as a community containing an area of special flood hazard, for use in any area that has been identified by the Director of the Federal Emergency Management Agency as an area having special flood hazards unless the community in which such area is situated is then participating in the National Flood Insurance Program.

16. Section 302 and 401(b) of the Lead-Based Paint Poisoning Prevention Act: This subpart implements the provisions of 42 U.S.C. 4852d, which impose certain requirements on the sale or lease of target housing. Under this subpart, a seller or lessor of target housing shall disclose to the purchaser or lessee the presence of any known lead-based paint and/or lead-based paint hazards; provide available records and reports; provide the purchaser or lessee with a lead hazard information pamphlet; give purchasers a 10-day opportunity to conduct a risk assessment or inspection; and attach specific disclosure and warning language to the sales or leasing contract before the purchaser or lessee is obligated under a contract to purchase or lease target housing.

17. Davis Bacon Act, as amended

Any contract for the construction of Affordable Housing with 12 or more units will require that all laborers and mechanics who are employed to perform work on any project, or any contractor or construction work which is financed, in whole or in part, with assistance which is received under the Housing and Community Development Act of 1974 shall be paid wages at rates which are not less than those that prevail in the locality for similar construction and shall receive overtime compensation in accordance with the Contract Work Hours and Safety Standards Act. The contractor and its subcontractors shall also comply with all applicable Federal laws and ~~regulations~~ which regulations that pertain to labor standards, including the minimum wage law.

18. 45 CFR Part 76 Subpart F of the Drug-Free Workplace Act of 1988:

Grantee shall certify to the agency that it will provide a drug-free workplace.

19. Section 319 of Public Law 101-121 (certification required for contracts and subcontracts of \$100,000 or more):

Prohibits use of federal funds for lobbying the executive or legislative branches of government in connection with specific contract, grant or loan, etc. which prohibits Developer from using appropriated Federal funds for lobbying the Executive or Legislative Branches of the Federal

Government in connection with a specific contract, grant, or loan, and requires that no Federal appropriated funds have been paid or will be paid, by or on behalf of Developer, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal contract, the making of any Federal grant, the making of any Federal loan, the entering into of any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan, or cooperative agreement.

20. Title I of Housing and Community Development Act of 1974

Sub-grantee shall:

- a. not discriminate against any employee or applicant for employment on the basis of religion and not limit employment or give preference in employment to persons on the basis of religion; and
- b. not discriminate against any person applying for such public services on the basis of religion and not limit such services or give preference to persons on the basis of religion; and
- c. provide no religious instruction or counseling, conduct no religious worship or services, engage in no religious proselytizing and exert no other religious influence in the provision of such public services.

21. Financial assistance shall not be used to directly or indirectly employ, award contracts to, or engage the services of any contractor or subcontractor who is currently debarred or suspended. Developer must search the Internet at <https://www.sam.gov/portal/public/SAM/> to determine if contractors and/or subcontractors are currently debarred or suspended.

Developer must forward a list of contractors/subcontractors and results from the search to WCHC's Lead Agency prior to beginning contracted work.

22. The Contract Work Hours and Safety Standards Act (40 U.S.C. 327 et seq.); ~~Work;~~ Work Hours and Safety Standards Act (40 USC 327- 333). This Act applies to both service and construction contracts and requires employees to be paid time and one-half for all hours worked in excess of 40 per week. The Act also contains certain health and safety standards

23. The Copeland Anti-Kick Back Act (18 U.S.C. 874 et seq.): The Copeland “Anti-Kickback” Act generally prohibits federal contractors or subcontractors engaged in building construction or repair from inducing an employee to give up any part of the compensation to which he or she is entitled under his or her employment contract and requires such contractors and subcontractors to submit weekly statements of compliance.

24. The Vietnam Era Veterans' Readjustment Assistance Act of 1974;

The Vietnam Era Veterans' Readjustment Assistance Act (VEVRAA) requires covered federal government contractors and subcontractors to take affirmative action to employ and advance in employment specified categories of veterans protected by the Act prohibits discrimination against such veterans. In addition, VEVRAA requires contractors and subcontractors to list their

employment openings with the appropriate employment service delivery system, and that covered veterans receive priority in referral to such openings. Further, VEVRAA requires federal contractors and subcontractors to compile and submit annually a report on the number of current employees who are covered veterans. The affirmative action and mandatory job-listing provisions of VEVRAA are enforced by the—Employment Standards Administration's Office of Federal Contract Compliance Programs (OFCCP) within the U.S. Department of Labor (DOL). DOL's Veterans' Employment and Training Service (VETS) administers the veterans' employment reporting requirement.

25. The Jobs for Veterans Act 2002: The Veterans' Readjustment Assistance Act, more fully known as the Vietnam Era Veterans' Readjustment Assistance Act of 1974 (VEVRAA), establishes an affirmative action program to be followed by government contractors.

26. The Immigration Reform and Control Act of 1986: Required employers to attest to their employees' immigration status; made it illegal to knowingly hire or recruit unauthorized immigrants; ~~legalized certain~~ legalized certain seasonal agricultural illegal immigrants; legalized illegal immigrants who entered the United States before January 1, 1982 and had resided there continuously with the penalty of a fine, back taxes due, and admission of guilt.

27. Violence Against Women Act 42 U.S.C.14043, 24 CFR 2001-2009. Prohibits refusal to rent, evictions or other forms of discrimination against persons based in the fact that they were victims of actual or threatened domestic violence, dating violence, sexual assault, or stalking. Requires certain disclosures, lease provisions and certifications be given to applicants and tenants.

Executive Orders: ~~12432~~; 12432 - Minority business enterprise development, and **12138** - National Women's Business Enterprise Policy and National Program for Women's Business Enterprise. The WCHC, in its discretion, may request such other and further information, as from time to time required to ensure compliance with the mandates of the Executive Orders set forth above.

Developer shall provide the WCHC, upon project completion, records and data on Minority Business Enterprise, Women's Business Enterprise, and affirmative marketing efforts. These records shall contain, but are not limited to, the following:

1. Data on the attempts to reach minority-owned and female-owned businesses when announcing business opportunities; and
2. Data on racial/ethnic or gender character of business to whom a contract was awarded and the contract amount; and
3. Data on attempts to affirmatively further fair housing.

Financial Management Requirements: Projects and programs receiving HUD funds must abide by the financial management requirements of the Federal Office of Management and ~~Budgets~~ which Budgets that pertain to their particular type of organization, whether it is an institution of Higher Education, a hospital, other non-profit, a state, a local government, etc. For instance, a CHDO serving as a sub-recipient for the Consortium and as a development organization has different OMB requirements based on their activity.

Some of the basic financial requirements are:

OMB Circular A-110: Uniform Administrative Requirements for grants and Agreement with Institutions of Higher Education, Hospitals and Other Non-Profit Organizations (<http://www.whitehouse.gov/omb/circulars/a110/a110.html>);

OMB Circular A-13: Audits of States, Local Governments and Non-Profit Organizations (<http://www.whitehouse.gov/omb/circulars/a133/a133.html>);

OMB Circular A-122: Cost Principles for Non-Profit Organizations (<http://www.whitehouse.gov/omb/circulars/a122/a122.html>

WRITTEN AGREEMENTS-----

A written agreement *must be entered into before any funds are committed or disbursed to a recipient*. When executed the agreement is:

- A statement of the relationship between the WCHC and the funding recipient;
- A statement of the conditions under which the funds are provided;
- Tool for monitoring performance and verifying compliance;
- A tool for parties using funds to learn about the applicable rules and regulations; and
- A method for enforcing the program requirements and protecting the WCHC investment.

Required Provisions. The specific contents of agreements will vary depending upon the type of activity and administrative role of the recipient. Under HOME regulations there are specific provisions that must be included in written agreements. The required provisions are:

- **Use of HOME funds:** Description of tasks to be performed, schedule for completing tasks, a budget in sufficient detail to effectively monitor performance and the period of the agreement. ~~Documents detailing this information must be provided by the recipient~~The recipient must provide documents detailing this information to WCHC prior to the execution of the funding agreement. Commitment of HOME funds does not include an agreement ~~between~~between A PJ and a ~~subrecipient~~sub recipient that the PJ controls (such as an authority that is part of the local government), or a lead entity of a consortium and a consortium member.
- **Dates:** Signatories to written agreements must *date* the document in order for it to constitute a valid commitment. Since the HOME statute and regulations require the PJ to enter into a legally binding commitment within 24 months of signing the HOME Investment Partnerships Agreement, dates are needed to verify compliance.
- **Requests for Disbursement of Funds:** Requirement that HOME funds may not be requested until funds are needed for payment of eligible costs. The amount of each request must be limited to the amount needed. Disbursements should be scheduled to make draws no more than *120 days* apart to alleviate the possibility of the project being considered closed.
- **Project Requirements:** Enumeration of all project requirements applicable to the type of projects(s) to be assisted. Examples include affordability requirements, property standards, rents and recapture/resale provisions. The written agreement may permit the owner to limit the eligibility or give a preference to a particular segment of the population in accordance with 24 CFR §92.253(d).
- **Records and Reports:** Enumeration of records that must be maintained, and information and reports that must be submitted.
 - Annual report on rents and occupancy of HOME-assisted units to verify compliance with affordability requirements

- If the project has floating HOME units, information on unit substitution and filling vacancies to ensure that the project maintains the required unit mix
 - Reports (including financial reports) that enable the PJ to determine the financial condition and continued financial viability of the rental project.
- **Reversion of Assets/Program Income Requirements:** Statement regarding the disposition of program income or other assets received by the recipient ~~as a result~~because of the WCHC investment. All program income received from the operation of a WCHC funded program must be returned to the WCHC upon receipt. It is expected that program income received in the operations of funded multi-family projects be reinvested in the property or invested in the development of additional affordable rental units.
 - **Enforcement and Duration of the Agreement:** This provision is in the agreement with all parties, including owners, and is the means of enforcing the provisions of the written agreement.
 - **Affirmative Marketing:** Requirements for affirmative marketing in projects with five or more assisted units.
 - **Other Program Requirements:** Requirements regarding other federal requirements, including non-discrimination and equal opportunity, affirmative marketing and minority outreach, environmental review, displacement, relocation and acquisition, labor standards, lead based paint, and conflict of interest.
 - **Uniform Administrative Requirements:** Requirement to comply with applicable federal administrative requirements (OMB Circular A-87 and applicable provisions of 24 CFR Part 85 for governmental entities, or OMB Circular A-122 and applicable provisions of 24 CFR Part 84 for non-profit entities).
 - **CHDO Provisions:** Requirements for the use of funds to CHDOs, including set-aside funds, operating expenses and project-specific loans and capacity building assistance. CHDO set-aside funds must be committed to *specific projects* for a specified amount of HOME funds within 24 months of signing their HOME grant agreement.
 - **Conditions for Religious Organizations:** Includes conditions set forth in 24 CFR Part 92.257 concerning religious organizations.
 - **Conflict-of-Interest:** Home regulations require PJs, state recipients and ~~subrecipients~~sub recipients (including CHDOs acting as ~~subrecipients~~sub recipients) to comply with two different sets of conflict-of-interest provisions. The first set is provisions under 24 CFR Parts 84 and 85; the second, which applies only in cases not covered by 24 CFR Parts 84 and 85, set forth in the HOME regulations

Additional Provisions. In ~~addition~~addition, there are a number of elements that may be included in the funding agreement to increase its usefulness to both parties. These include:

- The roles and responsibilities of each party.

- A description of the project or program being funded, spelling out the eligible uses of funds.
- A project timetable with major milestones (performance standards).
- Criteria for successful completion of the program or project.
- A description of project ~~close-out~~closeout requirements.
- The consequences of non-performance.
- CHDO provisions (24 CFR 92.300 and 92.301)
- Monitoring

Amending Documents. Written agreements may be amended by mutual agreement of the parties for changes in terms, for the receipt of additional funds, or changes in project scope. However, agreements will be automatically amended if so required to ensure compliance with regulations per agreement enforcement and termination found under 24 CFR 85.43 and 85.44.

Other Documents. Other types of documents may be executed as conditions of funding and may include mortgage and loan agreements, deed restrictions and other use agreements between the PJ and the owner, property management agreements between the owner and property manager, and asset management agreements between the owner and asset manager.

- Mortgage and loan documents are signed at closing and contain the financial terms and conditions of the loan.
- Deed restrictions and other use agreements will be used to place specific restrictions on the property.
- Property management agreements detail the specific responsibilities of the property manager. Copies of management agreements executed assigning the management responsibility of WCHC funded projects must be provided to WCHC prior to the release of retention or within 15 days of execution, whichever is later.

RENTAL ACTIVITIES-----

Eligible Activities. [24 CFR 92.205(a)]

Activities allowed with the use of WCHC funds are activities and projects that support and provide incentives for the development of affordable rental housing that addresses needs identified in the Consolidated Plan. These activities may include: new construction, reconstruction, acquisition or rehabilitation of non-luxury housing available with rent restrictions serving ~~very low~~ very low and ~~extremely low~~ extremely low ~~income~~ low-income households. Housing development may only be permanent or transitional housing. Single-room occupancy (SRO) and group homes are permitted but have additional conditions. If Tenant-Based Rental Assistance (TBRA) is identified in the current Consolidated Plan as an appropriate response to market conditions, such programs may be awarded WCHC funding.

Funding will be limited to the amount necessary to facilitate completion of the project and will not exceed a proportionate share of costs in a project with floating units.

Eligible Costs. [HUD Regulations 24 CFR 92.206]

Funds may be used to pay the following:

- Development hard costs for both new construction and rehabilitation;
- Refinancing costs to permit the continued affordability of the project in compliance with WCHC refinancing guidelines;
- Acquisition costs
- Costs relating to payment of loans
- General Management
- Related soft costs
 - Architectural, engineering or related professional services required;
 - Costs to process and settle the financing for a project;
 - Costs of a project audit required by the WCHC respect to the development;
 - Costs to provide information services such as affirmative marketing and fair housing information to prospective tenants as required by 92.351;
 - Operating costs directly related to carrying out the project, such as work specifications preparation, and loan processing inspections;
 - Costs for the payment of impact fees charged for all developments within a jurisdiction; and
 - Costs of environmental review and release of funds in accordance with 24 CFR part 58 directly related to the project.

All costs must be in direct relation to a WCHC assisted unit and supporting documentation of all expenditures is required for all costs being paid for with the WCHC funding. With the exception of acquisition and financing costs, WCHC funds are available as reimbursement for eligible expenses. Related soft costs must be necessary for the development of WCHC units. *Documentation must be provided for any cost re-imburement.* If requesting reimbursement of staff time, timesheets and payment records documenting time allocated to WCHC units is required.

Prohibited Activities. [HUD Regulations 24 CFR 92.214]

WCHC funds may NOT be used to:

- Pay delinquent taxes, fees or charges on properties to be assisted with HOME funds;
- Pay for any cost that is not eligible under the HOME program at 92.206 and 209;
- Provide project reserve accounts;
- Pay for the acquisition of property owned by any of the member jurisdictions unless purchased in anticipation of carrying out a HOME eligible project;
- Land bank;
- Provide tenant-based rental assistance for the special purposes of the existing section 8 program;
- Provide assistance to housing previously assisted with HOME funds (other than TBRA); or
- Pay for activities related to Public Housing Modernization.

Form & Amount of Assistance. [HUD Regulations 24 CFR 92.205(b)]

While regulations allow assistance in any of the forms listed above, WCHC assistance to development projects is made in the form of an amortized or deferred loan. Funding Agreements will establish a minimum affordability period that is typically not less than 30 years but will at minimum meet the HOME guidelines. Before monies are released an agreement will be signed between WCHC and the recipient. The agreement will satisfy Federal requirements and establish the terms under which the funding is being provided. Funds will not be released until a funding agreement is executed.

WCHC provides gap financing to affordable housing projects and programs. It is recognized that a significant benefit of funding from the WCHC is the property tax-exemption that affordable properties receive as a result being funded with federal funds. Therefore, the foregone taxes will be considered in the subsidy layering review and determining the amount necessary HOME subsidy. A federally funded affordable housing project becomes eligible for the property tax-exemption when the federal funds are invested in the project, therefore the following guidelines will be used in awarding the property-tax exemption:

- Funded new construction projects will be eligible for tax-exemption upon recording of the Deed of Trust; and
- Rehabilitation projects will be eligible upon the first draw of WCHC funds.

Assistance for TBRA programs will be provided in the form of a grant to the sub-recipient serving households with initial incomes not greater than ~~60~~50 percent of AMI. TBRA funding will be made from Affordable Housing Trust Funds (AHTF). Funding TBRA with AHTF allows WCHC to pay reasonable administrative costs. This structure of assistance allows the WCHC to meet a wide range of emergency housing needs while also ensuring funds will be available in the future to address other affordable housing needs. In addition, the following procedures apply to TBRA programs:

1. Agencies seeking funding for TBRA programs shall request funding through the Consortium’s adopted public hearing process.

2. WCHC staff shall report to the TRC on the performance and overall administration of the programs at each funding cycle in which TBRA programs are applying.

Monitoring. All projects and programs are monitored annually and include a review of management processes, a file review, and/or a physical inspection of the property and assisted units. The WCHC will use a risk-based monitoring system of HOME-assisted rental projects and financial oversight of HOME-assisted rental projects during the affordability period of the project. CFR §92.504(a) requires PJs to develop and follow written policies and procedures and implement a risk-based monitoring system to become **effective on July 24, 2014**.

Project completion inspections. Upon completion of the project, the PJ must conduct an on-site inspection to confirm that contracted work is completed and the property meets the property standards specified in §92.251. The initial ~~monitoring, monitoring~~ completed upon lease-up includes reviewing 100 percent of the WCHC client files and inspecting 20 percent of the assisted units. The first on-site ongoing inspections will occur within 12 months after project completion, and an inspection must be conducted at least once every three years.

Ongoing property inspections. On an ongoing basis throughout the period of affordability, the WCHC must conduct on-site inspections to determine that the property meets the property standards adopted by the WCHC pursuant to §92.251(f) and to verify the information submitted by the owners regarding rent, occupancy, and unit mix. The inspections must be done in accordance with the WCHC's inspection procedures required. Annually staff will review 20 percent of client files and inspect the associated units unless staff identifies issues that warrant further review or inspection of additional files and/or units. ~~For, For~~ each inspection visit, the WCHC must determine how many HOME-assisted units must be inspected in the project (for inspectable items--site, building exterior, building systems, and common areas) within these parameters:

- For projects with one to four units, the inspectable items for each building with HOME-assisted units and 100 percent of the HOME units must be inspected.
- For projects with more than four HOME-assisted units, the inspectable items for each building with HOME-assisted units and at least 20 percent of the HOME-assisted units in each building, but not fewer than four units in each project and one HOME-assisted unit in each building.

Follow up to address deficiencies. If any deficiencies are identified for any inspectable items (as established in the WCHC's inspection procedures), a follow-up on-site inspection is required within 12 months. For non-hazardous deficiencies, the WCHC will either conduct an on-site inspection or accept third party documentation (such as a paid invoice for work completed).

Health and safety deficiencies. Health and safety deficiencies identified during inspections must be corrected immediately. The ~~WCHC will~~ WCHC will adopt a more frequent inspection schedule for these properties

Annual certification. Property owners must submit an annual certification to the WCHC that each building and all HOME-assisted units in the project are suitable for occupancy.

Annual Inspections for TBRA Units. Annual on-site inspections of housing occupied by TBRA recipients to determine compliance with property standards will be conducted.

Financial Oversight.The WCHC will annually examine the financial condition of HOME-assisted rental projects with 10 or more HOME-assisted units to determine the continued financial viability of the project. If the financial review indicates potential problems, the WCHC will take actions to correct those problems to the extent feasible. **Effective July 24, 2014.**

The development process will also be monitored by WCHC staff through the draw process, including reviewing draw requests and attending draw meetings.

DEVELOPMENT.....

Property Management. Many established owners have property management departments within their organizations or have created separate organizations to perform this function. Other developers hire one management firm to manage properties in its portfolio. Property management is important to ensure the owner’s physical, financial, administration and occupancy performance standards for the property. When working with the WCHC assisted units, it is expected that the owner enter into an agreement that the units will be operated in accordance with all applicable regulations.

Subsidy Layering. Before committing funds to a rental project, WCHC will evaluate the project and verify that the owner did not request or was not allocated any more HOME funds in combination with other governmental assistance than is necessary to provide the affordable housing. WCHC is required to review and keep project records demonstrating that each rental housing project meets required subsidy layering guidelines. Part of the documentation process includes a Proforma (project income and expense statement) which should include achievable rent levels, market vacancies and operating expenses.

HOME Investment Per Unit. The HOME program has minimum and maximum per-unit subsidy limit on projects.

- The minimum HOME investment is \$1,000.00
- The maximum HOME investment is determined by HUD and is adjusted annually.

Contact WCHC for maximum allowed per unit investment.

Property Specifics

Project Type. HOME rental projects may be one or more buildings on a ~~single~~ site, or multiple sites that are under common ownership, management and financing. Projects may be permanent housing, transitional housing, group homes and SRO’s. There are no preferences for project or unit size or style. Any property previously financed with HOME funds that is still in the affordability period is not eligible for additional HOME funding. HOME funds will not be used for operations or modernization of public housing projects.

Property Standards. All properties constructed or rehabilitated with WCHC funds will meet the minimum local codes and standards. Owners must maintain properties in accordance with property standards throughout the affordability period. Monitoring visits will be conducted by WCHC to ensure property standards are being met.

Accessibility. In addition to applicable Fair Housing Requirements, assisted housing must meet the accessibility requirements of 24 CFR Part ~~8~~ which, which address “Nondiscrimination Based on Handicap in Federally Assisted Programs and Activities of the Department of Housing and Urban Development”. The purpose of this part is to effectuate Section 504 of the Rehabilitation Act of 1973.

Affordability. An affordability period will be determined by the amount of funds invested in a project. WCHC has the right to require a minimum affordability period beyond that required

by ~~HUD~~ and HUD and typically requires a minimum of 30 years. Throughout the period of ~~affordability~~ affordability, the owner must enforce funding requirements. This includes rent limits, income limits and property standards. Affordability requirements apply without regard to the term of any mortgage or loan, or transfer of ownership.

During the affordability ~~period~~ period, the project will be inspected and monitored annually for compliance with funding requirements. During the affordability ~~period~~ period, all assisted units must ~~be in compliance~~ comply with rent and income limits.

“Fixed” or “Floating” HOME units. WCHC will determine the number of units based on the funding award. Generally, WCHC allows the owner of the project to determine if the assisted units will be “fixed” or “floating. A “fixed” unit is when the owner applies funding requirements to specific units throughout the affordability period, for ~~example~~ example, unit #1 would always be an assisted unit. This is sometimes an easier process because it allows consistent knowledge of which unit is restricted for monitoring and file inspection purposes. A “floating” unit is when the units may change throughout the project. No matter which decision an owner makes, there always has to be the required amount of designated WCHC units in the project.

Rent Limits. Every HOME unit is subject to rent limits. HUD releases rent limits annually. The rent limits are maximums that can be charged per unit by bedroom size including a utility allowance. If a unit has multiple restrictive funding sources, e.g. HOME and Low Income Housing Tax Credits, the more restrictive programs guidelines must be met for rent and income limits. At no time can a tenant be charged more than HOME rent limits even in conjunction with another program. Current limits are available from WCHC.

Determining Allowable Rent. To determine the maximum rent allowed for contract rents you must consider both the HUD Rent standards and the utility allowances. After you have made sure that a tenant meets the ~~required~~ required income levels to occupy an assisted unit, you must also verify you are meeting the rent requirements. You will begin with the rent standards allowed for the unit bedroom size, the High or Low HOME rent or 30 percent of the targeted income for an appropriate family size. The amount of the utility allowances must then be subtracted from rent limit to determine the total tenant rent.

Overpayment of rent by either the renter or the Section 8 program will result in the owner reimbursing that amount of the overpayment to the tenant or the housing authority. Rents may be adjusted annually based upon revised rent limits published by HUD; however, ~~tenant,~~ ~~tenant~~ rents ~~can not~~ cannot be adjusted until their leases are renewed and must be provided 45 days notice.

Rent Increases/Decreases. All rent increases in excess of five percent, or the amount specified in the funding agreement, of the current tenant rent must be approved by WCHC. ~~Rent increases will happen at lease renewal. If a lease is month-to-month. All~~ tenants subject to rent increases will receive a minimum ~~of~~ 45-day notice as required by the Nevada Revised Statutes. HOME rent limits may decrease; and must be implemented for the next applicable rent payment. Project rent levels are not required to decrease below the HOME rent limits in effect at the time of project commitment.

TENANTS

Income. Before a tenant occupies a HOME unit, all income must be verified with third-party documentation. WCHC must examine at least two months of source documentation (e.g., wage statements, interest statements, or unemployment compensation documentation) when determining household income for all potential HOME beneficiaries. In such instances where management is unable to obtain third-party documentation sources documents, such as wage statements, interest statements and unemployment compensation statements for the past 60 to 90 days may be used. The project will be required to collect and obtain this information to be kept in client file. **WCHC requires the Part 5/ Section 8 definition of annual income.**

WCHC projects must count the income of *all adult (18 years or older)* persons in the household. If a household member 18 years of age or older are claiming they receive no income, they are required to complete an *Affidavit of Non-employment*.

Recertification. To ensure compliance with the affordability period, owners must establish systems to re-certify tenant income on an annual basis. ~~Typically~~Typically, each tenant's income will be examined on the anniversary date of the original income certification or at lease renewal. However, the owner may adopt an annual schedule to perform all verifications at the same time. Recertification documentation will be monitored by WCHC. There are two alternative methods for income verification method which may be used:

1. A written statement from the family indicating size and income. This must include a signed certification from the family and source documents must be available upon request.
2. A written statement from the administrator or other government program from which the family receives benefits. Statements must include family size, current income, current income limit for their program and a statement that the family's income does not exceed that limit.

Full income verification and collection of source documents is required for recertification every sixth year of the affordability period.

Over Income Tenants. A tenant's income is likely to change over time. If these changes occur during the affordability period, the project owner must take certain steps to maintain compliance with HOME rent and occupancy requirements.

- The project must maintain the correct number of units targeting the identified incomes.
- Rents must be adjusted for tenants whose incomes rise above 80 percent of the area median income to either 30 percent of tenant income or fair market rent.
 - If the income of a tenant occupying a Low rent unit increases, but does not exceed 80% of the area median income, that unit becomes a High rent unit and the Low rent unit must be the next available unit (if floating units) or HOME assisted unit (for fixed units) to a very low income tenant that meets the 50% median income requirement. Subject to the terms of the lease, the rent of the initial tenants whose income has increased may be increased to the High rent limit for the unit. This process should not increase the number of assisted units.

- If a tenant's income increases above 80% of the area median income, the unit this tenant occupies is still considered to be a HOME unit, but the tenants rent must be adjusted. In projects where the HOME units float, the next available unit in the project of comparable size or larger must be rented to a HOME eligible household. The unit occupied by the over-income tenant is no longer considered HOME assisted, and the rent of that unit can be adjusted as appropriate.

LEASES.....

Term. The term between the tenant and the owner must be at least one (1) year (12 months), unless otherwise agreed upon by the tenant and landlord.

Language. The lease may **NOT** contain the following provisions:

- **Agreement to be sued.** Agreement by the tenant to be sued, to admit guilt, or to a judgment in favor of the owner in a lawsuit brought in connection with the lease;
- **Treatment of property.** Agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition, however, does not apply to an agreement by the tenant concerning disposition of personal property remaining in the housing unit after the tenant has moved out of the unit. The owner may dispose of this personal property in accordance with State law;
- **Excusing owner from responsibility.** Agreement by the tenant not to hold the owner or the owners agents legally responsible for any action or failure to act, whether intentional or negligent;
- **Waiver of notice.** Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
- **Waiver of legal proceedings.** Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense, or before a court decision on the rights of the parties;
- **Waiver of a jury trial.** Agreement by the tenant to waive any right to a trial by jury;
- **Waiver of right to appeal court decision.** Agreement by the tenant to waive the tenants right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
- **Tenant chargeable with cost of legal actions regardless of outcome.** Agreement by the tenant to pay attorney’s fees or other legal costs even if the tenant wins in a court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

Termination. Termination of the lease requires a ~~30-day~~30-day notice of refusal to renew or termination of tenancy.

HOMEBUYER/HOMEOWNER ACTIVITIES-----

Eligible Activities. Eligible homebuyer activities include the construction of new housing units or down payment assistance for ~~low income~~low-income households.

Eligible homeowner activities include the rehabilitation of housing units that are owned and occupied by ~~low income~~low-income households. In addition, funds may be used for costs associated with refinancing the owner's mortgage if this is necessary to reduce the families overall housing costs.

Eligible Costs. In general, eligible costs under rental housing are eligible ~~for homeowner~~for homeowner/ homebuyer activities, including the following:

- Development hard costs for both new construction and rehabilitation;
- Refinancing costs to permit the improve the affordability for the owner of a home being rehabilitated;
- Acquisition costs;
- Costs relating to loans;
- Related soft costs:
- Architectural, engineering or related professional services required;
- Costs to process and settle the financing for a project;
- Costs of a project audit required by the WCHC respect to the development;
- Operating costs directly related to carrying out the project, such as work specifications preparation, and loan processing inspections;
- Costs for the payment of impact fees charged for all developments within a jurisdiction; and,
- Costs of environmental review and release of funds in accordance with 24CFR part 58 directly related to the project.

In contrast to rental projects, assistance may be provided to assist a household to purchase a home that was previously assisted with WCHC funding.

Prohibited Activities. Funds may NOT be used to pay for any cost that is not eligible costs under the HOME program at 92.206 and 209, including delinquent taxes, fees or charges on properties to be assisted. WCHC funding may also not be used to pay the costs of administering a homebuyer assistance or homeowner rehabilitation program.

Forms & Amount of Assistance. [HUD Regulations 24 CFR 92.205(b)] In general, assistance provided to homebuyers and homeowners will be in the form of a deferred loan or "silent second" mortgage at no more than 3 percent annual interest. Typically, the assistance will be subject to recapture provisions as outlined in the Consolidated Plan; however, if the amount of assistance provided to individual homebuyers is greater than \$20,000, the WCHC will discuss the possibility of implementing resale requirements. Additional funds may be allocated to the sub-recipient to pay ~~directly related~~directly related soft costs. These funds may be provided as a grant to the sub-recipient to make the program feasible.

For homeownership development projects the funds will be provided as a below market-rate interest loans payable upon sale of the assisted units to qualified homebuyers. This will serve to meet the recapture provisions and meeting the developer's responsibility toward the period of affordability.

Program Requirements, All entities funded for the development of for-sale units or to provide financial assistance for the purchase or rehabilitation of owner-occupied housing are responsible for ensuring the assisted household is eligible, the property is qualified, appropriate documents are executed, and project processing steps outlined in the funding agreement are followed. The latter including but not limited to WCHC completion of the environmental and sub-recipient staff checking the federal debarred list and reviewing required inspections,.

It is important that sub-recipients administering homeownership programs make every effort to assist the homebuyer to understand the process of purchasing a home, the long-term commitment of purchasing a home, the implications of accepting a mortgage and under different terms, the recapture or resale option, and to consider the ability of the family to maintain a mortgage over time. Program guidelines must address how each of these issues will be addressed. For example, are interest only loans acceptable? If so, under what conditions? What debt ratio will be used to ensure the mortgage is affordable and the household is able to maintain the home?

Monitoring. Programs will be monitored annually, as long as the program is operating. Staff will review 20 percent of program files for compliance with income determination procedures and property eligibility, evaluation of affordability, written agreements, documentation that property is the principal residence enforced by lien or mortgage, title documentation, copy of deed or other ownership documentation, recapture/program income documentation, lead-based paint notification, etc.

Tenant-Based Rental Assistance (TBRA) Rent/Utility Deposit Program

~~i. The City of Reno's TBRA Rent/Utility Deposit Program is designed as a one-time only grant assistance to provide application, security and utility deposits, and rental assistance for permanent housing to eligible individuals and families who are experiencing homelessness. The families. The Washoe County HOME Consortium has allocated Low Income Housing Affordable Housing Trust Funds (AHTF) to support Tenant-Based Rental Assistance (TBRA). Applicant(s) must present with one of the scenarios outlined below to qualify for the Financial Assistance Program. Applicants will need to provide written verification to verify their situation whenever possible (eviction notice, a referral from a case manager, past-due bill). Applicants must show they will be financially sustainable at the end of the assistance period in order to qualify.~~

- ~~i. Homeless and staying in a place not meant for human habitation (car, street, tent)~~
- ~~ii. Homeless and staying in an emergency shelter~~
- ~~iii. Fleeing domestic/partner violence~~
- ~~iv. Leaving a transitional housing program~~
- ~~v. Facing eviction within 30 days~~
- ~~vi. Doubled up and must leave current housing~~
- ~~vii. Sudden significant loss of income~~
- ~~viii. Unpaid bills that will lead to eviction (medical bills, vehicle repair, etc.)~~
- ~~ix. VA Healthcare for Homeless Veterans Outreach~~
- ~~x. Reno Housing Authority voucher programs~~

~~Rental and Utility Deposits for households meeting the Eligibility Requirements. Participant(s) must be experiencing homelessness as defined by the HEARTH Act, must currently be residing in an emergency shelter in Washoe County that participates in HMIS Program, and must apply through a shelter case manager. Applicants must be:~~

~~A student enrolled at an institution of higher learning, who is not a veteran, is under 24 years of age, does not have a dependent child, is not otherwise individually low-income, and does not have parents who qualify as low income does not qualify.~~

~~Household income will be determined in conformance with Code of Federal Regulations 24, Part 5. The Applicant(s) or their assisting agency will complete a TBRA application for submission, including third party documentation of the income status for all members of the household 18 years and older. Completed income verifications will be placed in the applicant file.~~

~~Applicants who do not have a source of income sufficient to sustain monthly rent payments along with monthly living expenses will be determined ineligible for the deposit assistance. For instance, an applicant with a monthly income of \$480 cannot sustain a rental unit at \$500. However, an applicant may be determined eligible for the program but the deposit would only be provided for housing that would be sustainable, along with other living expenses, with the applicant's income.~~

~~**ONE TIME ONLY ASSISTANCE**
RENTAL SECURITY DEPOSITS
LEASE REQUIREMENTS~~

The participant and the landlord must mutually enter into a formal lease agreement. The lease agreement must be a minimum term of six months and must not exceed one year. Additionally, the lease must not contain any of the following provisions:

- **Agreement to be sued.** Agreement by the tenant to be sued, admit guilt, or consent to a judgment in favor of the owner in a lawsuit brought in connection with the lease.
- **Agreement regarding seizure of property.** agreement by the tenant that the owner may take, hold, or sell personal property of household members without notice to the tenant and a court decision on the rights of the parties. This prohibition does not apply to an agreement by the tenant concerning disposition of personal property remaining in the unit after the tenant has moved out. The owner may dispose of personal property in accordance with state law.
- **Agreement excusing the owner from responsibility.** Agreement by the tenant not to hold the owner or the owner's agents legally responsible for actions or failure to act, whether intentional or negligent.
- **Waiver of notice.** Agreement by the tenant that the owner may institute a lawsuit without notice to the tenant.
- **Waiver of legal proceedings.** Agreement by the tenant that the owner may evict the tenant or household members without instituting a civil court proceeding in which the tenant has the opportunity to present a defense or before a court decision on the rights of the parties.
- **Waiver of jury trial.** Agreement by the tenant to waive any right to a jury trial.
- **Waiver of right to appeal a court decision.** Agreement by the tenant to waive the tenant's right to appeal or otherwise challenge in court a decision in connection with the lease.
- **Agreement to pay legal costs, regardless of outcome.** Agreement by the tenant to pay attorney fees or other legal costs even if the tenant wins the court proceeding by the owner against the tenant. The tenant, however, may be obligated to pay costs if the tenant loses.

RENT REASONABLENESS:

Participants seeking deposit assistance must choose a unit that meets "Rent Reasonableness" requirements. "Rent reasonableness" means that the total rent charged for a unit must be reasonable in relation to the rents being charged during the same time period for comparable units in the private, unassisted market and must not be in excess of rents charged by the owner during the same time period for comparable non-luxury unassisted units.

HOUSING QUALITY STANDARDS (HQS):

The proposed unit must meet Housing Quality Standards (HQS). The unit must pass an HQS Inspection prior to the participant signing the lease and moving in to the unit. If a unit fails to pass an HQS inspection, the participant will be notified through their case manager. The participant may choose another unit, or wait for the landlord to fix the violations, at which time another inspection must be completed.

Applicant(s) must reside in appropriate accommodations (no more than 2 persons per bedroom).

~~APPLICATION REVIEW PROCEDURES~~

COMMUNITY HOUSING DEVELOPMENT ORGANIZATIONS-----

The Washoe County HOME Consortium (WCHC) allows for a comprehensive approach to address affordable housing issues on a regional basis. The WCHC invests in their Community Housing Development Organizations (CHDOs) by providing funding opportunities through its **Affordable Housing Municipal Loan Program (AHMLP)**. The WCHC certifies ~~agency's~~**agencies** as CHDOs based on the HUD legal criteria and requirements for CHDOs under 24 CFR 92. A WCHC *certified* CHDO has the opportunity to apply for types of WCHC funding assistance not available to other applicants. WCHC CHDOs may also apply for any of the available AHMLP funds.

A Community Housing Development Organization (CHDO) is a private nonprofit, community-based service organization that has paid staff whose experience qualifies them to undertake CHDO set-aside activities. Capacity cannot be demonstrated by use of a consultant, except in the first year that a CHDO becomes certified.

- The definition of a CHDO, as well as other regulations regarding CHDOs, can be found in the Code of Federal Regulations Title 24 (Housing and Urban Development), Part 92.2. To be certified or re-certified as a CHDO, the non-profit organization must: (1) meet HUD's legal and regulatory requirements as a CHDO; (2) meet the additional criteria regarding proposing and constructing an affordable housing development project(s); and (3) submit a completed WCHC CHDO application for consideration and be approved by the Washoe County HOME Consortium

Each time the WCHC commits HOME funds, it must re-certify a nonprofit's qualifications to be a CHDO and its capacity to own, sponsor, or develop housing. [§92.300(a)]

To qualify for certification and/or to be recertified as a WCHC CHDO, an organization must meet certain criteria and be certified/recertified by the Washoe County Home Consortium. All *existing* WCHC CHDOs must be recertified on an annual basis.

The criteria (24 CFR 92.2) include legal status, organizational structure, capacity, experience, and financial standards as described below:

Legal Status:

A CHDO seeking WCHC recertification or an organization/agency seeking certification as a CHDO must:

- Be organized under state/local laws;
- Have a provision of decent housing that is affordable to low-and moderate-income persons among the purposes of the organization and this commitment must be evidenced in the CHDO's:
 - charter,
 - articles of incorporation,
 - by-laws, or
 - a resolution of the CHDO's board of directors.
- Assure that no part of the CHDO's earnings (profits) may benefit any members, founders, contributors or individuals.
- Have a clearly defined geographic service area.
- Have proof of nonprofit status: A CHDO must have received a tax-exempt ruling from the IRS under Section 501(c)(3) or (4) of the Internal Revenue Code of 1986 in order to be designated as a CHDO, or it may be classified as a subordinate of a central organization nonprofit under Section

905 of the Internal Revenue Code. A group exemption letter from the IRS that includes the CHDO is required. The 501 (c) designation must either be a conditional or final designation; **a pending 501(c) status will not meet the requirements.**

Certification/Recertification:

All CHDO's must certify or recertify when requesting HOME funds or operating funds. Once a project is built, the CHDO must recertify with the WCHC every two years throughout the entire affordability period of the project. If a two-year period has passed without recertification, then WCHC staff may consider this when future funding is requested by the agency. Existing CHDO's that do not have active projects or programs are also expected to recertify every two years. Recertification absent the request for HOME funds shall be conducted by administrative review.

Organizational Structure:

At the time of application, a CHDO seeking WCHC recertification or an organization/agency seeking certification as a WCHC CHDO must have a governing board organized as follows:

LOW INCOME REPRESENTATIVES:

At least 1/3 of the governing board must be:

- residents of low-income neighborhoods (neighborhoods where 51% or more of the residents are low-income);or
- other low-income residents of the community (low income defined as having an annual income of less than 80% of the area median income). If the individual does not live in a low income neighborhood, the CHDO or the resident will need to certify that they qualify as low income; or
- **elected** representatives of low-income neighborhood organizations whose primary purpose is to serve the interests of the neighborhood residents (i.e., block groups, town watch groups, civic associations, neighborhood church groups)

Should the CHDO not have the full complement of low-income representatives on the board, the CHDO has **45 days** in which to fill that position. *The CHDO is considered out of compliance with the requirements for CHDO status when they do not have the full one-third low income members on the board and decisions of the board cannot be finalized without the minimum required 1/3 low income membership.*

Written process for low-income program beneficiaries: Input from the low-income community is not accomplished only by having low-income representation on the board. The CHDO must also provide a **formal, written** process for low-income program beneficiaries to advise the CHDO on design, development and management of affordable housing. The process must be described clearly and it must be included in the organization's bylaws or through a board resolution. This requirement is especially important for CHDOs serving a large geographic area where it may not be possible for a CHDO to have low-income representatives on its board from every neighborhood in which it will develop, own or sponsor housing. WCHC CHDOs must establish systems for community involvement in parts of their service areas where housing development is planned but which are not represented on their boards, for example:

- Ad hoc or special committees of neighborhoods of a proposed development site.
- Neighborhood advisory boards (NABs) or similar groups.
- One or more open neighborhood or town meetings.

- Temporary expansion of the CHDO board to include neighbors during the period of housing planning and development activity.
- Resident advisory committees/boards.

WCHC will require applicants to provide a **copy of their formal process for low-income, program beneficiaries to advise the organization in decisions regarding design, siting, development, and management of affordable housing projects.** This description should include the role low-income program beneficiaries and tenants have taken in the designing, location of sites, and development and management of your CHDOs affordable housing project(s) and the process the CHDO has taken in securing input from the persons in the their target area. The applicant will be asked to detail the steps the CHDO will take or has taken to include residents in their service areas which do not have representatives on their board. Dates and locations of public meetings/forums held in their target area within the last twelve (12) months to receive input and evidence of community support (i.e., letter of support from businesses, neighborhood associations, groups) will be requested. If the applicant is submitting a project during a funding round, the applicant will be required to describe how surrounding property owners were notified and what the property owners' roles were in the design, siting, development, and management of affordable housing projects, along with agendas and attendance lists.

STATE OR LOCAL GOVERNMENT APPOINTMENTS:

No more than 1/3 of the governing board may be appointed by a state or local government. Those representatives who are appointed by public **officials cannot select other members of the board.** Other restrictions on the participation of public officials on the boards of nonprofit organizations seeking public funds apply and CHDOs **must** observe conflict-of-interest policies.

PUBLIC SECTOR REPRESENTATIVES:

No more than 1/3 of the board may be public officials or representatives of the public sector (low income residents/representatives who work for a public agency in *any* capacity must be considered public sector representatives.) While officers and employees of the governmental entity can serve as Board members to the CHDO (subject to the one-third appointment limitation), they cannot serve as officers or employees of the CHDO. The additional limitations of the pre-2013 Rule on the involvement of a public entity remain unchanged

BALANCE OF THE BOARD MEMBERS:

The HOME program does not set any other limits on the composition of a CHDO's governing board and the remaining seats may be filled by a wide variety of individuals.

The Board has the ultimate fiscal responsibility for the CHDO and the following responsibilities:

- Building the Agency's Financial Capacity
- Raising the funds to maintain the organization long-term
- Budgeting funds productively
- Managing funds wisely
- Report on funds raised

Per the new 2013 Final Rule, if a for-profit entity creates or sponsors a potential CHDO, while the officers and employees of the for-profit entity can serve as Board members of a CHDO (subject to the one-third appointment limitation), they cannot serve as officers or employees of the CHDO.

MEMBER DESIGNATION FORM

This form should be completed by EACH member of the board.

(1). **I am a low-income resident of the community.** Low-income resident must have a household income at or below the 80% of the median household income for the area in which he or she lives, according to HUD. (Community can mean neighborhood, the city, county, or metropolitan area)*

(2). **I am a resident of a low-income neighborhood.** A low-income neighborhood is an area where 51% or more of the households in that Census tract have incomes at or below 80% of the median household income, as defined by HUD. (This does not mean that you must be a low-income person only that your residence is in a low-income neighborhood.) If you need to verify that you live in a low-income area as defined above, contact the WCHC (334-2578) offices for verification.

(3). **I am an elected representative of a low-income neighborhood organization.** (A low-income neighborhood organization is an organization composed primarily of residents of a low-income neighborhood. Examples of such organizations are: block groups, town watch organizations, civic associations, neighborhood church groups, etc.)

The Name of this organization is: _____

Attached to this designation form is evidence of election (appointment) by the low income members of the organization.

(4). **I am a representative of the public sector.** I am a:
 elected public official
 an appointed public official
 a public/government employee of a public agency or department
 appointed by a public official to serve on this CHDO

(5). **I am a representative appointed by the for-profit entity which created or sponsored this CHDO.**

(6). **Other.**

*** If you are designated as Low-Income member, please indicate how your eligibility was determined by the CHDO.**

I agree to notify the CHDO board if my representation status as a CHDO board member should change during my tenure on the board. I certify that the information provided above is correct as of the date indicated below:

Signature (Board Member) _____ Date

Print Name: _____

Please indicate what housing or related expertise you feel you bring to the CHDO as a member of the board:

A CHECKLIST FOR CHDOS

Below are the minimum criteria to be certified/recertified as a CHDO. Agencies should review this list carefully. *If an agency does not meet these minimum requirements, the WCHC cannot consider certification or ~~recertification~~ Therecertification. The WCHC staff will review all CHDO certification/recertification applications.*

HUD CHDO CERTIFICATION/RECERTIFICATION CRITERIA

Organizational Status & Mission:

- _____ The non-profit must be organized under state or local laws in which it plans to be a CHDO as evidenced by a Charter or Articles of Incorporation.
- _____ The non-profit must have a tax exemption ruling from the Internal Revenue Service evidenced by a ~~501(c)(3)~~ 501(c)(3) or (4) certificate from the IRS or a group exemption letter under Section 905 from the IRS that includes the CHDO. Documentation that the CHDO has an application for 501(c) status **pending will not suffice** to fulfill the non-profit status requirements. The 2013 Rule expands this definition to include: (1) a subordinate of a central organization under IRC 905 (this was previously permitted in practice, but is now codified); or (2) a wholly-owned entity that is regarded as an entity separate from its owner for tax purposes (e.g., a single member limited liability company that is wholly-owned by an organization that qualifies as tax-exempt), when the owner organization has a tax exemption ruling from the IRS under section 501(c)(3) or 501(c)(4) of the IRC. The nonprofit must meet the other qualifying criteria outlined in the CHDO definition.
- _____ The non-profit must have in its purpose the provision of decent housing that is affordable to low- and moderate-income persons. This commitment must be evidenced by its Charter, Articles of Incorporation, By-Laws, or a Resolution of the board of directors.
- _____ The organization must have a **clearly defined** geographic service area. By clearly defined, the organization should state the areas served (Reno, Sparks, Incline Village, etc.). Note that the organization may not indicated the entire state as its geographic service area.
- _____ No part of the CHDO's earnings (profits) may benefit any members, founders, contributors or individuals.

Board Composition:

- _____ At least 1/3 of the board membership must be for residents of low-income neighborhoods, other low-income community residents or *elected* representatives of low income neighborhood organizations.
- _____ No more than one-third of the governing board members can be public officials (including any employees of the PJ) or appointed by public officials, and government-appointed board members may not, in turn, appoint any of the remaining board members.
- _____ If the CHDO is sponsored/created by a for-profit entity, the for-profit entity may not appoint more than one-third of the membership of the CHDO's governing body, and the board members appointed by the for-profit entity may not in turn, appoint the remaining two-thirds of the board members.
- _____ CHDO cannot be controlled, nor receive directions from, individuals or entities seeking profit from the organization.
- _____ If sponsored or created by a for-profit entity, the for-profit entity's primary purpose cannot include the development or management of housing. If a for-profit entity creates or sponsors a potential CHDO, while the officers and employees of the for-profit entity can serve as Board members of a CHDO (subject to the one-third appointment limitation), they cannot serve as officers or employees of the CHDO.
- _____ If sponsored or created by a for-profit entity, the CHDO must be free to contract for goods and services from vendors of its own choosing.
- _____ If sponsored by a religious organization, the CHDO must be a separate secular entity from the religious organization, with membership available to all persons, regardless of religion or membership criteria.

Other Requirements:

- _____ The CHDO must have a history of serving the community within which housing to be assisted with HOME funds is to be located, documented by at least one year of experience in serving the community or, for a new organization, documentation that its parent organization has at least one year of experience in serving the community.
- _____ The CHDO must have a formal **written** process for low-income, program beneficiaries to advise the organization in decisions regarding design, siting, development, and management of affordable housing projects.
- _____ The CHDO must conform to the financial accountability standards of 24 CFR 84.21, "Standards for Financial Management Systems," as evidenced by a notarized statement by the President or chief financial officer; a certification from a CPA; or a HUD approved audit summary.
- _____ The CHDO must have a demonstrated capacity for carrying out activities assisted with HOME funds, as evidenced by experienced key staff who have completed similar projects to HOME-funded activities.

CHDO CAPACITY/EXPERIENCE

A WCHC CHDO seeking recertification or an agency seeking certification as a WCHC CHDO must demonstrate *capacity* to carry out HOME assisted activities with experienced staff who have successfully completed similar projects, which draws a distinction between development, management of rental housing and development, and/or sale of housing for first-time homebuyers,

The purpose of the CHDO capacity requirement is for the CHDO to **build its own professional staff**, therefore the staff **cannot be municipal, county or state employees or consultants (paid or volunteer)**. HUD defines CHDO staff as paid employees who are responsible for the day-to-day operations of the CHDO **and** have housing experience appropriate to the role the nonprofit expects to play in projects

Volunteers, board members or consultants are not staff, although paid staff can take on a few different forms. An employee is not just from an IRS standpoint of how that person is paid and who is paying the payroll taxes. A CHDO may have a contractual employee format where the staff person may be treated for IRS purposes as an independent contractor who receives a 1099 and pays their own payroll taxes. An employee can be full-time or part-time staff. The WCHC will determine the staffing level adequacy in light of the size, scope and complexity of the project to be funded.

Contract Employee Staff vs. Consultant: There are important ways to distinguish between a project consultant and a contracted employee:

Key Staff:

- have a responsibility for the CHDO project, but are likely to have organizational duties beyond just the project at hand.
- have not just project duties and tasks, but some level of authority to act on behalf of the organization, such as approving contracts or change orders, approving income eligible applicants for program participation, or those sorts of things.
- oversees and manages the development team
- have more open-ended, ongoing contracts with the CHDO

Consultants:

- tend to have discreet scopes of work, such as designing the project, packaging the deal for financing, review the legal documents on this transaction, that once done the contract is over.
- contracts are activity or project specific.
- contracts are time limited, not ongoing,

- contracts deal with discreet task and do not include general day-to-day operations of the CHDO
- authority is limited; they may provide advice to someone else who is responsible for making the actual decision
-

Consultants or volunteers can continue to fill occasional skill gaps or undertake activities that are required only on a periodic basis (e.g., project underwriting), but cannot be the basis of a determination that a nonprofit has the capacity to be designated as a CHDO.

Shared Staff

CHDOs may share its staff or is staffed by people who are employees of another parent organization. The shared staffing relationship must be formalized with a written interagency agreement, such as an MOU, a professional services contract, an administrative services agreement, etc. That agreement should specify the staff who will serve as CHDO staff and that this ~~staff have~~staff have appropriate experience and relevant skill sets in the context of the size, scope and complexity of the projects the CHDO will take on. The agreement should outline specific services that will be provided and identify the responsibility and authority for ~~day to day~~day-to-day activities of the CHDO. The CHDO should actually pay for the staffing services that are flowing down from the parent. In practice, the CHDO is likely to be using its developer fees to pay for the folks who are at staff even though at the end of the year, the IRS will likely see those people as employees of the parent organization.

FINANCIAL STANDARDS

A WCHC CHDO seeking recertification or an agency seeking certification as a WCHC CHDO must have financial accountability standards that conform to 24 CFR 84.21, “Standards for Financial Management Systems.”

Checklist for CHDO CERTIFICATION/RECERTIFICATION
CHDO SET-ASIDE FUNDS:

The WCHC also must ~~invest~~ set aside at least **fifteen (15) percent** of its total HUD HOME allocation (24 CFR 92.300(a)) in development projects that are owned, developed or sponsored by CHDOs and which will result in the development of homeownership or rental units, including projects that have a new construction or rehabilitation component. A 5-year deadline for expenditure of CHDO set-aside funds established at §92.500(d)(1)(C) becomes effective on January 1, 2015, and will be implemented by HUD for all deadlines that occur on or after that date. **They cannot be used for programs.**

- **Eligible CHDO Activities (92.300(A):** CHDOs may use HOME funds (excluding Operating Funds) for all eligible HOME activities, but only the following are eligible for the CHDO set-aside funds:
 - Rental Housing acquisition, new construction and/or rehabilitation.
 - Acquisition and/or rehabilitation of properties for sale to homebuyers.
 - New construction of homebuyer properties.
 - Direct financial assistance (i.e., down payment and closing costs) to purchasers of HOME-assisted homebuyer housing owned, sponsored or developed by a CHDO with HOME funds.

Tenant-based rental assistance (TBRA), homeowner rehabilitation, and brokering or other real estate transactions **are not eligible** for the 15% CHDO set-aside funding.

- **Effective Project Control: For any project to be considered for CHDO set-aside funding, whether the CHDO is the owner with one or more individuals, a corporation, a partnership or other legal entity, the CHDO *MUST* be the managing general partner with *effective decision making control* (51%).** When a CHDO is in partnership with another entity, partnership agreements with verbiage that ensures that the CHDO has effective project control must be provided.

PRE-DEVELOPMENT LOANS:

Up to ten (10) percent of the WCHC's CHDO set-aside amount may be provided **ONLY** to CHDOs in the form of **pre-development loans** which are intended to assure that its CHDOs have access to funds for up-front, eligible project expenditures and are to be **repaid** to the Consortium from construction loan proceeds or other project income or incorporated into additional project financing. The costs must all be reasonable and customary and related to a specific ~~project~~ which project that, if deemed feasible, would receive HOME funds for development. This assistance can take the form of technical assistance and site control loans used to establish preliminary feasibility prior to site control and seed money loans, which may be used to cover pre-construction costs. The total amount of funds used for **pre-development cannot exceed 10 percent of the total amount of HOME funds reserved for CHDOs** by the Consortium in any given grant year **for CHDO set-aside eligible activities.**

SELF-SUFFICIENCY PLAN:

- All certified/recertified WCHC CHDOs were required to submit a plan to reach self-sufficiency within a five year time period. Agencies certified for the first time after that date must submit a plan to reach self-sufficiency within a five year time period after their

first certification. This plan is to include cumulative revenues and expenditures, organization balance sheets, a strategic/written narrative component, and measurable goals related to the CHDO mission, including capacity building. CHDOs may apply for operating funds during these five years. An agency that is a CHDO choosing not to apply for operating funds or recertification during a funding year does not extend its five year period.

- If a WCHC CHDO previously received operating funds with the requirement that they submit a CHDO set-aside eligible development project within 24 months of being allocated those funds, is still within the 24- month period, but is not currently submitting a development application that is eligible for CHDO set-aside funding, a detailed progress report(s) is required in the application on the CHDO'S progress/activities to bring forward a project before the end of the 24 month period.
- ALL applicants requesting certification/recertification, whether or not applying for operating funds, are required to complete the self-~~evaluation-which~~evaluation, which is part of the criteria for funding. For those applicants requesting operating funds, the criteria will be used to determine the amount of funding, if any, that will be allocated to the CHDO.
- *In considering allocation of Operating Funds, the strongest consideration* will be given to first time applicants and those applications that reflect qualified and experienced CHDO staff that can carry out the administration and functions required for the management and development of housing projects and can demonstrate a **need** for these funds to fill a gap not funded from other sources.

WHEN APPLYING FOR CHDO CERTIFICATION OR ANNUAL CHDO RECERTIFICATION

- **Community Housing Development Organizations (CHDOs) must meet all qualifying criteria regarding legal status, organizational structure, and capacity and experience to be certified/recertified. *Although an agency may meet all of the qualifying criteria, the status of CHDO is not guaranteed and is at the sole discretion of the WCHC.***
- Agencies that are currently receiving CDBG/HOME/AHTF funds, who apply for HOME funds, must ~~be in compliance~~ **comply** with all terms of those current agreement(s) and must not have any outstanding audit findings, monitoring findings or concerns as determined by the Consortium.
- Only certified CHDOs may apply for CHDO operating funds, pre-development funds, and CHDO set-aside funds. ~~A~~ **An** organization, whether or not they are recertified as ~~a~~ **a**, may apply for other Affordable Housing Municipal Loan Program funding in the same manner as any other developer.
- Applicants that meet criteria as a CHDO **are not guaranteed** an award of operating funds.
- Successful operating fund applications may be funded for less than the amount requested or receive no funding.
- Nonprofit agencies must have an **active** Board of Directors documented by submitting an attendance list of board meetings for the previous 12 months and must submit a board membership list with their application.
- The applicant may be ineligible to apply for certification/re-certification if, in WCHC's discretion, the applicant has demonstrated a documented untimely or poor use of previously awarded HOME funds.

The applicant shall not exclude any organization or individual from participation under any project/program funded in whole or in part by HOME funds on the grounds of race, color, religion, national origin (ancestry), sex, family status, disability, sexual orientation and gender identity or expression.

- No agency may be certified IF it has been suspended or debarred under HOME (debarred list at (<http://www.SAM.gov>) or any other federal program may receive HOME funds. Proof that this information has been researched will be required.

CHDO SELF- EVALUATION OF APPLICATIONS AND OPERATING FUNDS ALLOCATION CRITERIA

Applicants for CHDO certification/recertification must meet all **minimum** threshold criteria for certification/recertification required by the Department of Housing and Urban Development (HUD) for certification of all CHDOs. The WCHC staff will review applications to determine if an applicant meets the minimum criteria for certification/recertification.

In order to receive WCHC CHDO operating funds, a CHDO must be certified and meet one of the following criteria:

- ❖ Submit a CHDO set-aside eligible development application **and be allocated CHDO set-aside funds** for the housing development activity in the application; and/or
- ❖ Enter into a written CHDO Operating Funds agreement with the WCHC that indicates the CHDO expects to submit an application for set aside funds for a housing development activity within 24 months of signing the agreement and receiving operating expenses (**24 CFR 92.300 (3)**). The agreement must also specify the conditions upon which the “reasonable expectation” of a development project is based. To demonstrate a “reasonable expectation,” **the CHDO must include a Preliminary Project Description narrative with the WCHC CHDO certification/recertification application and attach the following documents with this narrative under this tab:**
 - Identification of site and/or evidence of Site Control (purchase agreement, option, etc.)
 - Preliminary Site Plan (if available)
 - Preliminary Development Team Information
 - Preliminary Financing Plan (sources do not need to be confirmed)
 - Pro forma(s)
 - Preliminary Architectural Renderings (if available)
 - Letters of Funding Interest
 - Development Time Table (Milestones/Deadlines)

As of July 1, 2007, all existing CHDOs recertified and new CHDOs certified for FY08/09, were required to submit a plan to reach self-sufficiency within a five year time period. Agencies certified after that date must submit a five-year self-sufficiency plan with their first certification application. This plan is to include cumulative revenues and expenditures, organization balance sheets, a strategic/written narrative component, and measurable goals related to the CHDO mission, including capacity building. CHDOs may apply for operating funds during this five years. A current CHDOs decision not to apply for operating funds or request recertification during a funding round does extend their five year period.

ALL CHDO applicants, *whether requesting consideration for CHDO Operating Funds or not*, are required to complete the self-evaluation. The criteria reference current development projects, development

history, CHDO staff and board member capacity for developing affordable housing, full and complete budget information, demonstrated need for operating funds, etc. Self-scoring should be done in the far right column of the Criteria Table below.

All CHDO certification/recertification applicants **requesting operating funds consideration or new CHDO applicants** are further required to make a presentation to the Technical Review Committee of no more than 10 minutes. For new applicants, it is a chance to introduce their agency. For all applicants the emphasis during the presentation should be to demonstrate clearly and specifically its needs for operating assistance.

The WCHC also scores those applicants who meet all of the legal criteria for certification and are recommended for certification. This score is a review of the CHDOs and will be utilized to determine allocation of operating funds. Funding availability, total demand for operating funds, and organizational need as indicated by the information provided in the application will also be utilized by WCHC staff to make operating fund recommendations.

For those seeking operating funds, the TRC members will rank the applicants by awarding points on a scale of 0-10, with “0” being “did not demonstrate need for operating funds” to “10 “being “CHDO demonstrate could not cover operating necessary costs without allocation of CHDO operating funds.”

The following are items you may want to address very briefly:

- **History:**
 - Initial year of certification, noting any gaps in certification and why
 - Other community development involvement;
 - Population(s) served and housing needs addressed by the organizations projects and programs.

- **Experience in housing development:**
 - What role(s) has the CHDO played (owner, developer, sponsor, other) in previous developments or for the development for which you are requesting development funds this funding round, if applicable.
 - Describe the roles/activities your staff undertake in the development of project(s)
 - Describe how the need and demand for your project (s) was determined.

- **Successes over the last year:** Describe briefly list major successes over the last year.

- **The following is ONLY for Applicants seeking operating funds:**
 - (1) If submitting a CHDO set-aside eligible development project application, the CHDO will be required to provide summarize the project (name, location, population served, expected date of completion).
 - (2) If *not* submitting a CHDO set-aside eligible development project application for funding during a funding round, the CHDO is required to explain the applicant’s plan to submit an application and receive project set-aside funds within 24 months of receiving operating funds.
 - (3) If the proposed project does not go forward, the CHDO must provide steps to be taken to meet the requirement to have a CHDO set-aside funded project within the 24 months after signing the operating funds agreement.
 - (4) The CHDO must have a plan to repay the operating funds if it does not meet the ~~24-month~~24-month requirement to have a CHDO eligible project.

- CHDO must explain what and why the expenses for which the operating funds will be used are “reasonable and necessary costs”, and why the CHDO would be **unable** to cover the operating costs without the allocation of operating funds, as well as from what other sources has the CHDO sought funding.
- **Self-sufficiency Plan:** The ~~five-year~~five-year self-sufficiency plan must address the goal of eliminating the need for operating funds over the next four years. Existing CHDOs must show how ~~their are~~there are goals in the five year plan are being met.

The presentation will be held the first meeting after the application deadline. An agenda will be posted for this meeting and provided to all applicants. The TRC will have an opportunity to ask questions after the presentation. Each TRC member will score each CHDO. The scores will be totaled and divided by the number of members scoring the CHDOs to obtain one TRC score of 1-10 for each CHDO presentation. That number will be added to the WCHC staff criteria scores to determine a final score for each applicant. There are a possible 100 points --which includes the TRC 10 points--in the scoring criteria, plus 10 bonus points. The final scores will be provided to the applicants. Applicants will be ranked 1, 2, 3, etc., based on the calculated scores. Prior to first public hearing in January, the CHDO’s will be notified of their rankings and at the first public hearing, the rankings will be provided to the TRC.

There will be no appeals of the criteria scoring.

The final recommendation for operating funding will be based on the criteria ranking and will be made during the first public hearing and will be forwarded to the Directors along with all other funding allocation recommendations. The funding approved by WCHC Directors will then be forwarded to the Regional Planning Governing Board for final ratification.

Although an agency may meet all minimum requirements for CHDO certification, the WCHC *does not guarantee and is not obligated* to certify or recertify any agency as a CHDO nor is it obligated to award operating funds. Further, the WCHC is not obligated to award the maximum award amount or the amount requested by the applicant. In any case, the WCHC will not award more than \$50,000 or 50% of the CHDOs operating budget, whichever is less.

Any funding that is awarded will be based on funds available and the criteria scoring, as follows:

Number of Eligible CHDOS	Percentage Based on Rank
One eligible applicant	Receives \$50,000 or 50% of the CHDOs operating budget, whichever is less.
Two eligible applicants	Highest Score: 60% Second: 40%
Three eligible applicants	Highest: 50% Second: 30% Third: 20%
Four eligible applicants	Highest: 45% Second: 25% Third: 18% Fourth: 12 %
Five eligible applicants	Highest: 44% Second: 22% Third: 16% Fourth: 10% Fifth: 8%

In case of a tie in the criteria score, the TRC will make the final determination as to how the percentages will be applied.

NOTE: If a CHDO is in default of a previous operating agreement that has not been repaid, it will not be eligible to receive additional operating funds. If the operating agreement default is cured within the CHDO's four year time period for receiving operating funding and the CHDO wants to apply for operating funds again, the CHDO must submit and receive an allocation for a CHDO eligible set-aside project during the same funding round.

OPERATING CRITERIA SELF-EVALUATION CHECKLIST

CRITERIA	Max Points	Applicant Self-Scoring	WCHC Staff Scoring
ALL CHDO CERTIFICATION/RECERTIFICATION APPLICANTS MUST COMPLETE THE SELF-EVALUATION FORM. This form will be used to rank CHDOs who are requesting consideration for operating costs.			
Applicant has current development project	20		
Applicant has site control and is the managing general partner in the development partnership as a sponsor, developer, or owner.	4		
Project is eligible for CHDO set-aside funds	5		
Project meets a PJ priority	4		
Project is consistent with housing development strategies and plans identified in the current Consolidated Plan	2		
Project provides the greater of 3 or 30% of its units for households with incomes less than or equal to 30% AMI or serve a special needs population	5		
Development History	10		
Applicant has successfully completed affordable housing projects over the past three years a. As owner, developer, or sponsor and managing general partner (3); or b. In partnership with another entity, but managing general partner (2); or c. As a member of a partnership (1)	3		
Applicant has utilized partnerships to build development capacity and increase key staff capacity to do development projects	2		
Applicant has received CHDO set-aside eligible funds for and completed a project within the last three years	5		
Capacity	10		
Applicant staff and board members have attended workshops and training designed to increase the CHDO's ability to participate in affordable housing development and the knowledge of CHDO related regulations/requirements a. HUD HOME training programs (3); or b. CHDO training (2); or c. Other housing training (1) <i>Based on evidence of attendance provided in application.</i>	3		
Applicant Board members attend meetings regularly and have direct input into project development <i>Based on board meeting agendas for last 12 months.</i>	2		
Applicant has its own, paid staff adequately skilled and experienced to successfully plan and develop affordable housing or to carry out the work related to the housing development(s) of the CHDO, such as planning, development, complex management, etc. (5); or Applicant does not have designated staff (0). <i>Based on organizational chart and resumes for CHDO provided in application.</i>	5		

The individual items indicate the maximum points that may be awarded for each item:

Demonstrated Need for Operating Funds	40		
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Applicant has provided a full and complete budget for staff analysis in the application, clearly breaking out the any HOME funding/expenses. (5) or Applicant has provided a full and complete budget of the organization (3)	5		
Narrative, along with budget information submitted, clearly demonstrates a need for operating funds	6		
Applicant demonstrated evidence that other sources have been sought to fill the gap in operating funds.	5		
Five Quantifiable (measurable) outcomes were provided in the application	3		
Copy of most recent audit was submitted, and contained no unresolved findings	5		
Applicant has board consisting of members who have professional skills directly related to housing development (e.g., real estate, legal architecture, finance, management). <i>Based on Membership form provided in application</i>	2		
Agency board has an approved conflict-of-interest policy that governs its employees and development activities, particularly in procurement of contract services, award of housing units for occupancy and participation in programs or any other perceived conflict of interest. <i>Based on policy attached to the application.</i>	3		
CHDO has viable, self-sufficiency plan to alleviate its dependency on CHDO operating funds over the next five years(5)	5		
Existing CHDO ONLY: Applicant has expended AHMLP funds in a timely manner, including operating funds, program funds, project funds.	6		
NEW APPLICANT: a. Applicant has utilized federal funds previously and expended them in a timely manner (6) b. Applicant has completed previous housing development projects and expended funds in a timely manner (4)	6		

CHDOS SEEKING RECERTIFICATION	10		
The CHDO has no unresolved, outstanding monitoring issues.	4		
Annual CHDO monitoring has indicated no areas of non-compliance with project and operating agreements and HUD regulations over the past five years.	3		
The CHDO has demonstrated that it has met the measurable goals indicated in its FY12/13 application.	1		
CHDO has met its self-sufficiency goals for the present year	2		
For Applicants seeking first time CHDO certification ONLY:	10		
Current agency structure can support housing development activities (hired staff staff with applicable housing experience)	4		
Organization has no monitoring or compliance issues with other state or federal agencies/ regulations.	2		
Organization demonstrated that it has a good reputation and relationship with the community it will serve	2		
Current agency structure can support the financial and record keeping requirements made on CHDOs	2		

TRC PRESENTATION POINTS AWARDED (Do not self-score this item.)	10	N/A	Average of TRC points ()
TOTAL POSSIBLE POINTS	100	90	

BONUS POINTS	10		
Applicant is a new CHDO, certified for the first time during the present funding round, and has demonstrated a clear need for operating funds to assist in the development of a viable CHDO set-aside eligible project.	2		
Applicant has submitted a CHDO set-aside eligible application with this funding that will begin within 12 months of receiving funds.	2		
Applicant has clearly demonstrated that it has a development project anticipated to be funded within the next 24 months that might not go forward unless the CHDO has operating funds to assist staff during further project development. (Failure to receive CHDO set-aside eligible funding for a project within this time frame would require the CHDO to repay received operating funds and not be eligible for further operating funds until a set-aside eligible project is submitted and funded.)	2		
Applicant is an existing CHDO that has received operating funds for 4 years (0 points), 3 years(1 points), 2 years (2 points), 1 year (3 points), has not received funding for operating funds (4 points)	4		
TOTAL BONUS POINTS			

CHDOs must provide the following documents:

CONFLICT OF INTEREST CERTIFICATION

I/WE certify that I/WE understand and adhere to the conflict of interest provisions for the procurement of goods and services by HOME recipients as required by 24 CFR parts 84 and 85, and that no exceptions may be made to these provisions. (CPD Notice 98-09, II.)

I/WE further certify that in accordance with 24 CFR 92.356 (HOME Final Rule) I/We understand that no employee, agent, consultant, officer, elected official, or appointed official, or any person who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME funds or who is in a position to participate in a decision-making process or gain inside information with regard to these activities of a Participating Jurisdiction, State Recipient, or ~~Subrecipient~~Sub recipient; or an owner, developer or sponsor of a HOME-assisted project or an officer, employee, agent or elected or appointed official or consultant of the owner, developer or sponsor whether private, for profit or nonprofit (including a CHDO when acting as an owner, developer or sponsor of housing) receiving HOME funds may obtain a financial interest or unit benefits from a HOME-assisted activity, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. This prohibition includes the following:

- Any interest in any contract, subcontract or agreement with respect to a HOME-assisted project or program administered by the applicant, or the proceeds thereunder; or
- Any unit benefits or financial assistance associated with HOME projects or programs administered by the applicant, including:
 - Occupancy of a rental housing unit in a HOME-assisted rental project;
 - Receipt of HOME tenant-based rental assistance;
 - Purchase or occupancy of a homebuyer unit in a HOME-assisted project;
 - Receipt of HOME homebuyer acquisition assistance; or
 - Receipt of HOME owner-occupied rehabilitation assistance.

I/We understand that this prohibition does not apply to an employee or agent of the applicant who occupies a HOME-assisted unit as the on-site project manager or maintenance worker.

In addition, I/We certify that no member of Congress of the United States, official or employee of HUD, or official or employee of the Washoe County HOME Consortium shall be permitted to receive or share any financial or unit benefits arising from the HOME-assisted project or program.

I/We certify that prior to the implementation of the HOME-assisted activity exceptions to these provisions may be requested by the applicant in writing to the WCHC. If an exception is requested, the applicant certifies that it will demonstrate and certify that the policies and procedures adopted for the activity will ensure fair treatment of all parties, and that the covered persons referenced in this policy will have no inside information or undue influence regarding the award of contracts or benefits of the HOME assistance. The applicant understands that the WCHC may grant exceptions or forward the requests to HUD as permitted by 24 CFR 92.356,85.36 and 84.42, as they apply.

(Signature) ~~Chairman~~Chair of the Board

Date: _____

(Print Name): _____

**WASHOE COUNTY HOME CONSORTIUM AFFIRMATIVE FAIR HOUSING MARKETING
PLAN**

STATEMENT OF POLICY

The Washoe County HOME Consortium (WCHC), consisting of the City of Reno, the City of Sparks, and Washoe County, in accordance with the regulations of the HOME Investment Partnership (HOME) Program (24 CFR 92.3510), has established this "Affirmative Fair Housing Marketing Plan" to ensure that the consortium and all entities to whom they have allocated HOME or Low Income Housing Trust Funds employ a marketing plan that promotes fair housing and ensures outreach to all potentially eligible households, especially those least likely to apply for assistance.

The Consortium's policy is to provide information and attract eligible persons to available housing without regard to race, color, national origin, sex, religion, familial status (persons with children under 18 years of age, including pregnant women), or disability. The procedures followed are intended to further the objectives of Title VIII of the Civil Rights Act of 1968 (Fair Housing Act), and Executive Order 11063, which prohibits discrimination in the sale, leasing, rent and other disposition of properties and facilities owned or operated by the federal government or provided with federal funds.

PROCEDURES

Although the HOME Final Rule regarding the development and adoption of affirmative marketing procedures and requirements apply to rental and homebuyer projects containing five or more HOME-assisted units, regardless of the specific activity the funds finance (e.g., acquisition, rehabilitation, and/or new construction), the WCHC will apply their affirmative marketing procedures to all programs funded by the WCHC, such as tenant-based rental assistance, owner-occupied rehab, and down payment assistance only programs.

The WCHC is committed to the goals of affirmative marketing that will be implemented through the following procedures:

- A. Providing equal service without regard to race, color, religion, sex, handicap, familial status, or national origin of any client, customer, or resident of any community;
- B. Keeping informed about fair housing laws and practices;
- C. Informing clients and customers about their rights and responsibilities under the fair housing laws by providing verbal and written information;
- D. Evaluating the effectiveness and compliance of all marketing as it relates to fair housing;
- E. Including the *Equal Opportunity* logo or slogan, and where applicable the accessibility logotype, in all ads, brochures, and written communications to owners and potential tenants;



- F. Displaying the HUD's fair housing posters (at a minimum, English and Spanish versions) in rental offices or other appropriate locations;
- G. Soliciting applications for vacant units from persons in the housing market who are least likely to apply for assistance without the benefit of special outreach efforts; working with the local public housing authority and other service and housing agencies to distribute information to a wide and diversified population;

- H. Maintaining documentation of all marketing efforts (such as copies of newspaper ads, memos of phone calls, copies of letters).
- I. Maintaining a record of applicants for vacant units with a general profile of the applicant, how the applicant learned of the vacancy, the outcome of the application, and if rejected, why; maintaining this record for two years or through one compliance audit, whichever is the shorter period of time.
- J. Where changing demographics present challenges when marketing to an eligible population that is limited English proficient (LEP), WCHC and its funded entities, striving to:
 - 1. Translate its marketing material to serve this population
 - 2. Hire bilingual employees or have quick access to interpreters/translators
 - 3. Work with the language minority-owned print media, radio and television stations
 - 4. Partner with faith-based and community organizations that serve newly-arrived immigrants, and
 - 5. Conduct marketing activities at adult-education training centers or during “English as a Second Language” classes.
- K. Requiring all applicants for WCHC funds to sign, submit, and adhere to the policies included in the certifications relating to fair housing required in applications packets, including but not limited to attachments A, B, and C of this policy.

ASSESSMENT

In conjunction with the annual on-site compliance reviews, the WCHC will:

- A. Review and evaluate records of affirmative marketing efforts (advertisements, flyers, and electronic media spots, etc.);
- B. Evaluate outcomes and effectiveness of marketing efforts and make changes where needed.
- C. Evaluate whether good faith efforts have attracted a diversified cross-section of the eligible population.

CORRECTIVE ACTIONS

Failure to meet affirmative marketing requirements will result in the following corrective actions:

- A. **For failure to comply**, WCHC will set a probationary period for compliance, not to exceed six months, during which time the WCHC will provide more specific guidelines for compliance.
- B. **Further failure** to comply with the affirmative marketing requirements may result in the withdrawal of HOME and/or AHTF support.
- C. **Further failure** to take appropriate actions to correct discrepancies in affirmative marketing programs may result in steps to recover all invested HOME or AHTF funds.

We acknowledge the WCHC Affirmative Marketing Plan:

_____ **Date:** _____
Chairman/President of the Board

CERTIFICATIONS AND ASSURANCES

I/We declare under penalty of perjury that all of the application statements, attachments hereto, are true and correct.

Further, I/We agree that I/we shall meet, and continue to meet, all federal and local CHDO requirements outlined within the application and subsequent funding agreement during the funding timeframe, July 1, 2009 through June 30, 2010, or the WCHC shall not be required to reimburse or forgive operating expenses.

Further, I/We agree that I/we shall hold the Washoe County HOME Consortium (WCHC), Washoe County, the City of Reno, and the City of Sparks, its officers, employees, agents, and representatives harmless from any claims or lawsuits or from any damages that I/we may incur because of any action taken or not taken on this application, and I/we further agree that I/we shall defend and indemnify the WCHC, Washoe County, the City of Reno, and the City of Sparks, its officers, employees, agents, and representatives from and for any claims or lawsuits brought by, or damages paid to, any other persons, parties, or entities because of any action taken or not taken on this application. Such indemnification shall include payment of attorney’s fees and costs incurred by the WCHC, Washoe County, the City of Reno, and the City of Sparks, its officers, employees, agents, and representatives for defending, negotiating, and settling such claims or lawsuits.

I/We have read and understand the above and it is complete and acceptable to me/us. I/We further agree to abide by the foregoing conditions and realize that the failure of any or all of these conditions may relieve the WCHC, Washoe County, the City of Reno, and the City of Sparks of any obligations to pay any funds pursuant to the application for assistance.

(Signature) _____ Date: _____
Chairman of the Board

Type/Print Name

Attachment A (Insert other attachments)
WASHOE COUNTY HOME CONSORTIUM (WCHC)

CHDOS must certify that they will abide by Section 3 and include this clause in all development contracts:

Section 3 Clause

Affordable Housing Municipal Loan Program Funding Recipients

A. The work to be performed under this contract is on a project assisted under a program providing direct Federal financial assistance from the Department of Housing and Urban Development and is subject to the requirements of 24 CFR 92 - HOME Investment Partnership Program § 92.350 and § 92.508 referencing Section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u. Section 3 requires that to the greatest extent feasible, opportunities for training and employment be given to lower income residents of the area of the Section 3 covered project, and contracts for work in connection with the project be awarded to business concerns which are located in, or owned in substantial part by persons residing in the area of the Section 3 covered project.

B. The parties to this contract will comply with the provisions of said Section 3 and the regulations issued pursuant thereto by the Secretary of Housing and Urban Development set forth in 24 CFR 135, and all applicable rules and orders of the Department issued there under prior to the execution of this contract. The parties to this contract certify and agree that they are under no contractual or other disability which would prevent them from complying with these requirements.

C. The contractor will send to each labor organization or representative of workers with which he has a collective bargaining agreement or other contract or understanding, if any, a notice advising the said labor organization or worker's representative of his commitments under this Section 3 clause and shall post copies of the notice in conspicuous places available to employees and applicants for employment or training.

D. The contractor will include this Section 3 clause in every subcontract for work in connection with the project and will, at the direction of the applicant for or recipient of Federal Financial assistance, take appropriate action pursuant to the subcontract upon a finding that the subcontractor is in violation of regulations issued by the Secretary of Housing and Urban Development, 24 CFR part 135. The contractor will not subcontract with any subcontractor where it has notice or knowledge that the latter has been found in violation of regulations under 24 CFR part 135 and will not let any subcontract unless the subcontractor has first provided it with a preliminary statement of ability to comply with the requirements of these regulations.

E. Compliance with the provisions of Section 3, the regulations set forth in 24 CFR Part 135, and all applicable rules and orders of the Department issued there under prior to the execution of the contract, shall be a condition of the Federal financial assistance provided to the project, binding upon the applicant or recipient, its contractor and subcontractors, its successors, and assigns to those actions specified by the grant or loan agreement or contract through which Federal assistance is provided, and to such sanctions as are specified by 24 CFR Part 135.

Project Name _____

_____ Print Name and Title

_____ ~~Organization's~~ Organization's Name

Signature of Organization's Authorized Representative

Date



Technical Review Committee

BY-LAWS, AMENDED

ADOPTED ~~OCTOBER 31, 2012~~ DECEMBER 15, 2022

I. GENERAL

A. Name: Washoe County HOME Consortium Technical Review Committee

The name of the committee shall be the **Washoe County HOME Consortium Technical Review Committee**, generally known as the **TRC**. The committee was established September 12, 1994, under Section II, Paragraph G, of the *Inter-Governmental Agreement of the Washoe County HOME Consortium (WCHC)*, whose participating jurisdictions are the cities of Reno, Sparks and Washoe County, Nevada. The TRC reports directly to the WCHC Directors, who are the City Managers of Sparks and Reno, and the County Manager of Washoe County.

B. Purpose of Committee:

Under Section VII, Paragraph B, Section 3 of the amended inter-governmental agreement as approved by the Directors, March 30, 2010, the purposes of the TRC are:

1. To provide a forum for the discussion of regional housing issues, the recommendation of funding priorities and policies and procedures;
2. To make funding recommendations related to all Affordable Housing Municipal Loan Program (AHMLP) funds, including Home Investment Partnership Program (HOME) funds, State Low Income Housing Trust Funds (LIHTF), and other potential sources of affordable housing funding;

3. To review eligible projects for consistency with the priorities and policies included in the Consolidated Plan, Action Plans, Truckee Meadows Regional Plan, relevant jurisdictions' comprehensive housing plans, and/or specific self-directed priority project(s) and criteria established by the technical staff of WCHC members, including threshold criteria concerning length and depth of affordability which are more strict than those required by regulations or rules outlining the use of the particular funding source;
4. To evaluate the projects using other criteria developed and adopted by the WCHC;
5. To prioritize projects based on the evaluation process developed by the Lead Agency in collaboration with technical staff persons from each WCHC member and make AHMLP funding recommendations as constrained by the applicability and availability of funds;
6. To act as a forum to receive community and stakeholder input, to monitor progress on adopted plans, to address concerns and suggestions regarding housing issues, and to establish regional housing goals;
7. To coordinate and communicate regional, longer-term housing priorities for funding available to the jurisdictions; and
8. To make policy recommendations that advance the implementation of the Consolidated Plan, jurisdictional housing elements, and improve the overall provision of affordable and workforce housing in alignment with local goals and priorities.

C. Committee Composition (Section VII, B.1.):

1. Number:

The committee ~~will be~~ shall be comprised of a minimum of seven (7) voting members, but may have up to eight (8) voting members.

- a. Two persons will be appointed by each jurisdiction made up of one technically proficient staff person (that is a person knowledgeable in housing issues) and one non-staff person who is not required to be technically proficient.
- b. At least one technically proficient non-staff person ~~shall~~ may be added to the TRC chosen by the technical staff members of such TRC.

- c. The Truckee Meadows Regional Planning Agency (TMRPA) shall appoint a member of its own staff.

2. Appointments and Length of Terms:

a. Technically proficient staff persons (3):

1. Appointment:

a. Reno designates its Housing and Neighborhood Development ~~Administrator~~ **Manager**, his/her assignee or alternate as Reno's representative.

b. The Sparks City Manager will designate a staff member or alternate to serve as the City of Spark's representative.

c. The Washoe County Manager will designate and assign a staff member or alternate as Washoe County's representative.

2. Length of Term:

Term on TRC coincides with the jurisdictional position on the technical staff.

b. Technically proficient non-staff person (1):

1. Appointment:

A technically proficient non-staff person will be chosen by the technical staff members of the TRC. This individual must reside in one of the jurisdictions comprising the consortium.

2. Length of term:

a. No more than two (2) consecutive three (3) year terms.

b. Term to begin July 1.

c. In the event a member has served two consecutive terms, there are no new applicants, and the member

is willing to continue to serve, the member will be eligible to for reappointment.

- d. In the event that the candidate is filling a vacancy, they will fill the remainder of the year in which they were appointed. They will be up for reappointment in July for their first full three (3) year term.

3. Vacancies:

- a. The Lead Agency will place requests for applications ~~in a local newspaper of general circulation and~~ on the Lead Agency's website. The Fair Housing Logo or wording will always be included in ads in newspapers.
- b. TRC technical staff members will review the applications and select and approve a candidate.
- c. Candidate will fill the remainder of the year in which they were appointed. They will be up for reappointment in July for their first full three (3) year term.

c. Non-staff persons (3)

1. Appointment:

One (1) non-staff person will be chosen by the Council/Commission of each participating jurisdiction.

2. Length of Term

- a. No more than two (2) consecutive three (3) year terms.
- b. Appointments to be made by July 1.
- c. In the event a member has served two consecutive terms, there are no new applicants, and the member is willing to continue to serve, the member will be eligible to for reappointment.
- d. In the event that the candidate is filling a vacancy, they will fill the remainder of the year in which they

were appointed. They will be up for reappointment in July for their first full three (3) year term.

3. Vacancies:

- a.** Individual jurisdictions will be responsible for filling vacancies which occur from their jurisdiction, both technical and non-technical representatives.
- b.** Requests for applications for vacant positions will be placed on jurisdictional websites and/or in other venues determined appropriate by the jurisdiction with the vacancy. The Fair Housing Logo or wording will be included in any advertisements.
- c.** Applications will be reviewed by TRC technical staff of the individual jurisdiction for which the vacancy has occurred and recommendations made to their respective Council/Commission for approval.
- d.** Council/Commission will make appointment at an open regular session and appointment will begin immediately for the remainder of vacated positions and for their first three year term beginning as of July 1.

d. Truckee Meadows Regional Planning Agency (TMRPA) Staff Member:

Truckee Meadows Regional Planning Agency will appoint a member from its own staff to the TRC with the term to be determined by TMRPA.

e. Consortium Staff:

The Consortium Staff shall be designated by the Lead Agency.

f. Resignation:

Members may resign with written notification to lead agency staff and/or TRC chair.

g. Compensation:

Members shall not receive compensation/salaries for their services.

D. Conflict of Interest:

1. Reno, Washoe County, Sparks, and the TRC pledge adherence to the conflict of interest tenets embodied in HUD's CPD Notice 98-09 (Superseding CPD Notice 93-06), 24 CFR 92.356 (Rev. 4/1/06) and NRS 281A.400 to NRS 281A.480, inclusive, as amended and provided as **Attachment A** to the By-laws.
2. Potential conflicts of interest are to be announced at TRC meetings. Depending upon the relationship, members may be required to disclose or abstain from voting on certain matters.

E. Removal of a Committee Member:

1. A member of the Committee who has been absent from three (3) consecutive meetings without excuse shall automatically be removed unless a majority vote of the Committee members decides otherwise.
2. A member of the Committee may be removed for good cause, including conviction of a felony malfeasance, by a two-thirds (2/3) vote of all Members present at a duly constituted membership meeting. The Committee member being removed shall be entitled to a written notice stating the grounds for removal at least five (5) days in advance of the meeting, and shall have the opportunity to be heard before the membership.
3. If a jurisdiction staff representative misses three (3) meetings, the jurisdiction will be asked to consider appointing someone else to represent that jurisdiction as staff.

II. MEETINGS:

- A. Meetings of the TRC shall comply with Chapter 241 of the Nevada Revised Statutes, commonly known as the Nevada Open Meeting Law.
- B. Regular meetings of the TRC will be held at dates and times identified by the Lead Agency and in agreement by the Committee at locations as designated on the agenda. Other meetings may be scheduled as necessary. Meetings may be called together by the Committee Chair to allow the Committee to meet and carry out its duties and responsibilities as set forth in the by-laws and the Inter-governmental Agreement of the Washoe County HOME Consortium.

- C. ~~Five (5) TRC members or two thirds of~~ A majority of ~~the current~~ TRC Membership
- D. shall constitute a quorum necessary- to consider all matters of business _____ at any meeting of the TRC.
- E. **Absences:** Members who know they will not be able to make a meeting will call the Chair or the WCHC staff as soon as they know they will be absent. Three unexcused absences will automatically terminate the member unless a majority vote of the Committee decides otherwise per Section I. E.

III. OFFICERS

A. Elections

Officers of the Committee shall be members of the Committee. The officers are the Chair and the Vice-Chair. Election of officers shall be held during a regular TRC meeting and completed by July 1 of each year. The newly elected officers will assume office immediately upon election. Officers are limited to two (2) successive one (1) year terms in office, but may be elected for non-successive one (1) year terms as long as they are members of the TRC. When a member is elected to complete the term of an existing officer, that person will serve as the officer until the next July 1 at which time a new member or that member presently serving may be elected to a one (1) year full term.

B. Chair

The Chairperson shall be elected from the membership of the TRC by a majority vote of the membership. The Chairperson shall:

1. Preside at all committee meetings;
2. The Chair shall be a voting member;
3. The Chair may call for a roll call vote on any issue;
4. The Chair may call special meetings as needed;
5. The Chair may appoint committees of the TRC;
6. The Chair may sign TRC documents; and
7. The Chair may exercise powers and perform duties as prescribed in these by-laws.

C. Vice-Chair. The Vice-Chair will be elected from the membership of the TRC by a majority vote of the membership. In the absence of the Chair, the Vice-Chair shall:

1. Preside over any meetings; and
2. Exercise powers and perform duties as prescribed in these by-laws.

D. Resignations

An officer may resign from that position with written notification to lead agency staff. Resignation from an officer position does not constitute a resignation from the TRC.

E. Vacancies

A vacancy in any office because of death, resignation, or disqualification may be filled from the TRC membership by the voting members for the unexpired portion of the term of that office. When a member is elected to complete the term of an existing officer, that person will serve as the officer until the next July 1 at which time a new member or that member presently serving may be elected to a one (1) year full term.

IV. RECORDING SECRETARY

The Lead Agency shall provide a Recording Secretary for each meeting who shall be responsible for a written record of the meeting and for maintaining permanent written minutes. Per the Nevada Open Meeting Law, if an audio record of the meeting is done it must be retained by the public body for at least one (1) year after the adjournment of the meeting at which it was recorded or transcribed..

The recording secretary does not serve as an officer of the TRC and is not a voting member of the TRC. The recording secretary does not have to be the same individual for each meeting, e.g., staff members or secretarial agencies may serve as the recording secretary, but the Lead Agency is responsible for the maintenance of those minutes and/or recordings of the meetings.

The WCHC staff and/or a designee will:

- A. Provide a recording secretary for each meeting to take minutes, both written and taped, and to transcribe those minutes;
- B. Keep a book of all minutes; copies of the written minutes of the past regular meeting shall be furnished to the TRC members within 30 days as a normal procedure and three (3) days in advance of the

next regular meeting for review and approval included with the meeting agenda;

- C. Be responsible for putting together agenda packets; posting agendas, and providing the agenda packets to TRC members and citizens; and
- D. Write/send notices, letters, etc. to/for the TRC.

V. VOTING

- A. An affirmative vote by a majority of the TRC members present and constituting a quorum is required to take action on all matters.
- B. The Chair shall be a voting member.
- C. The Chair may call for, or a member may request, a roll call vote on any issue.
- D. All votes shall be recorded by the Recording Secretary and shall indicate the members voting for, against, or abstaining from a matter.
- E. If a member abstains from voting, the reasons for an abstention shall be reflected in the minutes. If a TRC member is going to abstain from voting on a specific item, that member shall not participate in the discussion or debate.
- F. Absent members may not vote by proxy. A proxy cannot be counted to constitute a quorum; however, members attending via telephone conference call may vote and be counted toward the constitution of a quorum.
- G. During the yearly funding round(s), members who are not present for at least two (2) of the three (3) public hearings may not vote for funding approval.
- H. Conflict of Interest: Potential conflicts of interest are to be announced at TRC meetings. Depending upon the relationship, members may be required to disclose or abstain from voting on certain matters.

VI. AMENDMENT OF BY-LAWS

The Washoe County HOME Consortium TRC may recommend an amendment to these By-Laws by a majority vote of the TRC members present and constituting a quorum, with the approval of the Board of Directors.

VII. ADOPTION OF BY-LAWS

At a meeting on ~~July 10, 2012~~ **December 13, 2022**, the Technical Review Committee considered the proposed By-Laws. ~~Jodi Royal-Goodwin~~ _____ made a motion, seconded by ~~Patricia Rogers~~ _____ to approve the By-Laws as amended and to send the document forward to the WCHC Directors for approval. The motion was approved on a unanimous vote of the members present.

On a motion by _____, seconded by _____, the Directors of the WCHC approved adoption of the TRC By-Laws.

Director, City of Reno, Lead Agency

Director, City of Sparks

Director, Washoe County

ATTACHMENT A

CONFLICT OF INTEREST CERTIFICATION

_____ (TRC Board Member) certifies that he/she understands and will adhere to the conflict of interest provisions in 24 CFR parts 84, 85 and 92.356 as they relate to HOME funding.

The TRC Board Member, further certifies that in accordance with 24 CFR 92.356 (HOME Final Rule) he/she understands that no employee, agent, consultant, officer, elected official, or appointed official, or any person who exercises or has exercised any functions or responsibilities with respect to activities assisted with HOME funds or who is in a position to participate in a decision-making process or gain inside information with regard to these activities of a Participating Jurisdiction, State Recipient, or Subrecipient; or an owner, developer or sponsor of a HOME-assisted project or an officer, employee, agent or elected or appointed official or consultant of the owner, developer or sponsor whether private, for-profit or nonprofit (including a CHDO when acting as an owner, developer or sponsor of housing) receiving HOME funds may obtain a financial interest or unit benefits from a HOME-assisted activity, either for themselves or those with whom they have family or business ties, during their tenure or for one year thereafter. This prohibition includes the following:

- Any interest in any contract, subcontract or agreement with respect to a HOME-assisted project or program administered by the TRC Board Member or the proceeds thereunder; or
- Any unit benefits or financial assistance associated with HOME projects or programs administered by the TRC Board Member, including:
 - Occupancy of a rental housing unit in a HOME-assisted rental project;
 - Receipt of HOME tenant-based rental assistance;
 - Purchase or occupancy of a homebuyer unit in a HOME-assisted project;
 - Receipt of HOME homebuyer acquisition assistance; or
 - Receipt of HOME owner-occupied rehabilitation assistance.

The TRC Board Member understands that this prohibition does not apply to an employee or agent of the Board Member who occupies a HOME-assisted unit as the on-site project manager or maintenance worker.

In addition the TRC Board Member certifies that no member of Congress of the United States, official or employee of HUD, or official or employee of the Washoe County HOME Consortium shall be permitted to receive or share any financial or unit benefits arising from the HOME-assisted project or program.

The TRC Board Member certifies that prior to the implementation of the HOME-assisted activity exceptions to these provisions may be requested by the board member in writing to the WCHC. If an exception is requested, the board member certifies that he/she will demonstrate and certify that the

policies and procedures adopted for the activity will ensure fair treatment of all parties, and that the covered persons referenced in this policy will have no inside information or undue influence regarding the award of contracts or benefits of the HOME assistance. The Board Member understands that the WCHC may grant exceptions or forward the requests to HUD as permitted by 24 CFR 92.356, 85.36 and 84.42, as they apply.

Signature

Date

Title: _____