

HOME American Rescue Plan



Draft HOME-ARP Allocation Plan

As Approved by the SDHDA Board of Commissioners
April 19, 2022

Based on comments received by 5:00 p.m. CST, March 31, 2022

Application Due:
July 1, 2022
5:00 p.m. Central Time



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SOUTH DAKOTA HOUSING DEVELOPMENT AUTHORITY HOME-ARP ALLOCATION PLAN

CONSULTATION

Before developing its plan, a PJ must consult with the CoC(s) serving the jurisdiction's geographic area, homeless and domestic violence service providers, veterans' groups, public housing agencies (PHAs), public agencies that address the needs of the qualifying populations, and public or private organizations that address fair housing, civil rights, and the needs of persons with disabilities, at a minimum. State PJs are not required to consult with every PHA or CoC within the state's boundaries; however, local PJs must consult with all PHAs (including statewide or regional PHAs) and CoCs serving the jurisdiction.

SUMMARIZE THE CONSULTATION PROCESS:

South Dakota Housing Development Authority (SDHDA) consulted with key stakeholders in a variety of forums including in person public listening sessions, virtual presentations and meetings, and meetings directly with specific required stakeholders. The in person listening sessions were held in Yankton on January 18, 2022, Sioux Falls and Aberdeen on January 19, 2022, and Rapid City on January 26, 2022. An additional meeting was held in Pierre on January 20, 2022 which was also available via Skype for those unable to attend in person. The listening sessions included presentation of SDHDA's 2022 Annual Action Plan in addition to information on HOME-ARP. The four in-person listening sessions had 68 people in attendance from various organizations. SDHDA also held virtual listening sessions specifically on HOME-ARP via Skype on February 1 and 3, 2022. Attendance on February 1 was 24 attendees and February 3 meeting was well-attended as well. Due to some technical issues the number of attendees at the February 3 meeting is unavailable.

Discussions with various agencies were held to obtain feedback from the required stakeholders such as East River Legal Services, LGBTQ+ Family Connections Center, River City Domestic Violence Center, Mitchell Area Safehouse, Codington County Welfare, South Dakota CoC, Working Against Violence, Inc., U.S. Dept. of Veteran Affairs, and Missouri Shores Domestic Violence Center.

Organizations who address the needs of persons with disabilities and who attended meetings included Lewis and Clark Behavioral Health Services, SD Achieve dba LifeScape, Disability Rights South Dakota, Black Hills Works, Inc., Volunteers of America – Northern Rockies, and SD Coalition of Citizens with Disabilities. Discussion with these organizations was had at the public meetings but only Lewis and Clark Behavioral Health Services provided written comments.

Organizations who address fair housing and civil rights who attended the meeting were East River Legal Services and LGBTQ+ Family Connections Center who both provided feedback and are included in the table below. SDHDA also reached out to the Attorney General Division of Consumer Protection office who provided feedback similar to that found in the table below and reinforced the need for more housing stock for extremely low-income households and emergency shelter for the homeless.

All housing authorities in South Dakota were invited to the in-person public meetings and all virtual options specifically related to HOME-ARP. Unfortunately, attendance by our housing

authorities was poor and the only attendees representing housing authorities were the Cheyenne River Housing Authority, Huron Housing Authority, Sioux Falls Housing and Redevelopment Commission and Aberdeen Housing Authority. While questions were asked and discussion was had at the meetings, the only written comments were provided by the Cheyenne River Housing Authority.

Overall the consultation process returned a general consensus that the greatest need for the qualifying populations in South Dakota are affordable housing units and non-congregate shelter. The emergency shelter beds in South Dakota for both DV and non-DV shelters are overflowing with many shelters having to resort to putting families and individuals in hotels due to lack of room in their shelters. Many agencies around the state who provide case management for the qualifying populations have clients who are ready to exit to permanent housing, but there simply isn't any affordable housing units available in their communities. While the need for supportive services was evident during the consultation process, most were in agreement that with all of the other Covid-related funding assistance available, the best use of this one-time funding is to produce housing stock and shelter which can serve the qualifying populations for years to come. This is why only 10% of the funding is earmarked for Supportive Services. None of our consultation efforts resulted in stakeholders supporting the need for TBRA. This was mainly due to the existing funding sources which already provide short- and long-term rental assistance combined with the fact that HOME-ARP is a one-time funding and nobody supported setting up and administering a TBRA program when the funds won't be renewed.

List the organizations consulted, and summarize the feedback received from these entities.

Agency/Org Consulted	Type of Agency/Org	Method of Consultation	Feedback
Cheyenne River Housing Authority	Tribal Designated Housing Entity	Virtual Meeting; written comments received	Affordable Rental Housing, Non-Congregate Shelter (NCS) and Supportive Services are all needed
VOA Dakotas	Non-profit service provider	Virtual Meeting	Greatest need in the state is permanent supportive housing
Mitchell Area Safehouse	Domestic Violence (DV) shelter and service provider	Virtual meeting and one on one discussion	Supports the funding being utilized for housing rather than supportive services. Have a huge need for DV shelter space for clients
Pathways Shelter	Homeless shelter and service provider	Virtual Meeting and in-person listening session	Should prioritize projects which have a match and leveraging other funds.

River City Domestic Violence Center	DV shelter and service provider	In-person listening session, virtual meeting, one on one discussion	Large need for additional emergency shelter and transitional housing.
Codington County Welfare	Public welfare agency	Virtual meeting and one on one discussion; written comments received	Need funding for affordable housing, transitional, and emergency housings. Also need funds for case management for clients who may not be eligible for other programs due to various program parameters
Lewis and Clark Behavioral Health Services	Behavioral health service provider and permanent supportive housing (PSH) provider	Virtual Meeting; written comments received	Supports the use of HOME ARP funds to maximize affordable rental housing and non-congregate housing for the homeless and at risk of homelessness
SD CoC	CoC	SDHDA led, assisted with Needs and Gap Analysis	Support the need for more NCS, PSH, and affordable rental housing stock.
Working Against Violence, Inc.	DV shelter and service provider	Virtual meeting and one on one discussion	Interested in supportive services for case management
Maggie's House	DV shelter and service provider	Virtual Meeting	Greatest need in the state is permanent supportive housing
U.S. Dept. of Veteran Affairs	Federal Gov't – provides Case Management and Street Outreach Programs for veterans	Virtual meeting and one on one discussion	Have considered partnering on development of both transitional and permanent supportive housing for veterans. Have several HUD VASH vouchers going unused due to lack of housing stock. Greatest need is permanent supportive housing. Could utilize unused vouchers and turn into project-based vouchers for a PSH project.
Missouri Shores Domestic Violence Center	DV shelter and service provider	Virtual meeting and one on one	With one-time funds, funding should be allocated to housing stock rather than

		discussion; written comments received	trying to sustain ongoing programs with a one-time funding. Desperately need more units in a larger emergency shelter
East River Legal Services	Non-profit law firm who provides civil legal aid to low-income households	One on one discussion, written comments received	Large need for legal guidance and infrastructure to disseminate services and connect clients to available resources
LGBTQ+ Family Connections Center	Civil Rights advocacy group for LBGTQ+ youth	One on one discussion, written comments received	Large need for services and temporary shelter, and housing for homeless LGBTQ+ youth and persons with HIV/AIDS

II. PUBLIC PARTICIPATION

In addition to the public in-person meetings and virtual meetings listed under the consultation section of this plan, SDHDA held an additional virtual meeting via Skype on March 10, 2022 to present the HOME ARP draft allocation plan. The draft allocation plan was approved for release by the SDHDA Board of Commissioners on March 1, 2022, with the plan made available to the public on March 2, 2022. The plan was available on SDHDA's website and via request from the public. A 30-day comment period was held with comments due on March 31, 2022.

Describe any efforts to broaden public participation:

SDHDA held five in person public meetings in different communities across the state in addition to two virtual meetings specifically for HOME-ARP. Notice of the meetings was published via a paid ad in daily newspapers across the state, via press release, posting on SDHDA's website, and several email blasts to partners and stakeholders across the state.

A PJ must consider any comments or views of residents received in writing, or orally at a public hearing, when preparing the HOME-ARP allocation plan.

Summarize the comments and recommendations received through the public participation process: Only two entities submitted written comments after the draft allocation plan was made available to the public. The majority of the feedback received was during the consultation period and is summarized in the table on pages 1-3. The comments received during the comment period are summarized below.

- Affordable rental housing, non-congregate shelter and supportive services were the activities supported
- An entity agreed matching funds should not be a requirement but extra points should be awarded for those applicants who can leverage funds.
- An entity suggested an 18-24 month grant period for supportive service applicants.

Summarize any comments or recommendations not accepted and state the reasons why:

SDHDA received public comment requesting preference for LGBTQ+ and People Living with HIV/AIDS (PLWHA). SDHDA recognizes vulnerabilities and risk factors may be elevated within certain sub populations. Funding will not be prioritized for particular qualifying populations or subpopulations using preferences as needs vary across the State and certain communities have different needs and resources available.

III. NEEDS ASSESSMENT AND GAPS ANALYSIS

PJs must evaluate the size and demographic composition of qualifying populations within its boundaries and assess the unmet needs of those populations. In addition, a PJ must identify any gaps within its current shelter and housing inventory as well as the service delivery system. A PJ should use current data, including point in time count, housing inventory count, or other data available through CoCs, and consultations with service providers to quantify the individuals and families in the qualifying populations and their need for additional housing, shelter, or services. The PJ may use the optional tables provided below and/or attach additional data tables to this template.

Homeless Needs Inventory and Gap Analysis Table

Homeless													
	Current Inventory					Homeless Population				Gap Analysis			
	Family		Adults Only		Vets	Family HH (at least 1 child)	Adult HH (w/o child)	Vets	Victims of DV	Family		Adults Only	
	# of Beds	# of Units	# of Beds	# of Units	# of beds					# of Beds	# of Units	# of Beds	# of Units
Emergency Shelter	610	204	542	51	39	89	420	24	89	16	4	325	10
Transitional Housing	21	14	110	29	12	3	86	7	4				
Permanent Supportive Housing	84	24	444	95	339	28	444	339	14	120	58	24	24
Other Permanent Housing	0	0	20	20	20	0	11	11	0	0	0	0	0
Sheltered Homeless	631	218	652	80	51	92	506	31	93				
Unsheltered Homeless	16	4	224	224	0	4	224	0	16				
Current Gap													

Suggested Data Sources: 1. Point in Time Count (PIT); 2. Continuum of Care Housing Inventory Count (HIC);

Housing Needs Inventory and Gap Analysis Table

Non-Homeless													
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	Current Inventory	Level of Need	Gap Analysis
	# of Units	# of Households	# of Households
Total Rental Units	110,230	108,930	-1,300
Rental Units Affordable to HH at 30% AMI (At-Risk of Homelessness)	7,200	25,475	18,545
Rental Units Affordable to HH at 50% AMI (Other Populations)	7,890	19,875	11,985
0%-30% AMI Renter HH w/ 1 or more severe housing problems (At-Risk of Homelessness)		19,290	19,290
30%-50% AMI Renter HH w/ 1 or more severe housing problems (Other Populations)		12,820	12,820

Suggested Data Sources: 1. American Community Survey (ACS); 2. Comprehensive Housing Affordability Strategy (CHAS)

Describe the size and demographic composition of qualifying populations within the PJ's boundaries:

- According to the American Community Survey (ACS), the state South Dakota has 108,930 renter households. According to the Comprehensive Housing Affordability Strategy (CHAS) information, 25,475 of the renter households are at or below 30% AMI and 19,875 are at or below 50% AMI. That equates to 42% of South Dakota's renter households having incomes at or below 50% AMI. Further, 19,290 of the 30% AMI households and 12,820 of the 50% AMI households are experiencing 1 or more housing problems such as being cost-burdened, overcrowded, or lacking adequate kitchen or plumbing facilities. That equates to 30% of the renter households in South Dakota being at or below 50% AMI and also having at least 1 severe housing problem. For the 45,350 households who are at or below 50% AMI, only 15,090 units are available specifically for households at that AMI level. This equates to a shortage of 30,260 units for households at or below 50% AMI.
- There were approximately 350 unsheltered persons for the 2022 PIT Count, and this would be an increase of 126 people as compared to 2020 unsheltered count (no unsheltered count in 2021 due to Covid). The ES & TH sheltered DV PIT Count for 2022 is estimated to include 225 persons.
- There are currently 259 households and 585 literally homeless clients on the CES que, awaiting referral to housing. There are currently 92 total households, and 34 are single adult households and 58 are households with children (120 household members), with CES assessments that match for the households for Permanent Supportive Housing (PSH).
- Between 10.1.21 and 4.1.22, 366 households enrolled in Coordinated Entry (CE) System for Homelessness Prevention. These are families that have qualified for assistance based upon needs including income guidelines.

Describe the unmet housing and service needs of qualifying populations, including but not limited to: Sheltered and unsheltered homeless populations;

- An analysis of 2021 HIC and PIT data was compared to the preliminary data for the 2022 PIT Count. An unsheltered PIT Count was not completed in 2021 due to the COVID-19 Pandemic. Unsheltered PIT data from 2020 was utilized for the chart. It appears that the 2022 PIT count is likely to demonstrate an increase of approximately 20% in sheltered and 30% in the unsheltered homeless populations statewide. This is not reflected in the chart. However, a review the Coordinated Entry System (CES) provides additional data reflective of current needs. Examples of the apparent increase is there are currently more than 80 people in emergency shelter utilizing motel voucher beds in projects that were not active for 2021 PIT/HIC, and the CoC's largest urban shelters are reporting PIT Counts that are at or above the bed capacities. This just was not the case for 2021 PIT Count. There also currently appears to be approximately 350 unsheltered persons for the 2022 PIT Count, and this would be an increase of 126 people as compared to 2020 unsheltered count. This is evidence that the homeless sheltered and unsheltered population has increased substantially in the past 2 years. In 2021, many of the shelters decompressed and lowered the number of persons they allowed in their shelters due to COVID, and in 2022 it appears that many non-DV emergency shelters (ES) are operating with beds at capacity and utilizing overflow for several large non-DV ES projects. There are currently 259 households and 585 literally homeless clients on the CES que, awaiting referral to housing. There are currently 92 total households, and 34 are single adult households and 58 are households with children (120 household members), with CES assessments that match for the households for Permanent Supportive Housing (PSH). There are currently less than 10 openings for PSH units statewide. Another important issue is that many of these PSH needs assessed households currently on the CES que require units of 3 bedrooms due to their size, and these units are in extremely short supply for Fair Market Rent (FMR) units.
- 488 beds of the 2021 HIC emergency shelter (ES) inventory is dedicated to Domestic Violence clients and 664 Beds are non-DV ES based on the 2021 HIC. There have been ES hotel voucher beds added this past year with ESG-CV Funding, at least 80 statewide. Preliminary 2022 PIT/HIC data indicates a projection of 350 unsheltered homeless with 815 people in ES and TH non-DV statewide. Key urban shelters are reporting overflow beds and floor space use in emergency shelters in the two largest communities of the state. The ES & TH sheltered DV PIT Count for 2022 is estimated to include 225 persons.

The shortage statewide in ES beds appears to be most evident for non-DV ES beds, including very limited inventory for non-congregate shelter beds generally for DV and non-DV emergency shelter. The vast majority of DV ES beds are located in extremely rural areas with low rates of poverty, and this factor affects the bed usage rates for DV statewide. It seems that the need for DV beds is high in the more urban areas of the state and for Native American Reservation communities, and lesser so in the most rural Non-Native American Reservation areas. It appears that there may be a shortfall of up to 350 ES beds statewide, based solely on the projected number of unsheltered homeless for the 2022 PIT Count. A substantial amount of the unsheltered PIT surveys in 2022 appear to be coming from rural areas comprised of Native American Reservation Communities, and include predominately Native American people.

Statewide, Native Americans historically make up more than 60% of the people experiencing homelessness and more than 75% of the people experiencing unsheltered homelessness. Native Americans comprise about 9% of the state population. Single adult Native American households over the age 25 years old, have remained the most common demographic characteristics for the homeless population statewide.

- ***Those currently housed populations at risk of homelessness;***

The SD Cares Housing Assistance Program reports that there are 2,000 open applications for housing assistance currently and that more than 9,000 applications have been received. There are at least 2,000 households at serious risk of homelessness based solely on this statistic.

- ***Other families requiring services or housing assistance or to prevent homelessness; and,***

Between 10.1.21 and 4.1.22 366 households enrolled in Coordinated Entry (CE) System for Homelessness Prevention. These are families that have qualified for assistance based upon needs including income guidelines.

- ***Those at greatest risk of housing instability or in unstable housing situations:***

The SD Cares Housing Assistance Program reports that there are 2,000 open applications for housing assistance currently and that more than 9,000 applications have been received. There are at least 2,000 households at serious risk of homelessness based solely on this statistic. From 10.1.21 to 4.1.22, 366 households enrolled in the Coordinated Entry (CE) System for Homelessness Prevention. These are families that have qualified for assistance based upon needs including income guidelines.

Identify and consider the current resources available to assist qualifying populations, including congregate and non-congregate shelter units, supportive services, TBRA, and affordable and permanent supportive rental housing:

The current inventory of non-congregate ES beds is generally limited to hotel voucher beds via the ESG-CV Program. The capacity of non-congregate shelter beds is currently about 80 statewide. There were 488 DV ES beds on 2021 HIC. There were 664 non-DV ES beds statewide on 2021 HIC. An important issue is where geographically these beds are located. Data indicates an increase in unsheltered homelessness in communities where the shelter beds are not located. There were 528 total PSH beds on the 2021 HIC and 526 (99.6%) of these PSH beds were filled. Supportive service needs remain high for households that require PSH to resolve their homelessness experience. Service needs are also evident for households most at risk of homelessness, and those enrolled in transitional housing projects. There were 405 beds utilized for Rapid Rehousing (RRH) on the 2021 HIC.

Identify any gaps within the current shelter and housing inventory as well as the service delivery system:

Emergency shelter beds remain very low as compared to unsheltered persons in the Pine Ridge and Rosebud Reservation areas. The distribution of emergency shelter and homelessness related services including prevention services remain mostly in the two urban areas of the state. Rural areas generally have low levels of services and the homelessness related housing is generally limited to emergency shelter and some street outreach. The PSH housing in the state is limited to just three communities. There also appears to be a need for Support Services for PSH, homelessness prevention, and transitional housing.

Identify the characteristics of housing associated with instability and an increased risk of homelessness if the PJ will include such conditions in its definition of “other populations” as established in the HOME-ARP Notice:

For support services and affordable rental housing all qualifying populations will be eligible to be served. SDHDA has existing ESG and CoC partners engaged in the existing CES assessment, enrollment and referral processes that will be utilized and adjusted as necessary to align with HOME-ARP regulations and notices, as well as ensure the intended populations are served.

SDHDA does not intend to further define conditions for “other populations” outside of the qualifying populations defined in the HOME ARP notice.

Identify priority needs for qualifying populations:

For any projects involving Permanent Supportive Housing, Affordable Rental Housing, Supportive Services and Non Congregate Emergency Shelter SDHDA will enable all qualifying populations to be served, with prioritization given based on best practices, while ensuring no violations occur regarding fair housing. SDCES enrollments assess for household needs including but not limited to a household’s current living situation, current and unmet service needs within the domains of History of housing and homelessness, Risk, Socialization & Daily Functioning and Wellness. Households are prioritized based on vulnerability and referred to available housing openings within their geographic location utilizing adopted policy and procedures. SDCES policies and procedures will be updated as needed to include definitions pursuant to HUD notice CPD-21-10 to ensure all households assessed through Coordinated Entry from all qualifying populations are eligible for enrollment and referral. SDHDA does not intend to establish additional priority criteria for households served with HOME-ARP funds.

For non-congregate shelter, SDHDA will give preference to projects that demonstrate intent and ability to be low barrier, housing-focused, and other best practices.

Explain how the level of need and gaps in its shelter and housing inventory and service delivery systems based on the data presented in the plan were determined:

Data analysis reflects a need for DV and non-DV non-congregate emergency shelter beds. There are currently about 80 non-congregate non-DV emergency shelter beds in the state. The majority of ES non-congregate beds are located in just one community. Estimates indicate there are currently 350 unsheltered persons statewide. Permanent Supportive Housing (PSH) beds needs were determined by the amount of PSH qualified Households on the CES que, 92 households, and the available PSH units, 10. The PSH need appears to be substantial for families with

children including HH with 5 or more members. PSH requires supportive services components, transitional housing requires supportive services component, Prevention services should include appropriate supportive services, where applicable, for households to achieve stability.

IV. SDHDA PURPOSES AND GOALS

SDHDA will focus on the following purposes and goals:

In those areas where greatest need is identified, give preference to those projects which provide the highest quality of qualified affordable units compared to the lowest amount of HOME-ARP funds allocated while giving consideration to serving the qualifying populations.

Make such units affordable to households for the longest time period possible (extended use).

Provide opportunities to a wide variety of developers, both for profit and nonprofit, and for a variety of housing projects.

Give preference to those applications that show a greater degree of readiness to proceed with the project.

Increase the investment of other funding to leverage HOME-ARP funds.

SDHDA will not process any application that is not consistent with the purposes and goals of this HOME-ARP Allocation Plan (the Plan).

SDHDA will provide only that amount of HOME-ARP funds as are necessary to make a project financially feasible and viable as a qualified HOME-ARP project or program.

THE PLAN

SDHDA is the agency responsible for the administration of the HUD HOME-ARP Program. The Plan provides a system for allocation of HOME-ARP funds and is available throughout the State of South Dakota. SDHDA will not administer any eligible activities directly but will do so through contractors and subrecipients.

1. Application Cycle

Application Cycle: Applicants may apply (using SDHDA forms) to receive a HOME-ARP fund allocation. Complete applications must be received at SDHDA by 5:00 p.m. Central Time on July 1, 2022. Electronic submission of applications is encouraged and may be accessed by following the instructions on the SDHDA website at <https://www.sdhda.org/housing-development/application-submission>. Applications may also be hand delivered or delivered via postal or private mailing service by that time and date. Applications via facsimile or e-mail will NOT be accepted. SDHDA reserves the right, in its sole discretion, to (i) hold back a portion of the allocation of HUD HOME-ARP formula funds for later use, or (ii) hold another application cycle. If SDHDA holds another application cycle, it will provide an announcement thereof. Please refer to SDHDA's web site at www.sdhda.org for availability of funds.

2. Limitations

During the July application cycle, no more than 50 percent of any available set aside may be allocated to any one community, and no more than 25 percent to any one project. If funds remain in any eligible activity after the July application cycle, funds exceeding the foregoing limitations may be allocated to any project (i) that was allocated funds in the July application cycle and (ii) whose allocation was limited due to the foregoing limitations.

3. Application Eligibility

SDHDA will only process applications that it determines are:

- a. Consistent with the purposes and goals of this Plan;
- b. Proposing an eligible activity; and are
- c. Financially feasible.

SDHDA may reject applications that are incomplete or that contain incomplete or inaccurate information. This determination may be made at initial review or at any time during processing of the application. Additional documentation required and requested to complete the evaluation of the application must be received 30 days prior to the next scheduled SDHDA Board of Commissioners (Board) meeting in order to be considered at such Board meeting.

4. Disclaimers:

SDHDA reserves the right to reserve and allocate HOME-ARP funds to any project. Further SDHDA reserves the right to deny HOME-ARP funds for any project, regardless of ranking under the project selection criteria, if it determines, in its sole discretion, the project is unacceptable based on, but not limited to, the following:

- a. comments from officials of local governmental jurisdictions,
- b. information indicating that a particular market is saturated with similar affordable housing projects,
- c. likelihood that the project may not comply with HOME-ARP program requirements in a timely manner,
- d. applicant's (including any related party's) lack of prior experience or unacceptable performance related to project reservations, construction, and compliance with housing assistance or other government-sponsored programs, regardless of type and location, or
- e. desirability of site based on SDHDA inspection.

If SDHDA determines not to reserve HOME-ARP funds on such basis, it will set forth the reasons for such determination. All funding decisions made under this Plan will be made solely at the discretion of SDHDA. SDHDA in no way represents or warrants to any applicant, investor, lender, or any other party that a project is, in fact, feasible or viable.

SDHDA reserves the right to place special conditions on reservations and to reserve HOME ARP funds for lower ranking projects if the amount of HOME-ARP funds available is insufficient to fund higher ranking projects.

SDHDA may request additional information and perform additional project evaluation as it deems necessary and appropriate to verify project costs, feasibility, and need. SDHDA reserves the right to exchange information with other State and Federal allocating agencies and with other parties

as deemed appropriate. By submitting an application for HOME-ARP funds, the applicant is acknowledging and agreeing to this exchange of information.

If HOME-ARP funds are expended on a project that is terminated prior to Project Completion, the funds must be repaid with interest calculated based on one year Treasury rates as of the date of cancellation.

No executive, employee or agent of SDHDA or any other official of the State of South Dakota will be personally liable concerning any matters arising out of, or in relation to, the allocation of HOME-ARP funds or the approval or administration of this Plan.

V. HOME-ARP ACTIVITIES

Describe the method for soliciting applications for funding and/or selecting developers, service providers, subrecipients and/or contractors and whether the PJ will administer eligible activities directly:

USE OF HOME-ARP FUNDING

SDHDA will make every effort to distribute HOME-ARP funds geographically throughout eligible areas of the State, taking into consideration the target allocations in the table below. The breakdowns below are estimates based on feedback received during the consultation process. Please note, the allocations in the table are merely targets and SDHDA reserves the right to move funding between the eligible activities based on the applications received.

	Funding Amount	Percent of the Grant	Statutory Limit
Supportive Services	\$ 929,062	10%	
Acquisition and Development of Non-Congregate Shelters	\$ 4,645,314	50%	
Development of Affordable Rental Housing	\$ 2,787,190	30%	
Administration and Planning	\$ 929,062	10%	15%
Total HOME-ARP Allocation	\$ 9,290,628	100%	

HOME-ARP AFFORDABLE RENTAL HOUSING

New construction, acquisition, rehabilitation, or conversion of a building for rental housing (permanent or transitional) are eligible activities.

Eligible costs include development hard costs, acquisition costs of improved or unimproved real property, related soft costs, relocation costs, and operating cost assistance. Operating cost assistance can cover any operating deficits remaining after rental revenue is applied to project operating costs and are only eligible for units restricted for occupancy by qualifying populations. The amount of operating cost assistance must be based on project underwriting and reasonable and appropriate for the area, size, and population served. The assistance will be in the form of a capitalized operating assistance reserve. Ongoing operating assistance is an eligible expense if required for feasibility and funds remain in the HOME-ARP Affordable Rental Housing set-aside.

1. Tenant Selection

Eligible households for HOME-ARP rental units include units for the HOME-ARP Qualifying Populations (QP) listed below and low-income units. A minimum of 70% of the total HOME-ARP units assisted by SDHDA must be restricted for occupancy by qualifying households at the time of the household's initial occupancy. These are "QP" units. Qualifying populations include the following:

- a. Homeless (McKinney Act definition at 24 CFR 91.5)
- b. At-risk of homelessness (McKinney Act definition at 24 CFR 91.5)
- c. Fleeing/Attempting to flee Domestic Violence, Dating Violence, Sexual Assault, Stalking or Human Trafficking
- d. Other populations where assistance would prevent the family's homelessness or serve those with the greatest risk of housing instability

Prior to occupancy, qualifying households must have their needs assessed by the South Dakota Coordinated Entry System (CES). Once a qualifying household is assessed they may be referred to the HOME-ARP project in accordance with SDCES policy and procedures, if the type of housing is appropriate for the household.

Not more than 30% of the total HOME-ARP rental units assisted by SDHDA may be restricted for occupancy by low-income households. These are "LI units." While proportions in a project may vary, LI units are only permitted in projects that also include QP units restricted for qualifying households.

Units restricted for occupancy by low-income households (LI units) must use a project-specific waitlist to select households.

HOME-ARP QP units must be occupied by households that meet the definition of the qualifying populations at admission. Units remain compliant irrespective of changes in household income as long as the unit is occupied by the qualifying household. HOME-ARP LI units must be occupied by households that qualify as low-income at initial occupancy and each year throughout the compliance period based on annual income recertification. Rent for LI units cannot exceed the High HOME rent limit.

HOME-ARP funds may be used to assist one or more units in a project and can only pay for costs associated with HOME-ARP units and proportionate share of common areas. A cost allocation is required to determine the minimum number of HOME-ARP units for the amount of HOME-ARP funds invested. HOME-ARP units may be fixed or floating and will be designated at the time of commitment via a written agreement. The unit mix must be maintained throughout the HOME-ARP compliance period.

2. Rent Requirements

HOME-ARP rent cannot exceed the Low HOME Rent as published by HUD. However, if the project receives project-based subsidy or the household receives tenant-based subsidy, then the maximum rent is the allowable rent under the subsidy program. At annual recertification if the household income is above 50% of area median income but at or below 80%, the household rent increases to the High HOME Rent.

The tenant's contribution to rent must be affordable to the qualifying household based on income determination and may not exceed 30% of the tenant's income. SDHDA must establish the initial household rent contribution by examining at least 2 months of source documentation. Each subsequent year, SDHDA must examine income to determine the rent contribution. If the household is not receiving project or tenant-based rental assistance and cannot contribute any income toward rent, the project owner may draw from the operating cost assistance reserve.

3. Project Completion and Occupancy

HOME-ARP rental projects must be completed within 4 years of project commitment. A project will be considered complete when construction is complete, project complies with all HOME-ARP requirements, and final drawdown of HOME-ARP capital funds has been disbursed.

HOME-ARP units must be occupied by eligible qualifying populations or low-income households within 6 months of project completion. If not occupied within 6 months, project owner must submit an occupancy plan to SDHDA which will be submitted to HUD. If HOME-ARP units are not occupied within 12 months of project completion the project owner must repay the HOME-ARP funds.

4. Minimum Compliance Period

All HOME-ARP rental projects require a minimum 15-year compliance period, regardless of the dollar amount of assistance provided or type of rental housing activity. SDHDA will impose the HOME-ARP rental requirements through a Declaration of Land Use Restrictive Covenants which will be filed with the appropriate Register of Deeds Office. The project owner will be required to repay the HOME-ARP funds invested in rental housing if the project is terminated prior to completion or fails to comply with initial or ongoing requirements during the compliance period.

5. Loan Documentation

Loan documentation will include the HOME-ARP Written Agreement, Mortgage Note, Mortgage 180 Day Redemption Security Agreement and Fixture Filing, Assignment of Rents and Leases, Declaration of Land Use Restrictive Covenants, Completion Guaranty, Performance and Repayment Guaranty, Replacement Reserve Guaranty, Sworn Construction Statement, and UCC financing statements. The Declaration of Land Use Restrictive Covenants will be filed in first lien position and will include all extended used, reduced rent elections and any other special use restriction elections made by the applicant.

NON-CONGRGATE SHELTER (NCS)

For the purposes of HOME-ARP, NCS is defined as one or more buildings that:

- Provide private units or rooms for temporary shelter
- Serve individuals and families that meet one or more of the qualifying populations
- Do not require occupants to sign a lease or occupancy requirement

New construction, acquisition, and rehabilitation of structures to be used as NCS are all eligible activities. Acquisition without rehabilitation because the structure is in satisfactory condition and rehabilitation of existing structures without acquisition are both eligible. HOME-ARP funds

may be used for acquisition, demolition, development hard costs, related soft costs, and establishing a replacement reserve.

HOME-ARP funds are considered committed when SDHDA and the applicant executes a legally binding written agreement. SDHDA may commit funds for acquisition only if the NCS can be in operation within 6 months of the date of acquisition and the units acquired will not require rehabilitation to meet the property standards as outlined in Section VI.E.7 of the HOME-ARP Notice which can be found here: [Final HOME-ARP Implementation Notice \(hud.gov\)](#) SDHDA may commit funds for rehabilitation or new construction if the construction or rehabilitation can begin within 12 months of the commitment date.

Prior to funding an NCS project, SDHDA must determine if the project will be financially feasible throughout the restricted use period. In addition, the owner must indicate whether they intend to continue operating the project as HOME-ARP NCS or convert the property to affordable housing after the minimum use period.

The owner must also submit with their application:

- Evidence of appropriate shelter development skills and prior experience operating shelters
- Acquisition and/or development budget
- Timeline of acquisition and/or development
- Sources and uses statement
- Proposed operating budget including secured sources for operating costs and any operating gap that will require additional assistance

HOME-ARP funds may not be used to pay ongoing costs of operating HOME-ARP NCS, convert NCS to housing, or pay for prohibited activities and fees as specified under 24 CFR 92.214 and included in the HOME-ARP notice here: [Final HOME-ARP Implementation Notice \(hud.gov\)](#)

NCS occupants must meet the criteria for one or more of the qualifying populations.

1. Property Standards

All HOME-ARP properties must comply with HOME requirements at 24 CFR 92.251 in addition to the minimum standards in SDHDA's Exhibit 4 Project Characteristics, attached as Exhibit 4 to this plan.

2. Restricted Use Period

The owner must operate the property as HOME-ARP NCS units for the minimum restricted use period specified below plus any additional extended use period selected in the application.

- NCS New Construction 15 years
- NCS Rehabilitation 10 years
- NCS Acquisition Only 10 years

If at the time of application, the owner intends to convert the NCS to affordable housing, the minimum restricted use periods listed below apply to the NCS restricted use period. The remaining restricted use period as defined above will then be in place for the affordable housing.

- Acquisition Only 3 years

- Moderate Rehab 5 years if total investment < 75% appraised value
- Substantial Rehab 10 years if total investment > 75% appraised value
- New Construction 10 years

SUPPORTIVE SERVICES

HOME-ARP funds may be used to provide a broad range of supportive services to qualifying households. In order to qualify, the qualifying household must not already be receiving these services through another program such as the Emergency Solutions Grant, Housing Opportunity Fund or Continuum of Care. There are three categories of eligible supportive services under HOME-ARP, including the following:

- McKinney Vento Supportive Services: Adapted from the services listed in Section 401(29) of the McKinney-Vento Homeless Assistance Act
- Homeless Prevention Services: Adapted from eligible homelessness prevention services under the following Emergency Solutions Grant (ESG) regulations: 24 CFR 576.102, 24 CFR 576.103, 24 CFR 576.105, & 24 CFR 576.106
- Housing Counseling: Housing counseling services under HOME-ARP are those consistent with the definition of housing counseling defined at 24 CFR 5.100 and 5.111. Housing counseling must only be provided by HUD-certified counselors. Housing counseling services related to current homeowners do not apply to HOME-ARP.

McKinney Vento Supportive Services and Homelessness Prevention Services Eligible Costs include child care, education services, employment assistance and job training, food, housing search and counseling services, legal services, life skills training, mental health services, outpatient health services, outreach services, substance abuse treatment services, transportation, case management, mediation, credit repair, landlord/tenant liaison, services for special populations, and financial assistance costs.

- Eligible financial assistance costs include rental application fees, security deposits, utility deposits, utility payments, moving costs, first and last month's rent, payment of rental arrears, short-term rental assistance, and medium-term rental assistance.

Qualifying households are limited to receiving HOME-ARP Supportive Services for a maximum of 24 months during any 3-year period, including any payment for first and last month's rent. Eligible households are required to execute a Financial Assistance Agreement in order to receive HOME-ARP Supportive Services. Sub-recipients cannot use HOME-ARP funds to help a qualifying household remain in or move into housing that does not meet the minimum habitability standards under 24 CFR 576.403. This restriction applies to all activities under the homeless prevention and rapid re-housing components. Sub-recipients must certify that the unit has passed habitability standards BEFORE the lease has been signed and the tenant moves in. Violence Against Women Act requirements also apply to households receiving HOME-ARP Supportive Services per 24 CFR 92.359.

1. Sub-recipient Eligibility for Supportive Services

SDHDA will not administer supportive services but will utilize supportive service providers. Applicants must be non-profits or units of local government.

Applicants must have established standard accounting practices including internal controls, fiscal accounting procedures and cost allocation plans, and be able to track agency and program budgets by revenue sources and expenses.

Applicants with outstanding audit findings, IRS findings, SDHDA monitoring findings or other compliance issues are not eligible HOME-ARP sub-recipients. Please note SDHDA will work with all interested parties, where appropriate, toward the resolution of the unresolved matters.

Eligible applicants must be able to demonstrate prior experience serving individuals and families at-risk of or currently experiencing homelessness. Also, the applicant must evidence their staff's expertise with case management skills.

Sub-recipients will be required to utilize the Homeless Management Information System (HMIS). HMIS is an information system that complies with US Department of Housing and Urban Development's (HUD) data collection, management and reporting standards for use in collecting client-level data and data on the provision of housing and services to homeless individuals and families, and persons at risk of homelessness. Domestic violence providers are required to use the South Dakota Domestic Violence Database (SDDVD), a separate system in which to report aggregate data for the clients served with HOME-ARP funding.

Sub-recipients providing homeless prevention and rapid rehousing are required to participate in the CoC's Coordinated Entry System to ensure screening, assessment and referral of program participants are consistent across the state in accordance with established CES policy and procedure.

Eligible applicants must be an active member of the South Dakota Housing for the Homeless Consortium (SDHHC). SDHHC was formed in 2000 and since that time has been engaged in the work of advocacy, education, data collection and grant writing opportunities. SDHHC meets quarterly and has assisted in the development of affordable housing enriched with supportive services that are vital for housing success.

2. HOME-ARP Supportive Services Administration

Grant funds will be considered obligated as of the date of the grant agreement. A grant agreement will be sent detailing the sub-recipient's requirements and responsibilities. The sub-recipient will be required to sign and return the grant agreement to SDHDA. The grant agreement will indicate the approved activities and the corresponding funding amounts by category. The grant period for HOME-ARP Supportive Services will be for 24 months from the time the written agreement is executed. Prior written approval is needed from SDHDA to vary from the funding amounts and categories as specified in the executed grant agreement.

3. Method of Payment

Payment of HOME-ARP supportive service funds to the sub-recipient will be completed as a reimbursement. Requests for payment should be submitted on a monthly basis, but at a minimum quarterly. Requests must be submitted in a format approved by SDHDA, and must include a breakdown of expenses incurred and HOME-ARP funds requested. Copies of all expenses and sources must be submitted for verification purposes. Lack of documentation or explanation may result in a delay in payment.

VI. APPLICATION PROCESS

Applicants are to use this Plan and the HOME-ARP Application to request funding for qualified projects.

Requests for HOME-ARP funds are considered in a three-step process: Application Stage, Reservation Stage, and Commitment Stage. No construction or acquisition or rehabilitation activities may begin until the process is fully complete (including SDHDA Environmental review) and a start order has been issued by SDHDA.

APPLICATION STAGE

The applicant will submit a complete application and all documentation referenced in Exhibit 1.

1. Underwriting Review Criteria

Project Cost Evaluation consists of reviewing:

- a. Land value
- b. Site Improvements (including existing buildings)
- c. Construction or rehabilitation costs
- d. Fees (architectural, legal, consulting, etc.)
- e. Developer's and/or Builder's Profit and risk conclusions
- f. Financing and carrying charges
- g. All other related soft costs
- h. Pro Forma / Debt Service Coverage Ratio: Pro formas submitted must reflect a debt service coverage ratio of not less than 1.20 for the entire compliance period. SDHDA may permit a lower debt service coverage ratio based on the developer's experience, types of financing utilized, and financial strength of the applicant/owner. The debt coverage ratio is the net operating income to the total annual debt service. Pro formas must also reflect that rental income, any subsidies, and reserve funds are sufficient to cover the property's debt and operating expenses over the compliance period. Annually, income will be trended at two percent, expenses and replacement reserves will be trended at three percent, and vacancy will be projected at seven percent. A higher vacancy rate may be used for an acquisition/rehabilitation project if the project is currently sustaining higher vacancies and it is not reasonable to expect the project to achieve a seven percent vacancy rate within the first year. Balloon loan repayments will not be allowed.

SDHDA will not process any application that is not financially feasible.

2. Project Finance Limits

The SDHDA Project Finance Limits are not maximum cost limits, but are target or average costs that SDHDA determines to be sufficient for development of affordable housing projects.

Total project costs are not limited to the Project Finance Limits; however, SDHDA will utilize them as the basis for the calculation of Developer Fees.

SDHDA reserves the right to reject any application that it determines, in its sole discretion, to have excessive total project costs.

Project Finance Limits will be determined for each project by multiplying the number of corresponding units by the respective per unit finance limit and summing the products. The per unit type finance limits will be broken into four geographic zones as follows:

Zone 1: Lincoln, Minnehaha, and Union Counties

Unit Type	Unit Cost
Group Home (per bedroom)	\$ 103,900
SRO	\$ 123,600
0 Bedroom (efficiency)	\$ 145,400
1 Bedroom	\$ 166,600
2 Bedroom	\$ 204,100
3 Bedroom	\$ 241,000
4 Bedroom	\$ 265,100

Zone 2: Beadle, Brookings, Brown, Clay, Codington, Davison, Hughes, Lake, Lawrence, McCook, Meade, Pennington, Turner, and Yankton Counties

Unit Type	Unit Cost
Group Home (per bedroom)	\$ 109,000
SRO	\$ 129,800
0 Bedroom (efficiency)	\$ 152,600
1 Bedroom	\$ 175,000
2 Bedroom	\$ 214,400
3 Bedroom	\$ 253,100
4 Bedroom	\$,278,400

Zone 3: Aurora, Bennett, Bon Homme, Brule, Buffalo, Butte, Campbell, Charles Mix, Clark, Custer, Day, Deuel, Douglas, Edmunds, Fall River, Faulk, Grant, Gregory, Haakon, Hamlin, Hand, Hanson, Harding, Hutchinson, Hyde, Jackson, Jerauld, Jones, Kingsbury, Lyman, Marshall, McPherson, Mellette, Miner, Moody, Perkins, Potter, Roberts, Sanborn, Spink, Stanley, Sully, Tripp, and Walworth Counties.

Unit Type	Unit Cost
Group Home (per bedroom)	\$ 114,300
SRO	\$ 136,000

0 Bedroom (efficiency)	\$ 159,900
1 Bedroom	\$ 183,300
2 Bedroom	\$ 224,600
3 Bedroom	\$ 265,100
4 Bedroom	\$ 291,600

Zone 4: Indian Reservations: Cheyenne River (Dewey and Ziebach Counties); Crow Creek; Flandreau Santee; Lower Brule; Pine Ridge (Oglala Lakota County); Rosebud (Todd County); Sisseton Wahpeton/Lake Traverse; Standing Rock (Corson County); and Yankton. If the county is not listed after the Reservation, then only the land within the exterior boundaries of the Reservation are within this zone.

Unit Type	Unit Cost
Group Home (per bedroom)	\$ 124,800
SRO	\$148,400
0 Bedroom (efficiency)	\$174,500
1 Bedroom	\$200,000
2 Bedroom	\$245,000
3 Bedroom	\$289,300
4 Bedroom	\$318,300

Applicants are encouraged to incorporate the features of brick, energy efficiency systems, additional handicap-adapted units, second bathrooms (for three and four bedroom units), community rooms, townhouse style units with an accessible bathroom on the main floor, creative design features, and other amenities where appropriate. For the purpose of the above calculation, any employee unit will be calculated as a unit type and not as common space.

In addition, HOME-ARP rental new construction or reconstruction projects must meet the following minimum residential unit living square footage (sq. ft.):

Group Home – 130 sq. ft. (per bedroom)

Single Room Occupancy (SRO) – 300 sq. ft.

0-bedroom (efficiency) – 400 sq. ft.

1-bedroom – 500 sq. ft.

2-bedroom – 650 sq. ft.

3-bedroom – 800 sq. ft.

4 bedroom – 950 sq. ft.

Acquisition and/or rehabilitation projects are not subject to the above minimum square footage requirements.

SDHDA may allow exceptions to the above square footage minimums when deemed appropriate for the proposed development. At a minimum, SDHDA will review functionality of the unit layout, target tenant populations, and development costs when evaluating the proposed housing. The housing units must meet building code requirements for room and unit size.

3. Reserves

The reserves listed below, at a minimum, will be required by a Written Agreement between SDHDA and the property owner.

- a. Taxes and Insurance: Escrowed at levels estimated to meet those expenses.
- b. Replacement: Minimum of \$400 per unit, per year, must be initially funded and maintained for the full compliance period and extended use period, if applicable. If not all major systems are replaced or repaired in a rehabilitation project, sufficient reserves must be established to allow for replacement of such components if the normal life span would require such replacement prior to the end of the compliance period and extended use period. The replacement reserves will be trended at three percent annually. The replacement reserve account must remain with the property throughout the entire HOME-ARP compliance period and extended use period. It must also remain with the property with a transfer of ownership. Transfer of ownership must be approved by SDHDA. At such time SDHDA is reviewing the request for transfer of ownership, SDHDA may negotiate with existing owner regarding the dollar amount that must be maintained in the replacement reserve account, taking into consideration, but not limited to, the physical condition of the development, demand in the housing market, and experience of the proposed owner.
- c. Operating: Minimum of a six month operating reserve may be used only to pay debt service and operating expenses to prevent an event of default. This account must be maintained for the full term of the HOME-ARP compliance period and extended use period. It must also remain with the property with a transfer of ownership. Transfer of ownership must be approved by SDHDA. At such time SDHDA is reviewing the request for transfer of ownership, SDHDA may negotiate with existing owner regarding the dollar amount that must be maintained in the operating reserve account, taking into consideration, but not limited to, the physical condition of the development, demand in the housing market, and experience of the proposed owner. For projects unable to meet this requirement, SDHDA may consider the use of HOME-ARP funds for an initial operating deficit reserve.

4. Determination of HOME-ARP Amount

HOME-ARP funds are intended to be used as capital financing and in most cases will be provided as a forgivable loan. The analysis to determine the necessary amount of HOME-ARP funds will be done at the time of application, at the time a reservation is approved, at the time a commitment is approved, and at the time the project is placed in service, provided all project costs are finalized and certified. Current rents, along with any anticipated changes in operating expenses, will be utilized at each underwriting stage. A cost allocation calculation is required to determine the minimum number of HOME-ARP units for the amount of HOME-ARP funds requested. In the case of Non-congregate Shelter, all units must be occupied by qualifying populations and a cost allocation calculation is not necessary. The Cost Allocation Tool can be found on SDHDA's website

at sdhda.org. For assistance with the tool, please contact SDHDA's HOME-ARP Housing Development Officer.

Applications may be reviewed and ready for consideration by the Board within 75 days of receipt of the fully completed submission. Upon Board action, each applicant will be notified, in writing, whether or not its application has been selected to advance to the reservation stage.

If additional SDHDA funds are requested after the initial HOME-ARP reservation due to increased costs or other, the applicant will be required to offset the additional funding request with non-SDHDA sources of funds. Options for other sources include, but are not limited to increased owner equity, deferred developer fee, other grant sources, or conventional financing.

B. RESERVATION STAGE

Upon notification from SDHDA of a reservation, the applicant will have approximately 120 days in which to provide SDHDA with all necessary documentation needed to complete the evaluation required to provide a commitment of funds. The information must be received 30 days prior to a scheduled Board meeting to be considered at the Board meeting. Failure to provide the required information within this time period may result in SDHDA cancellation of the reservation. In the reservation stage, the applicant must provide the details of the proposed project, including a detailed analysis of the financial feasibility of the project and final architectural plans, owner's organizational documents, binding financial commitments from private sources, site control, etc. (refer to Exhibit 1). SDHDA will evaluate the proposal based on the additional information required for the commitment stage and again determine the amount of HOME-ARP funds necessary to make the project feasible.

C. COMMITMENT STAGE

Upon a commitment from the SDHDA Board of Commissioners, SDHDA will issue a Notice of Commitment to the applicant. The applicant will have six months from board commitment to close the loan and begin construction or rehabilitation on the proposed project. Failure to start within this timeframe may result in loss of the Commitment.

Changes to Project. The award of HOME-ARP funds is based upon information provided in the application and the preliminary plans submitted with the application. Any significant change in a project, once it has been ranked and awarded HOME-ARP funds, will jeopardize a reservation or commitment and the Board may require the HOME-ARP funds to be returned. A significant change may mean, but is not limited to, any reduction in the number of bedrooms per unit or square footage of the units, decrease in number of total units, financial feasibility, increase in overall density, a change in unit or project amenities, or any change that, had it been in the original project, might have resulted in the project receiving a different ranking, or may have influenced the reservation or commitment of HOME-ARP funds. SDHDA reserves the right to determine, at its sole discretion, if change(s) warrant a significant change to the project. Any changes to the project must be pre-approved by SDHDA prior to implementation.

VII. PROJECT SELECTION CRITERIA

A. AFFORDABLE RENTAL HOUSING

The following will be utilized for scoring applications for rental housing. Separate scoring for non-congregate shelter and supportive services applications can be found on pages 29-33 and 33-34 respectively. Proposals will be reviewed initially for completeness, including all submission requirements referenced in Exhibit 1.

Applications must obtain a minimum of 350 points to be considered for funding. Applications that do not receive at least this cumulative total will be denied.

A maximum of 830 points per application may be awarded as specified below:

1. Local Housing Need (Maximum 150 points)

All applicants must submit a narrative addressing the local housing needs of the qualifying populations. The applications from markets considered to be facing the highest overall need will receive the highest score. All other applications will be ranked against the highest scoring applicants. Each applicant will receive from zero to 150 points depending upon identified need.

2. Extended Use (Maximum 30 points)

Applicants who make a commitment to extend the Compliance Period for 10 years beyond the required 15-year compliance period will receive 30 points. Applicants applying for multiple funding sources such as Housing Tax Credits and/or HOME funds must elect extended use under all programs to receive points.

3. Construction Type (Maximum 40 points)

A rehabilitation project that remodels existing affordable rental housing to like new rental units will receive 40 points.

Any new construction or rehabilitation project which produces permanent supportive housing will receive 40 points.

A rehabilitation project that uses buildings with historic significance will receive 20 points.

A rehabilitation project that remodels existing buildings and converts them to new rental units will receive 20 points.

A new construction project creating buildings that contain 16 rental units or less per building will receive 10 points.

A new construction project that creates rental units for assisted living or congregate care will receive 10 points

4. Mixed Income Use (Maximum 30 points)

Projects that consist of HOME-ARP units and market rate units will be eligible for up to 30 points. Points awarded will be based on the ratio of market rate units to total project units, according to the following scale:

5.0% - 10.0% Market Rate	10 points
10.01% - 20.0% Market Rate	20 points
20.01% - 49.99% Market Rate	30 points

5. Financial Support (Maximum 20 points)

Proposals containing financial support in cash or in-kind services that assist with greater affordability are eligible to receive up to 20 points.

6. Applicant Characteristics (Maximum 40 points)

The applicant and all members of the development team as identified in Exhibit A of the HOME-ARP Application Form must be in good standing, as defined below. In addition, any applicant or member of the development team who has an Identity of Interest with any person or entity not in good standing may not be eligible in the sole discretion of SDHDA. An attorney's opinion that the applicant and all members of the development team are in good standing is required in all cases. Such opinion must also identify any persons or entities with whom the applicant or any member of the development team has as Identity of Interest. "Good standing" shall mean that the individual has not been (i) convicted of, entered into an agreement for immunity from prosecution for, or pled guilty, including a plea of nolo contendere, to: a crime of dishonesty, moral turpitude, fraud, bribery, payment of illegal gratuities, perjury, false statement, racketeering, blackmail, extortion, falsification or destruction of records, or (ii) debarred from any South Dakota program, other state program, or Federal program. If any applicant or members of the development team are involved with a proposed project that has serious and repeated non-compliance issues at the time of application, the application may be rejected. The prior performance considered may include, but is not limited to, progress made with a previous reservation or commitment, project compliance and payment of monitoring fees under the HOME Program, Housing Tax Credit Program or other SDHDA or Federal program.

Proposals, which include the following, will be awarded the points indicated for each provable characteristic (maximum 40 points):

- a. 20 points: Participation by an entity with a demonstrated track record of quality experience in development or management of subsidized housing, or a new developer that contracts with a developer or consultant with a demonstrated record of quality experience in development or management of subsidized housing;
- b. 10 points: Participation by a minority or woman-owned/operated business enterprise* - Refer to the SDDOT Compliance Office web site address at: <https://dot.sd.gov/doing-business/contractors/dbe>; or
- c. 10 points: Owner equity contribution in excess of ten percent of the total project costs (excludes developer fees).

Twenty-five points will be deducted from any project with respect to which the applicant or any member of the development team has any of the following characteristics:

- a. Within two years prior to the HOME-ARP Application date has made a significant change to another Housing Tax Credit, HOME or other SDHDA administered project without the prior approval of SDHDA; or
- b. Has unresolved compliance issues on other Housing Tax Credit, HOME or other SDHDA administered projects.

Further, any project with these characteristics will not be eligible to receive any points for a demonstrated track record of quality experience. The foregoing will not limit the right of SDHDA to reject an application.

Ten points will be deducted for any project whose developer/owner applied for additional SDHDA funding after receiving an initial reservation of funds. The deduction will occur for two annual funding rounds following the additional funding request. Applicants receiving this deduction are still eligible to receive points for a demonstrated track record of quality experience.

*To be considered a minority or woman-owned/operated business enterprise, at least 51 percent of the sponsorship must be owned or operated by either a minority individual or a woman.

7. Service Enriched Housing (Maximum 50 points)

Projects providing verifiable on-site services to the tenants which may include but are not limited to the following types of projects may receive up to 50 points depending upon the extent of the services.

- a. Homeless (for Transitional Housing the appropriate supportive services must be provided to persons, including (but not limited to) deinstitutionalized individuals with disabilities, homeless individuals with disabilities, and homeless families with children.)
- b. Persons with physical disabilities
- c. Persons with mental disabilities
- d. Persons with developmental disabilities
- e. Housing for Older Persons 62 or Older (Assisted Living or Congregate Care Facilities as defined under Definitions)
- f. Other

Note: SDHDA, the Department of Human Services (DHS), and the Department of Social Services (DSS) have entered into an agreement whereby full integration of citizens with disabilities into individualized housing settings rather than group home type housing will be promoted. All housing designed specifically for people with disabilities must receive prior approval from DHS and/or DSS. Documentation of approval or that an application has been submitted to DHS or DSS must be submitted with the application. Applicants serving the homeless are required to participate in the Homeless Management Information System (HMIS), through SDHDA.

8. Efficient Use of HOME-ARP funds (20 points maximum)

Project will be awarded points for leveraging a larger percentage of non-SDHDA financing. The use of Housing Trust Funds will not be included in SDHDA financing calculation.

Points	Percentage of HOME, HOME-ARP and Housing Tax Credits
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5	84.99% to 80.00%
10	79.99% to 75.00%
15	74.99% to 70.00%
20	69.99% and below

9. Percentage of Soft Costs Used for Project Costs (Maximum 30 points)

Reasonable and necessary soft costs incurred by the owner and associated with the financing or development (or both) of new construction, rehabilitation, conversion or acquisition with rehabilitation of housing assisted with HOME-ARP funds may include but are not limited to the following:

- a. Architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups.
- b. Costs to process and settle the financing for a project, such as private lender origination fees, credit reports, title insurance, fees for recordation and filing of legal documents, building permit fees, attorney's fees directly related to the project, appraisal fees and fees for independent cost estimates, and developer's fee or builder's fee.
- c. Costs for an audit or cost certification that SDHDA may require with respect to the development of the project.
- d. Costs to provide information services such as affirmative marketing and fair housing information to prospective homeowners and tenants as required in the Fair Housing section.

The cost of funding an operating reserve, which is a reserve to meet any shortfall in project income during the full term of the HOME-ARP agreement, and which may only be used to pay project operating expenses and debt service.

Developer's Fees: The developer of a HOME-ARP project will be entitled to a Developer's Fee not to exceed 15 percent of the total project costs minus Developer's Fees and Consultant's Fees for projects of 16 units or less, not to exceed 12 percent of the total project costs minus Developer's Fees and Consultant's Fees for projects of 17 units or more, and not to exceed 10 percent of total development costs minus developer's fee and consultant's fee for projects of 61 units or more. For purposes of the foregoing limitations, "total project costs" do not include any costs that exceed the Project Finance Limits. Developer Fees may not exceed \$1,000,000 for any projects. The Developer Fee will be limited to the fee calculated at the time of Board reservation.

For Rental Assistance Demonstration (RAD) projects the Developer Fee will not be allowed for acquisition costs.

Developers may choose to defer their Developer Fee. The amount of deferred Developer Fee or owner equity presented in the application will be underwritten as a project financing source.

Consultant's Fees: Consultant fees will be included within the Developer's Fees limitation and cannot exceed two percent of the total project costs minus consultant's fees. For purposes of the foregoing limitations, "total project costs" do not include any costs that exceed the Project Finance Limits. The Consultant will be expected to provide services through Project Completion and a copy of the Consultant Agreement/Contract must be submitted with the application.

Builder/General Contractor's Fees: Builder's Profit is limited to six percent, Builder's Overhead is limited to two percent, and General Requirements is limited to six percent of those respective amounts divided by the total project hard costs for the project.

An application with the percentage of soft costs compared to the total project costs as follows will be awarded up to 40 points. Soft costs include, but are not limited to, all items in a - d of this section and developer's fee, developer overhead, consultant fees, operating reserves, origination fees, partnership organizational fees, and rent-up reserves.

<u>Points</u>	<u>% Soft Costs</u>
30	0.00% - 9.99%
20	10.00% - 14.99%
10	15.00% - 19.00%

10. Project Location (Maximum 40 points)

Projects located in close proximity of community services and areas of opportunity will be eligible for up to 40 points. Five points will be awarded for each category item. Close proximity will be defined as within one half mile of the property.

a. (20 Points) Community services include but are not limited to:

- Grocery/Retail Stores
- Hospital/Medical Clinics
- Schools/Senior Center (as applicable)
- Special Service Offices

A project that has a bus stop within one city block or provides free transportation to the tenants on a regularly scheduled (minimum 4 times per week) or on-call basis will receive 20 points. Projects that have on-call transportation services provided to tenants at reduced rates may receive 10 points.

b. (20 Points) Area of Opportunity:

- Low Poverty Census Tracts – less than 10% poverty rate
- High Ratio of Jobs to Population – above the state average ratio
- Below Average Unemployment – less than the state unemployment rate
- High Scoring Schools – above average school performance index posted by South Dakota Department of Education

The following weblinks provide GIS maps of the SDHDA approved areas of economic or educational opportunities.

Economics:

<https://sdhda.maps.arcgis.com/apps/MapTools/index.html?appid=f2cc4768b4444109a15bb977907fcb7d>

Schools:

<https://sdhda.maps.arcgis.com/apps/MapTools/index.html?appid=833dc9bd52344f45a8c6a3b3c1d8e0fc>

11. Individuals with Children (Maximum 10 points)

Projects that will be serving tenant populations of individuals with children and provide written documentation at time of application will receive 10 points.

12. Public Housing Notification (Maximum 10 points)

A proposal which provides a written commitment to notify local public housing agencies of vacancies and give priority to households on waiting lists of those agencies will receive 10 points.

13. Tribal Projects (30 points maximum)

Projects located within the boundaries of a designated Indian Reservation will receive 30 points.

14. Plans and Specifications (Maximum 25 points)

Applications containing architectural plans/working drawings that are at least 50 percent complete or submission of a physical needs assessment prepared by an independent 3rd party provider will receive 25 points.

15. Site Control (Maximum 25 points)

Applications containing documentation that the applicant and/or owner has a recorded warranty deed, a recorded long term lease, or approval of Transfer of Physical Assets (TPA) from the appropriate HUD, Rural Development, or SDHDA office for existing projects in the name of the applicant will receive 25 points. Applications containing documentation that the applicant has an enforceable signed and accepted purchase agreement or option to buy will receive 15 points.

16. Financing Commitments (Maximum 60 points)

- a. Construction Financing (Executed by Applicant and Lender) (Maximum 20 points)
Applications containing documentation of enforceable construction/interim financing commitments for the project that is executed by the Applicant and Lender, as applicable.
- b. Permanent Financing (Executed by Applicant and Lender) (Maximum 20 points)
Applications containing documentation of enforceable permanent financing commitments that have a fixed rate and a term of at least 15 years and disclose all conditions will receive up to 20 points. Generally, an enforceable financing commitment is a written approval of a loan or grant from a lender which is subject only to conditions of which are within the applicant's control (other than the award of other funding). The loan commitment must contain a representation and acknowledgement from the lender that such lender has reviewed the HOME-ARP funds application submitted by the applicant to SDHDA in support of the HOME-ARP funds for the project to which such commitment relates and that such lender acknowledges that the project will be subject specifically to rent and income restrictions and other special use restrictions

made by the applicant. Commitment with fixed rate and term of less than 15 years will receive 10 points.

- c. **Equity Commitment (Executed by Applicant and Equity Investor) (Maximum 20 points)**
For projects including Housing Tax Credits, applications containing documentation of an equity commitment disclosing all conditions will receive 20 points. The equity commitment must contain a representation and acknowledgement from the equity investor that such investor has reviewed the application submitted by the applicant to SDHDA in support of the credits for the project to which such commitment relates and that such investor acknowledges that the project will be subject specifically to rent and income restrictions and other special use restrictions made by the applicant.

17. Utilities (i.e. water, sewer, electric, heat) (Maximum 20 points)

Applications containing documentation from the utility providers stating utilities are currently at the project site and have the capacity to support the proposed project may receive up to 20 points. Documentation from the providers must be specific to the utility type being provided and that it is at or adjacent to the project site and with sufficient capacity to serve the new development. Close proximity or that the utility can be extended to the site does not meet the requirement for points. A maximum of 5 points are awarded for each category of water, sewer, electricity, and heat (electric or natural gas).

18. Zoning (Maximum 10 points)

Applications containing documentation that the project site is properly zoned for its proposed use or that zoning is not required within the jurisdiction will receive 10 points.

19. Platting (Maximum 10 points)

Applications containing documentation that the project site has had a final plat recorded (includes referencing plat book and number) will receive 10 points.

20. Project Development Characteristics (Maximum 200 points)

Housing that is constructed or rehabilitated with HOME-ARP funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of Project Completion. All housing assisted with HOME-ARP funds must meet, at a minimum, the Housing Quality Standards in 24 CFR Part 982.401. If rehabilitation standards in effect in the locality of the project are less restrictive, or there are no rehabilitation standards, then at a minimum, the Uniform Building Code (ICBO), National Building Code (BOCA), Standard Building Code (SBCCI), Council of American Building Officials (CABO) or the Minimum Property Standards (MPS) in 24 CFR Part 200.925 or 200.926 will apply. All rehabilitation projects must meet the SDHDA Housing Rehabilitation Standards which can be found on the SDHDA website.

Newly constructed housing must meet the current edition of the Model Energy Code published and maintained by the International Code Council and all applicable local and State building code requirements in effect at the time of Project Completion.

Installation of broadband infrastructure is required at the time of new construction or substantial rehabilitation of multifamily housing that has more than four rental units per CFR 5890-F-02 published December 20, 2016.

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 Part 100.201, must also meet the design and construction requirements at 24 CFR Part 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619).

The proposed site must be suitable for the proposed project. If the site includes any detrimental characteristic, the applicant must provide a remediation plan and budget to make the site suitable for the project. If any detrimental site characteristic exists on, or adjacent to the site, SDHDA may reject the application. Detrimental characteristics may include but are not limited to; (i) location within one mile of a pipeline, a storage area for hazardous or noxious materials, a sewage treatment plant or sanitary landfill; (ii) location within 2500 feet of an airport runway clear zone (iii) 3000 feet of a railroad; (iv) 1000 feet of a major roadway or commercial property; (v) 15,000 feet of a military clear zone; (vi) physical barriers, unsuitable slope or terrain, or location in a flood hazard area; or (vii) location within 1000 feet of registered historic property.

All rental property managers must attend the Crime Free Multi-Housing Program course administered through the South Dakota Law Enforcement Officers Standards and Training Commission, but are not required to certify the property itself if the program is not available in their community.

Points will be awarded to proposed projects based on the points as detailed in Exhibit 4 of this plan. A completed copy of Exhibit 4 must be signed by the applicant and architect and submitted with the application. Characteristics indicated by the applicant and architect will be verified by SDHDA staff based on final architectural plans and specifications and physical inspection prior to a final disbursement of HOME-ARP funds. A maximum of 200 points may be obtained.

NON-CONGREGATE SHELTER (NCS)

Proposals will be reviewed initially for completeness, including all submission requirements referenced in Exhibit 1.

Applications must obtain a minimum of 275 points to be considered for funding. Applications that do not receive at least this cumulative total will be denied.

A maximum of 650 points per application may be awarded as specified below:

1. Local Need (Maximum 100 points)

All applicants must submit a narrative and supporting documentation (if applicable) addressing the local need of the qualifying populations for NCS. The applications from markets considered to be facing the highest overall need will receive the highest score. All other applications will be ranked against the highest scoring applicants. Each applicant will receive from zero to 100 points depending upon identified need.

2. Extended Use (Maximum 30 points)

Applicants who make a commitment to extend the Compliance Period for 10 years beyond the required compliance period as defined in Section V.C.11. of this plan will receive 30 points.

3. Match (Maximum 30 points)

Although there is no match requirement to receive HOME-ARP funding, applications which leverage other funding source will receive points based on the following levels of match:

100% match = 30 points

80% match = 25 points

60% match = 20 points

40% match = 15 points

20% match = 10 points

4. Applicant Capacity (Maximum 50 points)

Proposals, which include the following, will be awarded the points indicated for each provable characteristic:

- a. 40 points: Participation by an entity with a demonstrated track record of quality experience developing and/or operating shelters;
- b. 20 points: Participation by a new shelter provider that contracts with a shelter provider or consultant with a demonstrated record of quality experience in development and/or operation of shelters;
- c. 10 points: Owner equity contribution in excess of ten percent of the total project costs (excludes developer fees).

5. Partnership with Other Agencies (Maximum 50 points)

Applicants who can document via written agreements, partnering with other agencies to provide a continuum of services to their shelter clients will be awarded up to 50 points. The services being coordinated must be related services that enhance the living situation of their NCS clients. An example would be partnering with a job service provider to find employment opportunities for clients.

6. Percentage of Soft Costs Used for Project Costs (Maximum 30 points)

Reasonable and necessary soft costs incurred by the owner and associated with the financing or development (or both) of new construction, rehabilitation, conversion or acquisition with rehabilitation of housing assisted with HOME-ARP funds may include but are not limited to the following:

- a. Architectural, engineering or related professional services required to prepare plans, drawings, specifications, or work write-ups.
- b. Costs to process and settle the financing for a project, such as private lender origination fees, credit reports, title insurance, fees for recordation and filing of legal documents, building permit

fees, attorney’s fees directly related to the project, appraisal fees and fees for independent cost estimates, and developer’s fee or builder’s fee.

- c. Costs for an audit or cost certification that SDHDA may require with respect to the development of the project.
- d. Costs to provide information services such as affirmative marketing and fair housing information to prospective homeowners and tenants as required in the Fair Housing section.

The cost of funding an operating reserve, which is a reserve to meet any shortfall in project income during the full term of the HOME-ARP agreement, and which may only be used to pay project operating expenses and debt service.

Developer’s Fees: The developer of a HOME-ARP NCS project will be entitled to a Developer’s Fee not to exceed 10 percent of the total project costs minus Developer’s Fees and Consultant’s Fees. For purposes of the foregoing limitations, “total project costs” do not include any costs that exceed the Project Finance Limits.

Builder/General Contractor’s Fees: Builder’s Profit is limited to six percent, Builder’s Overhead is limited to two percent, and General Requirements is limited to six percent of those respective amounts divided by the total project hard costs for the project.

An application with the percentage of soft costs compared to the total project costs as follows will be awarded up to 30 points. Soft costs include, but are not limited to, all items in a - d of this section and developer’s fee, developer overhead, consultant fees, operating reserves, origination fees, partnership organizational fees, and rent-up reserves.

<u>Points</u>	<u>% Soft Costs</u>
30	0.00% - 9.99%
20	10.00% - 14.99%
10	15.00% - 19.00%

7. Plans and Specifications (Maximum 25 points)

Applications containing architectural plans/working drawings that are at least 50 percent complete or submission of a physical needs assessment prepared by an independent 3rd party provider will receive 25 points.

8. Site Control (Maximum 25 points)

Applications containing documentation that the applicant and/or owner has a recorded warranty deed, a recorded long term lease, or approval of Transfer of Physical Assets (TPA) from the appropriate HUD, Rural Development, or SDHDA office for existing projects in the name of the applicant will receive 25 points. Applications containing documentation that the applicant has an enforceable signed and accepted purchase agreement or option to buy will receive 15 points.

9. Financing Commitments (Maximum 40 points)

- a. Construction Financing (Executed by Applicant and Lender) (Maximum 20 points)

Applications containing documentation of enforceable construction/interim financing commitments for the project that is executed by the Applicant and Lender, as applicable.

- b. **Permanent Financing (Executed by Applicant and Lender) (Maximum 20 points)**
 Applications containing documentation of enforceable permanent financing commitments that have a fixed interest rate and a term of at least 15 years and disclose all conditions will receive up to 20 points. Generally, an enforceable financing commitment is a written approval of a loan or grant from a lender which is subject only to conditions of which are within the applicant's control (other than the award of other funding). The loan commitment must contain a representation and acknowledgement from the lender that such lender has reviewed the HOME-ARP funds application submitted by the applicant to SDHDA in support of the HOME-ARP funds for the project to which such commitment relates and that such lender acknowledges that the project will be subject specifically to rent and income restrictions and other special use restrictions made by the applicant. Commitment with a fixed interest rate and term of less than 15 years will receive 10 points.

10. Utilities (i.e. water, sewer, electric, heat) (Maximum 20 points)

Applications containing documentation from the utility providers stating utilities are currently at the project site and have the capacity to support the proposed project may receive up to 20 points. Documentation from the providers must be specific to the utility type being provided that it is at or adjacent to the project site and with sufficient capacity to serve the new development. Close proximity or that the utility can be extended to the site does not meet the requirement for points. A Maximum of 5 points are awarded for each category of water, sewer, electricity, and heat (electric or natural gas).

11. Zoning (Maximum 10 points)

Applications containing documentation that the project site is properly zoned for its proposed use or that zoning is not required within the jurisdiction will receive 10 points.

12. Platting (Maximum 10 points)

Applications containing documentation that the project site has had a final plat recorded (includes referencing plat book and number) will receive 10 points.

13. Project Development Characteristics (Exhibit 4) (Maximum 200 points)

Points will be awarded to proposed projects based on the points as detailed in Exhibit 4. A completed copy of Exhibit 4 must be signed by the applicant and architect and submitted with the application. Characteristics indicated by the applicant and architect will be verified by SDHDA staff based on final architectural plans and specifications and physical inspection prior to a final disbursement of HOME-ARP funds. A maximum of 200 points may be obtained.

NCS that is newly constructed or rehabilitated with HOME-ARP funds must meet all applicable local codes, rehabilitation standards, ordinances, and zoning ordinances at the time of Project Completion. All housing assisted with HOME-ARP funds must meet, at a minimum, the Housing Quality Standards in 24 CFR Part 982.401. If rehabilitation standards in effect in the locality of the project are less restrictive, or there are no rehabilitation standards, then at a minimum, the Uniform Building Code (ICBO), National Building Code (BOCA), Standard Building Code (SBCCI), Council of American Building Officials (CABO) or the Minimum Property Standards

(MPS) in 24 CFR Part 200.925 or 200.926 will apply. All rehabilitation projects must meet the SDHDA Housing Rehabilitation Standards which can be found on the SDHDA website.

Newly constructed housing must meet the current edition of the Model Energy Code published and maintained by the International Code Council and all applicable local and State building code requirements in effect at the time of Project Completion.

Installation of broadband infrastructure is required at the time of new construction or substantial rehabilitation of multifamily housing that has more than four rental units per CFR 5890-F-02 published December 20, 2016.

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 Part 100.201, must also meet the design and construction requirements at 24 CFR Part 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619).

The proposed site must be suitable for the proposed project. If the site includes any detrimental characteristic, the applicant must provide a remediation plan and budget to make the site suitable for the project. If any detrimental site characteristic exists on, or adjacent to the site, SDHDA may reject the application. Detrimental characteristics may include but are not limited to; (i) location within one mile of a pipeline, a storage area for hazardous or noxious materials, a sewage treatment plant or sanitary landfill; (ii) location within 2500 feet of an airport runway clear zone (iii) 3000 feet of a railroad; (iv) 1000 feet of a major roadway or commercial property; (v) 15,000 feet of a military clear zone; (vi) physical barriers, unsuitable slope or terrain, or location in a flood hazard area; or (vii) location within 1000 feet of registered historic property.

14. Tribal Projects (Maximum 30 points)

Projects located within the boundaries of a designated Indian Reservation will receive 25 points.

SUPPORTIVE SERVICES

SDHDA has created a competitive scoring process for application selection specifically for applicants applying for supportive services funding. The applications will be scored based on the following criteria with a maximum score of 200 points.

1. Utilization of other federal funds (Maximum 25 points)

Organizations who have a proven track record of administering other federal funds for like activities will be awarded up to 25 points. Please include a narrative and spreadsheet (if applicable) demonstrating successful utilization of past federal awards.

2. Participation in CoC (Maximum 25 points)

Applicants who apply for supportive services are required to become members of the South Dakota Continuum of Care. Organizations who are already members of the CoC will receive 15 points. Organizations who are active members and attended at least 50% of the quarterly meetings will receive an additional 10 points.

3. Proposed Application Requests (Maximum 25 points)

Applications requesting funding for Rapid Rehousing (RRH) and Homeless Prevention (HP) Supportive Services funds will receive up to 25 points. Applicants requesting funding for case management in addition to direct financial assistance to obtain or maintain permanent housing (i.e. security deposit, rental assistance, mediation, legal services) will receive 25 points. Applicants requesting only case management funding will receive 10 points. Applicants requesting zero RRH/HP supportive service funds will receive zero points. If the applicant has secured funding to provide financial assistance to obtain or maintain permanent housing as match OR has entered into a partnership agreement with another agency that will provide funding to obtain or maintain permanent housing they will receive 10 points.

4. Match – Other Program Funds (Maximum 25 points)

Although there is no match requirement to receive HOME-ARP funding, applications who leverage other funding sources for like activities (supportive services) will receive points based on the following levels of match:

100% match = 25 points

80% match = 20 points

60% match = 15 points

40% match = 10 points

20% match = 5 points

5. HMIS/Comparable Database Quality and Submissions (Maximum 25 points)

Applicants who are actively using HMIS/DV database for other funding sources are eligible for up to 25 points. Those active participants who achieve 10% or less null/missing data will receive the full 25 points. Active users whose null/missing data percentage is above 10% will receive 10 points. Applicants who have no experience in HMIS/DV database will receive zero points.

6. Participation in Coordination Entry System (CES) (Maximum 25 points)

Applicants whose staff are actively participating in CES activities including the CES Annual meeting, regional case conferencing, and marketing access points for CES will receive 15 points. Organizations who receive referrals for rapid rehousing and/or homelessness prevention programming from the CES will receive an additional 10 points.

7. Partnering with Other Agencies (Maximum 25 points)

Applicants who can document via written agreements, partnering with other agencies to provide a continuum of services, without duplication of services, will be awarded up to 25 points. The services being coordinated must be related services that enhance the success of the program recipients. An example would be the homelessness prevention provider partnering with a job service provider to find employment opportunities for clients.

7. Program Policy and Procedure Manual (Maximum 25 points)

Applicants who submit a written policy and procedure manual for their proposed program are eligible to receive up to 25 points. The manual, at a minimum, must outline the process for receiving applications, approving recipients, verifying eligibility, and implementing the

program. In order to receive full points, the manual must also include the forms to be utilized by the Applicant in administering the program.

Describe how the characteristics of the shelter and housing inventory, service delivery system, and the needs identified in the gap analysis provided a rationale for the plan to fund eligible activities:

South Dakota currently has more than 80 people in emergency shelter utilizing motel vouchers and the 2022 PIT count indicates around 350 unsheltered persons. This is an increase of 126 unsheltered persons from the 2020 PIT Count. Shelters in our two largest communities are reporting shortage of beds and use of floor space in their emergency shelters. South Dakota has a very limited inventory of non-congregate shelter beds for DV and non-DV emergency shelter, with only 80 statewide provided by hotel voucher beds. The need for additional non-congregate shelter units is evident.

Between 10.1.21 and 4.1.22 366 households enrolled in the CES for Homeless Prevention. The SD Cares Emergency Housing Assistance Program has received 9,000 applications with 2,000 open applications indicating at least 2,000 households are currently at-risk of homelessness. There were 528 total PSH beds on the 2021 HIC and 526 of those PSH beds were filled. Supportive service needs remain high for households that require PSH to resolve their homelessness experience.

For the 45,350 households who are at or below 50% AMI, only 15,090 units are available specifically for households at that AMI level. This equates to a shortage of 30,260 units specifically targeted to households at or below 50% AMI. There are currently 259 households and 585 literally homeless clients in the CES que waiting for referrals to permanent housing. The need for additional affordable rental housing is apparent.

HOME-ARP PRODUCTION HOUSING GOALS

Estimate the number of affordable rental housing units for qualifying populations that the PJ will produce or support with its HOME-ARP allocation:

SDHDA has earmarked 30% of its HOME-ARP allocation to Affordable Rental Housing. That equates to approximately \$2.8 million for the purposes of developing rental housing units. SDHDA hopes to produce 20-25 HOME-ARP units with this funding. However, given the current labor market and supply chain issues causing costs to be higher than recent years and extremely volatile, it's hard to ascertain at this time whether the \$2.8 million set aside for rental units will be enough funding to achieve that many units. Also, as mentioned in the Use of HOME-ARP Funding Section V.A. above, the allocations SDHDA is proposing are merely targets and SDHDA reserves the right to move funding between the eligible activities based on the applications received.

Describe the specific affordable rental housing production goal that the PJ hopes to achieve and describe how it will address the PJ's priority needs:

SDHDA's goal is 15 new HOME-ARP rental units constructed and 10 HOME-ARP rental units rehabbed. It's important to note these goals are for the HOME-ARP rental units only, and the units will most likely be combined with other funding sources such as Low-Income Housing Tax

Credits, HOME, and Housing Trust Fund, creating many more affordable units than just the HOME-ARP units created. There are currently 259 households and 585 literally homeless clients on the Coordinated Entry Que, awaiting referral to housing. The addition of the HOME-ARP units and the additional units created by leveraging of other funds will help add to the affordable housing stock in South Dakota and allow for more housing options for those households being assessed through CES and needing referrals to housing. There are currently 34 single adult households and 58 households with children (120 Household members), with Coordinated Entry (CE) assessments that match for the Households (HH) for Permanent Supportive Housing (PSH). There are currently less than 10 openings for PSH units. SDHDA is awarding competitive points for development of PSH as an incentive to produce more PSH units.

PREFERENCES

Identify whether the PJ intends to give preference to one or more qualifying populations or a subpopulation within one or more qualifying populations for any eligible activity or project:

- Preferences cannot violate any applicable fair housing, civil rights, and nondiscrimination requirements, including but not limited to those requirements listed in 24 CFR 5.105(a).
- PJs are not required to describe specific projects to which the preferences will apply.

For any projects involving supportive services or affordable rent housing SDHDA will enable all qualifying populations to be served, with prioritization for referral based on existing SDCES policy and procedure, ensuring no violations occur regarding fair housing, civil rights and other discriminations. For non-congregate shelter SDHDA will give preference to projects that demonstrate an intent and ability to be low barrier, housing focused and other best practices.

SDHDA received public comment requesting preference for LGBTQ+ and People Living with HIV/AIDS (PLWHA). SDHDA recognizes vulnerabilities and risk factors may be elevated within certain sub populations. Funding will not be prioritized for particular qualifying populations or subpopulations using preferences as needs vary across the State and certain communities have different needs and resources available.

VIII. GENERAL FEDERAL REQUIREMENTS

A. EQUAL OPPORTUNITY

All entities applying for funds through the HOME-ARP Program will provide certification of compliance with all federal requirements under the Equal Opportunity legislation. In addition, HOME-ARP funds will be made available in accordance with the following:

1. The requirements of the Fair Housing Act (42 U.S.C. 3601-20) and implementing regulations at 24 CFR Part 100; Executive Order 11063, as amended, (Equal Opportunity in Housing) and implementing regulations at 24 CFR Part 107; and title VI of the Civil Rights Act of 1964 (42 U.S.C. 2000d) (Nondiscrimination in Federally Assisted Programs) and implementing regulations issued at 24 CFR Part 1;
2. The prohibitions against discrimination on the basis of age under the Age Discrimination Act of 1975 (42 U.S.C. 6101-07) and implementing regulations at 24 CFR Part 146, and the prohibitions against discrimination against handicapped individuals under section 504 of the Rehabilitation Act of 1973 (29 U.S.C. 794) and implementing regulations at 24 CFR Part 8;

3. Equal Access in Accordance with an Individual's Gender Identity in Community Planning and Development Programs Rule published September 21, 2016.
4. Violence Against Women Reauthorization Act of 2013: Implementation in HUD Housing Programs published November 16, 2016.
5. The requirements of Executive Order 11246 (Equal Employment Opportunity) and the implementing regulations issued at 41 CFR Chapter 60;
6. The requirements of Section 3 of the Housing and Urban Development Act of 1968 (12 U.S.C. 1701u) as most recently updated by the provisions of the Final Rule 24 CFR Part 75. Please refer to the SDHDA Section 3 Plan for more express guidance on meeting Section 3 requirements. The Section 3 Plan can be found on SDHDA's website. Per 24 CFR Part 75, SDHDA and its contractors are responsible for ensuring that:
 - a. To the greatest extent feasible, employment and other economic opportunities are directed to low- and very low-income persons (Section 3 workers and Targeted Section 3 workers) and to eligible businesses (Section 3 Businesses).
 - b. 25% or more of the total number of labor hours worked by all workers on a Section 3 project are Section 3 workers; and
 - c. 5% or more of the total number of labor hours worked by all workers on a Section 3 project are Targeted Section 3 workers, as defined by 24 CFR Part 75.21.
 - d. If the contractor and subcontractors do not meet the 25% and 5% safe harbor requirements, they must provide evidence they have made qualitative efforts to assist low and very low-income persons with employment and training opportunities. Examples of qualitative efforts can be found in the SDHDA Section 3 Plan on SDHDA's website.
 - e. Contractors and subcontractors must keep records of qualified Section 3 and Targeted Section 3 workers by completing an Employer Certification Form or having the employee complete a Self-certification Form, which must be retained by the employer for a minimum of 5 years after certification.
 - f. If a contractor or subcontractor is a Section 3 Business Concern, they must complete the Section 3 Business Concern Certification located on SDHDA's website.

Section 3 applies to recipients of more than \$200,000 of combined Housing and Community Development funds in any one year and to contractors or subcontractors receiving an excess of \$100,000. Examples of Housing and Community Development funds include Community Development Block Grant, HOME, HOME-ARP, Housing Opportunities for Persons with AIDS, Emergency Solutions Grant, NSP, Housing Trust Funds, and Economic Stimulus Funds. Full requirements for Section 3 may be found at www.hud.gov/section3

7. The requirements of Executive Orders 11625 and 12432 (concerning Minority Business Enterprise) and 12138 (concerning Women's Business Enterprise). Consistent with HUD's responsibilities under these Orders, each applying entity must make efforts to encourage the use of minority and women's business enterprises in connection with HOME funded activities. An applying entity must prescribe procedures acceptable to SDHDA to establish activities to ensure the inclusion, to the maximum extent possible, of minorities and women, and entities owned or managed by minorities and women.

To encourage the use of minority and women's business enterprises in bids for the HOME-ARP Program, SDHDA will include the latest list of such business from the SDDOT Compliance Office web site address: <https://dot.sd.gov/doing-business/contractors/dbe>

In order to maintain statistical data on the use and participation of minority and women's business enterprises as contractor/subcontractors in HOME-ARP assisted program contracting activities, the owner will be required to identify jobs which have been bid by minority-owned/operated, women-owned/operated, and/or small or disadvantaged businesses. In addition, SDHDA may inspect the site to confirm the percentage of minority and women laborers working at the site.

B. FAIR HOUSING

It is SDHDA's policy for Affirmative Marketing that SDHDA informs the public, homebuyers, homeowners, landlords and potential tenants about the Federal Fair Housing laws and the affirmative marketing goals by:

- Making the SDHDA programs available for public review;
- Annually providing free Fair Housing Training;
- Notifying proposed HOME-ARP project owners of Equal Opportunity requirements;
- Including the Equal Housing Opportunity logo or slogan on all advertising and literature used for the HOME-ARP Program;
- Maintaining for public review copies of media releases, advertisements, and paid ads where the HOME-ARP Program was presented;
- Placement of Public Notices and Ads in local newspapers; and
- Attending and providing information at meetings on a statewide basis with developers, realtors, lenders, and other housing and community officials.

Participants in the SDHDA HOME-ARP Programs will be required to use affirmative fair housing marketing practices in soliciting renters, determining eligibility and concluding all transactions. Each participating entity must affirmatively further fair housing according to 24 CFR Part 92.351.

1. Advertising with respect to vacant units must include the equal housing opportunity logo or statement. Advertising media may include newspapers, radio, television, brochures, leaflets, or may involve simply a sign in a window.
2. SDHDA will require the owner to solicit applications for vacant units from persons in the housing market who are least likely to apply for the affordable housing without benefit of special outreach efforts. In general, persons who are not of the race/ethnicity of the residents of the neighborhood in which the affordable project is located and persons with disabilities will be considered those least likely to apply. In addition to advertising in local newspapers, the owner will be required to notify community organizations, places of worship, employment centers, fair housing groups, housing counseling agencies, social service centers or medical service centers to reach applicants who are least likely to apply for units.
3. The owner must maintain a file available for inspection by SDHDA containing all marketing efforts (i.e., copies of newspaper ads, memos of phone calls, copies of letters, etc.) and the records necessary to assess the results of such efforts.

4. The owner must maintain a listing of all tenants residing in each unit at the time of application submittal through the end of the compliance period.

SDHDA will assess the affirmative marketing efforts of the owner by comparing predetermined occupancy goals (based on the area from which potential tenants will come) to actual occupancy data that the owner is required to maintain. Outreach efforts on the part of the owner will also be evaluated by reviewing marketing efforts.

SDHDA will assess the affirmative marketing efforts of the owners during the rent-up and marketing of the units, by use of a compliance certification or personal monitoring visit to the project.

Owners and management companies are required to complete Fair Housing Training prior to final disbursement of HOME-ARP funds and at a minimum, every three years thereafter.

If an owner fails to follow the affirmative marketing requirements, corrective actions will include extensive outreach efforts to appropriate contacts to achieve the occupancy goals as well as other sanctions SDHDA may deem necessary.

An applicant requesting HOME-ARP funds for projects containing five or more units must include with its application details of proposed marketing efforts designed to inform and attract, to the available housing, eligible persons from all racial, ethnic and gender groups in the housing market area (does not apply to families with tenant based rental assistance).

The owner must provide SDHDA with an annual assessment of the affirmative marketing program of the project and the assessment must include:

1. Method used to inform the public and potential tenants about federal fair housing laws and affirmative marketing policy (e.g., the use of the Equal Housing Opportunity logo or slogan in print advertising);
2. Method used to inform and solicit applications from persons in the housing market area who are not likely to apply without special outreach (e.g., use of community organizations, places of worship, employment centers, etc.); and
3. Records describing actions taken by the owner to affirmatively market units and records to assess the results of these actions.

C. ENVIRONMENTAL REVIEW

The environmental effects of each activity carried out with HOME-ARP funds must be assessed in accordance with the provisions of the National Environmental Policy Act of 1969 (NEPA) and the related authorities listed in HUD's implementing regulations at 24 CFR Parts 50 and 58. Each applicant must complete the HOME-ARP Form Exhibit D regarding site information of its proposed activity.

D. LABOR STANDARDS

Owners of buildings projects which contain 12 or more HOME assisted units including HOME and HOME-ARP must comply with the requirements of the Davis-Bacon Act, applicable provisions of the Contract Work Hours and Safety Standards Act, and other applicable federal laws and

regulations pertaining to labor standards. These requirements are triggered by using HOME/HOME-ARP funds for any project costs (not just construction) and will apply to the entire project (not just the HOME/HOME-ARP assisted units).

Federal labor standards require that all persons working on the site be paid weekly at an hourly rate not less than the minimum rate specified in the Wage Determination issued for each particular property. The owner will be required to submit to SDHDA, or ensure that the general contractor and subcontractors submit to SDHDA, electronically through the online program LCP Tracker, payroll reports and certifications to verify wage payments. The prevailing wage provisions do not apply to an individual who receives no compensation or is paid expenses, reasonable benefits, or a nominal fee to perform the services for which the individual volunteered and who is not otherwise employed at any time in the construction work. Any project which receives assistance from the Community Development Block Grant Program in any form is required to abide by the Federal Regulation under the Barney Frank Amendments.

E. LEAD-BASED PAINT

Housing assisted with HOME-ARP funds constitutes HUD assisted housing for the purpose of the Lead-Based Paint Poisoning Prevention Act and is therefore subject to 24 CFR Part 35 as summarized in Exhibit 7. Applicants are responsible for complying with these requirements. Refer to Exhibit 8 for notification disclosure information.

F. CONFLICTS OF INTEREST

No person who (a) is an employee, consultant, officer, or elected or appointed official of SDHDA or of any designated public agency that received HOME-ARP funds and who exercises or has exercised any functions or responsibilities with respect to assisted HOME-ARP Program activities or (b) is in a position to participate in a decision making process or gain inside information with regard to such activities may obtain a personal or financial interest or benefit from his or her activity, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds hereunder, either for such individual or for those with whom such individual has family or business ties, during the individual's tenure or for one year thereafter. HUD may grant exceptions to this rule under circumstances as outlined in 24 CFR Part 92.356.

G. SAM.GOV REGISTRATION, DEBARMENT AND SUSPENSION

All contractors and subcontractors engaging in a contract for a HOME-ARP project will be required to obtain a Unique Entity Identifier (UEI) via www.sam.gov. Owners and contractors are prohibited from employing, awarding contracts, or funding any contractors or subcontractors that have been debarred, suspended, proposed for debarment or placed on ineligibility status by HUD. In addition, any owners who are debarred, suspended, proposed for debarment or ineligible will be prohibited from participating in the HOME-ARP Program. It is the responsibility of the developer to ensure all entities engaged in a contract for the project meet the above requirements prior to closing of the HOME-ARP loan.

H. HISTORIC PROPERTIES

An application proposing rehabilitation in a structure which is over 50 years old must provide documentation from the State Historical Preservation Office that notification of the rehabilitation has been received and that the proposed rehabilitation will have no effect on the historical significance of the structure or that cooperation and adherence to the National Historic Preservation

Act (16 U.S.C. 470) is being met through continued correspondence and mutual agreement on the proposed rehabilitation.

I. FLOOD INSURANCE

HOME-ARP funds may NOT be used in connection with acquisition, conversion, new construction, or rehabilitation of a project located in an area identified by the Federal Emergency Management Agency (FEMA) as having special flood hazards, unless the locality in which the site is located is participating in the National Flood Insurance Program or less than a year has passed since FEMA notification regarding such hazards, and flood insurance is obtained as a condition of approval of the commitment. A flood certification will be obtained by SDHDA.

J. REPAYMENT

Any housing assisted with HOME-ARP funds which is not completed or does not meet the affordability requirements for the specific period of time per the loan documents must repay all HOME-ARP funds extended to the project. Penalties, including interest for the period of time for which the property was out of compliance, may apply.

K. PROCUREMENT

All HOME-ARP projects will follow federal procurement methods. Developers are not required to use the procurement process to obtain their general contractors. However, general contractors and subcontractors will need to be able to document a procurement process for the following:

1. Purchases of property or services over \$10,000 but less than \$250,000 will require price or rate quotations obtained from three qualified sources, prior to the purchase being made.
2. Purchase of property or services in excess of \$250,000 will utilize the following proposal method and standards:
 - a. Requests for proposals will be publicized and an email or letter will be forwarded to interested parties.
 - b. Review of proposals will be conducted in a consistent and documented manner.
 - c. Contracts will be offered to the entity whose proposal is most advantageous with price and other factors considered.

If awarded HOME-ARP, SDHDA will require general contractors to solicit bids from minority-owned (MBE) and female-owned (WBE) business to the extent practicable. Documentation and data on the steps taken to reach out to MBE/WBE businesses must be submitted to SDHDA.

SDHDA may require the use of the procurement process for Developers and/or all contractors when Developers are applying for additional project funding, proposed development costs exceed the Project Finance Limits, or when certain individual costs are not justified.

IX. MONITORING FOR COMPLIANCE

SDHDA will monitor housing projects for compliance with HOME-ARP Program requirements. Program compliance will be assessed through annual owner's certification of compliance and on-site reviews conducted by SDHDA staff.

SDHDA will require the owner or management company to attend HOME-ARP compliance training and Fair Housing training at a minimum of once every three years from the date of final disbursement of funds. All extended use reduced rent elections, and any other special use restriction elections made by the applicant will be made part of the Declaration of Land Use Restrictive Covenants, whether or not such election resulted in points.

EXHIBIT 1
**REQUIRED SUBMISSIONS FOR HOME-ARP AFFORDABLE RENTAL HOUSING AND NON-
CONGREGATE SHELTER**

- A. **Application Requirements.** Applications must be submitted on the SDHDA HOME-ARP Application Form. SDHDA may reject applications with incomplete or incorrect application information. The application must be signed by at least one general partner. Please note, not all items are applicable to NCS and are indicated by "N/A NCS." Supportive Services has its own application submission requirements listed at the end of this exhibit.
1. Local housing needs assessment and complete market analysis. The assessment and analysis must have been completed within six (6) months of submission. (see Exhibit 2 for requirements) For projects of 10 or fewer units, the applicant may create their own housing needs assessment.
 2. Applicants must submit a project narrative outlining the project characteristics (tenants being served, amenities provided, financing in place, etc.). The narrative is intended as a summary of the proposed project to assist SDHDA in reviewing the information in the application and exhibits.
 3. Copy of letter sent to the chief executive officer of the local governing body, in the format prescribed in Exhibit 3. The letter must identify the number of units proposed, the type of units proposed and the exact location of the proposed project.
 4. Copy of utility allowance calculation and supporting documentation.
 5. Pro Forma / Debt Service Coverage Ratio: Pro formas submitted must reflect a debt service coverage ratio of not less than 1.20 for the entire compliance period. Compensating factors such as developer's experience, types of financing utilized and financial strength of the applicant/owner may vary this requirement. The debt coverage ratio is the net operating income to the total annual debt service. Furthermore, the application will reflect that rental income, any subsidies and reserve funds are sufficient to cover the property's debt and operating expenses over the compliance period. Annually, income must be trended at two percent, expenses and replacement reserves must be trended at three percent, and vacancy must be projected at seven percent. A higher vacancy rate may be used for an acquisition/rehabilitation project if the project is currently sustaining higher vacancies and it is not reasonable to expect the project to achieve a seven percent vacancy rate within the first year.
 6. Three years of annual financial statements from the owner, developer, and general partner.
 7. Calculation and supporting documentation of all annual operating expenses evidencing how the applicant arrived at the submitted amounts (e.g., calculation of real estate taxes from county assessor). If the proposed project involves rental acquisition and/or rehabilitation, this requirement may be met with the submission of historical financial information.
 8. The submittal of an attorney's opinion stating that to the best of his or her knowledge, the applicant and all members of the development team are in good standing. The submittal of applicant information, including but not limited to, the applicants past experience with housing concerns and documentation of capacity to perform, based on other federal, State, and local

programs and the ability to carry out the activities and requirements associated with this application.

9. Site control; during the application process, the following is acceptable:
 - a. purchase agreement or option to purchase, signed by both the buyer and seller;
 - b. warranty deed or title (must include purchase agreement);
 - c. long term lease equal to or greater than the term of affordability; or
 - d. contract for deed.

To obtain points for Site Control (Readiness to Proceed Criteria) documentation must be submitted evidencing that the applicant and/or owner has a recorded warranty deed, a recorded long term lease, or approval of Transfer of Physical Assets (TPA) from the appropriate HUD, Rural Development, or SDHDA office for existing projects in the name of the applicant.

Applicants should be cautioned that a reservation of HOME-ARP funds is site specific, therefore any changes to the site will require a full review of the application and reconsideration by the SDHDA Board.

10. Drawing of proposed project site plan showing the general build-up of the site including the location of all proposed building, streets, parking areas, service areas, playgrounds, and any other significant details of the site.
11. Typical floor plan, dimensional plan for each typical living unit. To obtain points for Plans and Specifications (Readiness to Proceed Criteria) architectural plans/working drawings must be at least 50 percent complete.
12. Documentation that the project site is properly zoned at the time of application and documentation that reflects the current status of a project's plat. To obtain points for Zoning (Readiness To Proceed Criteria) documentation must be submitted evidencing that the project site is properly zoned for its proposed use and project site has had a final plat recorded (includes referencing plat book and number). These items may not be necessary for acquisition and/or rehabilitation applications.
13. Letters of notification to all applicable local housing agencies, e.g., local PHA's. The notification must identify the number and type of units and the exact location of the proposed project.
14. If the applicant is a nonprofit, a description of the organization and its activities.
15. To obtain points for Project Location, proposals must include a local area map indicating other assisted housing, proximity to services (hospitals, schools, grocery stores, special services offices), area of opportunity documentation, etc. (N/A for NCS)
16. To obtain points for Project Characteristics, a completed Exhibit 4 signed by the Applicant and Architect indicating the features included in the project must be submitted.
17. To obtain points under Financial Support from Local Sources or Match (NCS), documentation of such support must be provided.

18. To obtain points under Applicant Characteristics or Applicant Capacity (NCS), documentation of such applicant characteristics must be provided.
19. To obtain points for Service Enriched Housing or Partnership with Other Agencies (NCS), a letter of intent from the service provider detailing what services will be available must be provided.
20. Letter of intent evidencing the preliminary arrangements for construction, interim, and permanent financing. The amount of the loan, the rate and the term must be included in the letter. For equity investment the price value of syndicated credits must be included. To obtain points for Financing Commitments (Readiness To Proceed Criteria) the required documentation (executed by Applicant and Lender or Investor) must be submitted.
21. For projects involving rental acquisition and/or rehabilitation, the applicant must provide a relocation plan and budget; along with list of tenants for each of the four months previous to application submission. Each tenant presently occupying the project must complete a Tenant Questionnaire (Exhibit 5). However, if the project has federal project based rental assistance, the applicant should submit source tenant documentation in addition to a Tenant Questionnaire, such as form HUD-50059 (Owner's Certification of Compliance with HUD's Tenant Eligibility and Rent Procedures Form). SDHDA is required to send a General Information Notice to each tenant. If a unit is vacant, please note on the Tenant Questionnaire and submit with the owner's signature.
22. For projects involving rental acquisition and/or rehabilitation, three years historical financial information must be submitted with the application. If the proposed transaction is an arms-length transaction, the applicant must at a minimum submit the last three years' operating statements. If the proposed transaction is not an arms-length transaction, the applicant must submit three years' audited financial statements. SDHDA reserves the right to request financial information for additional years. In addition, if applicable, the submittal of the latest approved project based rental assistance contract may be required.
23. For projects involving rental rehabilitation, a detailed description of the activities to be completed for the exterior and by apartment unit for the interior and the corresponding cost must be submitted with the application. The failure to include a detailed description may result in the application not being selected for a reservation of HOME-ARP funds. To obtain points for Plans and Specifications (Readiness to proceed criteria) applicant must submit a physical needs assessment.

In addition, if there are large variances between the original application and the appraisal and physical needs assessment submitted for commitment of HOME-ARP funds, the reservation of HOME-ARP funds may be withdrawn.
25. Projects that will be serving tenant populations of individuals with children must provide written documentation. (N/A for NCS)
26. Documentation of utility availability (i.e. water, sewer, electric, natural gas). If utilities are not available, an explanation, including dates, as to when all utilities will be available must be submitted. To obtain points under Section VI. C. 4. (Readiness to Proceed Criteria Utilities)

applicant must submit documentation from the utility providers stating utilities are currently at the project site and have the capacity to support the proposed project.

28. Copy of Consultant Agreement.
29. Cost Allocation Tool to identify number of HOME-ARP units required for the project. (N/A for NCS)
30. Any other information requested by SDHDA.

B. Reservation Stage

Once Board approval has been made, Applicant will begin submitting the following documentation for commitment of funds. All requirements in this section must be provided, within 120 days, before an actual commitment of HOME-ARP funds will be made.

1. Signed funding commitment documentation from all sources associated with the project including the amount, rate and term of the financing.
2. A description of any other governmental assistance and/or rental assistance associated with the project. This includes copies of any contracts/agreements executed or any applications made for rental assistance grants for the project.
3. Information on the ownership entity, including an executed copy of the partnership agreement or articles of incorporation, a copy of the certificate of registration from the Secretary of State in the State of South Dakota, and a copy of federal tax payer identification number.
4. An affidavit executed by the owner, general partner, an officer, a director or corporate officer stating that under penalties of perjury all facts and statements contained in all documents and exhibits submitted in conjunction with the application for HOME-ARP funds are true and accurate to the best of his or her knowledge.
5. Site ownership documented by a recorded contract for deed, warranty deed, or long-term lease (lease must be for longer than the minimum affordability requirement or through the extended use period). All ownership by contract for deed must include an amendment to the contract which states the deed holder is knowledgeable of and agrees to comply with all requirements of SDHDA and HUD HOME-ARP Program regulations for the compliance period and/or any extended use pledged in the application.
6. Final itemization of the costs related to the completion of the project, including both hard cost and soft costs.
7. Final plans and specifications stamped by the project Architect and Engineer.
8. Copy of the proposed HUD Affirmative Fair Housing Marketing Plan, management plan, management agreement, tenant selection policy, Section 504 reasonable accommodation policy, and the intended lease to be utilized for the project, which may not include any prohibited lease terms as detailed in Exhibit 6.

9. All other agreements and certifications required by SDHDA to comply with the federal regulations governing the use of HOME-ARP funds.
10. Projects involving acquisition of an existing property must submit a “Market Value As Is” appraisal meeting the USPAP and completed by an independent, State Department of Revenue and Regulation certified appraiser (www.state.sd.us/drr2/reg/appraisers/complain-rosters.htm). SDHDA will approve the appraiser and the applicant will pay for all costs for this service, which can be included in the total project costs.
11. Projects involving rehabilitation or new construction must submit a “Market Value As If Completed” appraisal meeting USPAP and completed by an independent, State Department of Revenue and Regulation certified appraiser (www.state.sd.us/drr2/reg/appraisers/complain-rosters.htm). In addition, projects involving acquisition and/or rehabilitation of an existing property must submit a physical needs assessment completed by an independent inspector. SDHDA must approve the appraiser and inspector and the applicant will pay for all costs for these services, which can be included in the total project costs.
12. Projects involving acquisition and/or rehabilitation of a pre-1978 property must comply with lead-based requirements as summarized in Exhibit 7. The applicant will pay for all costs for these services, which can be included in the total project costs.
13. Projects will be required to obtain a Unique Entity Identifier (UEI) number via www.Sam.gov (For U.S. Government Federal Contractors, Vendors and Grantees). The UEI is FREE for all businesses and is required for all U.S. government contracts or grants.
14. Copy of the Letter of Credit, in an amount equal to the full loan amount, from a reputable financial institution acceptable to SDHDA. The Letter of Credit will be in force until the achievement of stabilized occupancy of the project, receipt of an acceptable cost certification, and clearance of any monitoring findings related to an SDHDA review of records related to initial project development and lease-up.
15. Any other information or documents requested by SDHDA.

Required Application Submissions for Supportive Services

- A. Application Requirements: Applications must be submitted on the SDHDA HOME-ARP Application Form. SDHDA may reject applications with incomplete or incorrect application information. The application must be signed by at least one general partner.
 1. Applicants must submit a narrative outlining the supportive services being applied for (populations being served, services provided, other financing in place, etc.). The narrative is intended as a summary of the proposed supportive services to assist SDHDA in reviewing the information in the application and exhibits.
 2. For points under Utilization of other federal funds, applicants must submit a narrative and spreadsheet (if applicable) demonstrating successful utilization of past federal awards for similar supportive service activities to those being applied for.

3. For points under Match, applicants must provide documentation evidencing other funds being provided for like or complimentary activities to the supportive services being applied for.
4. For points under Partnering with Other Agencies, applicants must provide documentation via written agreements with other agencies that details the partnerships and how they will complement the services being applied for.
5. For points under Policy and Procedure Manual applicants must submit a written policy and procedure manual for their proposed HOME-ARP Program. In order to receive full point, the manual must also include the forms to be utilized by the Applicant in administering the program.

EXHIBIT 2

MARKET STUDY REQUIREMENTS FOR HOME-ARP AFFORDABLE RENTAL HOUSING

In order to be accepted with an application, a complete market study must be less than six months old at the time of submission. For acquisition/rehabilitation projects, and projects with ten or fewer units, this market study can be completed by the applicant and should include a short narrative addressing demand for housing, lack of supply, and documentation of interest in the project activity, i.e. waiting lists.

All other application market studies must be completed by a market analyst who is unaffiliated with the developer and who has experience with multifamily rental housing. A South Dakota licensed appraiser who is MAI certified and meeting the criteria listed may also complete the market study. The study must address in depth the following:

1. Review of proposed site including color photos of the site and adjoining property; definition of the primary and secondary market areas including a map that clearly marks the areas and an explanation of the basis for the boundaries; description of site characteristics including the size, shape and general topography; and evaluation of the accessibility and visibility of the site;
2. Review of the proposed project including the number of units by number of bedrooms and bathrooms, income levels to be served, rent to be charged, calculating utility allowances and amenities to be provided;
3. Review of existing community services and their proximity to the proposed project including a site map identifying such services;
4. Review and listing of existing multifamily projects in the market area for both affordable housing (Section 8, HOME and Rural Development) units and market-rate units listing the type of housing, location, number of bedrooms, number of bathrooms, size of units, condition of buildings, vacancy rates, waiting lists, amenities, utility allowances (whether included in rent or not), and rental rates;
5. Review of the total number of income eligible households* in the market area, (include a breakdown of households (both renters and owners) at 50 percent and 60 percent level of area median income and projections of the same, for the next five year period);
6. Review of projected new multifamily projects (BOTH affordable and market rate) including number and type of building permits issued in the past three years;
7. Review of current population characteristics, such as total population, income levels, age breakdown, migration trends, and five year projection of future changes to the population and its characteristics;
8. Review of the type of employment opportunities and entry-level wages including economic changes proposed that could potentially affect the number of jobs or wages;
9. Review of existing and projected renter and owner occupied households indicating the total number of households, average number of persons per household, and number of households that are rent burdened (tenants paying more than 30 percent of their income for housing);

10. Review of existing housing conditions and projected rental housing demands, including the breakdown of the number, size and rent level of units necessary to fill the demands of the community;
11. Review of meeting/correspondence with the local Public Housing Authority highlighting the utilization of Section 8 vouchers and the affordable rental housing in the corresponding effective market area;
12. Review of meeting/correspondence with local planners, housing and community development officials, and market participants to evaluate the local perception of the need for additional housing; and
13. Executive Summary with a precise statement of the conclusions reached by the analyst. The statement must include the analyst's opinion of (i) market feasibility, (ii) the prospect of long-term performance of the property given housing and demographic trends and economic factors, (iii) recommended modifications to the proposed project, (iv) market related strengths and weaknesses, (v) positive and negative attributes and issues that will affect the property's lease-up and performance, and (vi) the impact the subject property will have on the existing multifamily projects.

The following issues must be considered for each potential market before the development of additional units is pursued:

1. Whether the community experienced growth in recent years and is projected to continue to grow.
2. Whether there has been any significant changes in the economic arena for the area, such as major employers leaving or moving into the area or are expected to leave or move in. Note that the definition of "major" will vary by community.
3. A determination as to whether vacancies that may have existed prior to the population growth have been absorbed, or whether there are vacancies in the market area now. If there are the vacant units, they need to be evaluated to determine if they are obsolete, have deferred maintenance, have deep rental subsidies, or qualify for Section 8 Vouchers (if available).
4. Determine if the need is for housing for families, young professionals, retirees, or the elderly, and what the most suitable housing would be for the identified population; such as whether there is a need for single family homes, townhouse or condominium type housing units with lower maintenance requirements, independent apartments, congregate housing, or assisted living units. Also, determine if there are existing vacant units or structures in the community or region that could be rehabilitated or moved in to address the demand for housing in a more affordable manner than new construction.
5. A determination must be made as to whether there is a need for market rate housing or housing targeted to lower income households.

**EXHIBIT 3
LOCAL GOVERNING BODY NOTICE**

Format of letter to be submitted evidencing local notice -
Must be submitted to chief executive officer of local governing body

I _____, [Insert name and title] am writing on behalf of the _____
_____ [Insert name of applicant] to notify you of the following proposed project:

_____ (Project Name)

_____ (Street Address)

_____ (Number of Units)

The project will be [Insert newly constructed or existing] units targeted to [Insert family, elderly, homeless, etc.].

The market study provided by the applicant which was undertaken by _____ and completed on _____, is available for your review. _____ (Applicant) will be applying to South Dakota Housing Development Authority for funding to assist in financing the development of the project described above.

If you wish to provide comments on this project, please provide them, in writing, by July 30th to:

South Dakota Housing Development Authority
Attn: Lorraine Polak, Executive Director
PO Box 1237
Pierre, SD 57501

Name

Title

Signature

Date

EXHIBIT 4 MULTI-FAMILY PROJECT CHARACTERISTICS

Indicate if the project will include each characteristic by placing an X in the box to the left of each applicable line item. Applicant only eligible to receive up to 200 points. NOTE: No points are allowed for characteristics associated with previous phases.

Minimum standards apply to all new construction projects; however, rehabilitation or reconstruction projects should meet these minimum standards.

Site Exterior		
Parking:		
	Minimum Standards	At a minimum, the parking lot will be engineered asphalt, having concrete curb and gutter where required. For multifamily developments, each efficiency, 1 and 2 bedroom units must have 1-1/2 parking spaces and each 3 and 4 bedroom units must have 2 parking spaces. The number of handicap designated spaces must equal the amount of handicap units. In the event that local jurisdiction codes exceed this total then the local code supersedes these requirements. Garage counts as parking space(s).
	10 points	Multi-family projects that include carports capable of parking at least 1 vehicle per unit or a garage for at least 50% of the units. At a minimum the carports are to be constructed of weather resistant steel, attached to footings or a thickened concrete slab, contain a concrete slab and meet minimum code design requirements.
	15 points	Multi-family projects with off-street concrete parking lot that meets minimum standards above.
	25 points	Multi-family projects that includes a garage capable of parking at least 1 vehicle for all units.
Sidewalks:		
	Minimum Standards	A concrete sidewalk will be provided from the primary entrance door and any accessible entry door to a public right of way.
Exterior Landscaping:		
	Minimum Standards	New construction should have a minimum of a live landscaped area of no less than 5% of the hard surfaced area of the project site. Hard surface includes building pad as well as all sidewalks, parking lots and other hard finish areas.
	Minimum Standards	Multifamily rental project of 16-47 units must have at least one Section 504 compliant playground area. Projects of 48 or more units, must have at least two Section 504 compliant playground areas. A basketball court, skate park or other like area approved by SDHDA would also qualify as a second playground. Three play components are required per playground area with a minimum of one ground level play component on an accessible route. If additional types of ground level play components are incorporated each type must be on an accessible route.
	Minimum Standards	A minimum of a 4 foot downspout extension or 3 foot concrete splash block that positively discharges water away from the foundation at all downspout locations.

	5 points	Use of drought resistant live plants or Xeriscaping design principals or use of rain sensor irrigation for landscaped areas.
	10 points	Downspouts that are attached to a storm sewer system.
Signage:		
	Minimum Standards	The project must have permanent signage installed with Equal Housing Opportunity and ADA logos and the identification of the developer and South Dakota Housing Development Authority.
Building(s) Exterior		
Exterior Siding/Finish:		
	Minimum Standards	Minimum of 15-year pre-finish warranty 30-year substrate warranty solid cementitious or composite prefinished siding. If vinyl siding is used, it must be a minimum of 0.44 mil thick and have a lifetime warranty. Prefinished soffits, fascia, gutters and downspouts are required.
	10 points	At least 25% of building exterior finished in brick, stone, EIFS or stucco.
	25 points	At least 80% of building exterior finished in brick, stone, EFIS or stucco.
Roofing:		
	Minimum Standards	Minimum of 30-year warranty asphalt or composite shingle, 29 ga metal roofing with a 40-year film and 30-year chalk/fade warranty or a rubberized roof system with a 30-year warranty for flat roofs.
	15 points	Use of UL 2218 Class 4 impact resistant shingles or 26 ga UL 2218 Class 4 impact resistant metal roofing.
Windows/Doors:		
	Minimum Standards	Energy Star certified exterior prefinished windows constructed of vinyl, wood, composite or fiberglass. Windows must be Energy Star certified for the Northern climate zone.
	10 points	Windows scored with a .27 U-Factor or better (lower is better) by the National Fenestration Rating Council.
	Minimum Standards	Exterior doors shall be insulated steel or composite in a metal clad or composite frame/brickmould. Unit entry doors without windows shall have a peephole installed with 180-degree view. Two peepholes are required on accessible units, one at 43" and one at standard height. All unit entry doors must be equipped with a deadbolt with 1" inch throw and strike plate installed with 2-1/2" or longer screws.
	Minimum Standards	Main entrances for projects containing interior accessed units must be equipped with an ADA/ABA compliant automatic door opener.
	20 points	Main entrances for projects containing interior accessed units designed with a foyer and equipped with a security access system.
	20 points	Townhome that have exterior entrances at ground level for all units.
Construction and Energy Efficient Design Features		
Wall/Roof Assembly:		
	Minimum Standards	Slab on grade construction to have a minimum R-10 vertical foundation and horizontal perimeter under slab insulation per 2012 IECC. A minimum 6 mil or greater vapor barrier to be required under slab.
	Minimum Standards	2x6 exterior wall assemblies insulated to a minimum of R-19. Roof assembly to have minimum 12" energy heel trusses and insulated to a minimum of R-49. Rim/band joists to be insulated to the same R-value

		as the exterior walls. All assemblies must be constructed to the higher of the SDHDA minimum, local adopted code or the current state adopted IRC/IBC if no local code exists.
	10 points	All party walls and common walls containing at least 3.5" of sound attenuation insulation.
	10 points	Light weight concrete or Gypcrete surfacing on floors.
Special and Accessible Design Features:		
	Minimum Standards	All projects containing more than 4 units must be compliant with Section 504 under the Rehabilitation Act of 1973. All other housing must meet the requirements of the Fair Housing Act. Rehabilitation of multifamily housing containing 15 or more units and costing at least 75% of replacement cost must also meet Section 504. If the rehabilitation involves fewer than 15 units or the cost is less than 75% of the replacement cost of the completed facility and the recipient has not made 5% of its units in the development accessible to and usable by individuals with disabilities, then the requirements of 24 C.F.R. 8.23(b) – Other Alterations apply. Under this section, alterations to dwelling units shall, to the maximum extent feasible, be made readily accessible to and usable by individuals with disabilities. If alterations to single elements or spaces of a dwelling unit, when considered together, amount to an alteration of a dwelling unit, the entire unit shall be made accessible. Alteration of an entire unit is considered to be when at least all of the following individual elements are replaced: renovation of whole kitchens, or at least replacement of kitchen cabinets; and renovation of the bathroom, it at least bathtub or shower is replaced or added, or a toilet and flooring is replaced; and replacement of entrance door jambs.
	5 points	Up to 15 points will be awarded for projects that create additional accessible units for individuals with mobility and/or sensory impairments. Mobility units must be added at a 2:1 ratio to the sensory units. A minimum of one additional unit must be added above the federal minimum requirements. Accessible units shall to the maximum extent feasible and subject to reasonable health and safety requirements, be distributed throughout projects and sites and shall be available in a sufficient range of sizes and amenities so that a qualified individual with handicaps' choice of living arrangements is, as a whole, comparable to that of other persons eligible for housing assistance under the same program. This shall not be construed to require provision of an elevator in any multifamily housing project solely for the purpose of permitting location of accessible units above or below the accessible grade level.
	10 points	Total Percent of Accessible Units 5 points – Above minimum requirements to 10.00% 10 points - 10.01% to 15.00%
	15 points	15 points - 15.01% to 20.00%
	15 points	Incorporation of the 7 Universal Design Principles in at least 25% of all units, not including Section 504 units. Universal design is the design of products and environments to be usable by all people, to the greatest extent possible, without the need for adaptation or specialized

		design. Minimum universal design principals can be found on SDHDA website.
	35 Points	Multi-family projects that have either a stand-alone Community Building or a Community Room, the room shall be 15 square feet per occupant, assuming 1-1/2 occupants per unit. The room shall include a fully functioning kitchen and minimum of one unisex ADA compliant restroom. For calculation of the square footage of the space, only areas usable by occupants are to be included. The square footage of the kitchen, restroom, hallways, offices or storage cannot be used to meet minimum square footage requirement. At the discretion of SDHDA, partial points may be awarded for existing community buildings which meet the capacity requirements of the existing units served, plus the new proposed units in the application.
Energy Efficient Design Features:		
	20 points	HERS: Project scoring a HERS index of 60 or better as verified by a RESnet certified Rater. Lower is better.
	35 points	Energy Star: Whole project certification to the latest version of Energy Star for New Homes or Energy Star for Multifamily High Rise as verified by a 3rd party Energy Star certified rater. Project cannot take points for both HERS and Energy Star certifications.
	10 points	Installation of LED lights throughout interior and exterior of project.
Building Interior		
Unit Entry Doors:		
	Minimum Standards	The unit entry doors must meet the code requirement of the wall assembly containing it. It must include a peephole with 180-degree viewer or have a window and also a deadbolt with a 1" throw into a reinforced jamb. Two peepholes are required on accessible units, one at 43" and one at standard height.
Unit Interior Doors:		
	10 points	Installation of solid core interior doors throughout units.
	5 points	Installation of metal jambs for interior doors throughout units. This option is only available if points are taken for solid core doors.
Floor Covering:		
	Minimum Standards	Roll carpet must meet the standards of HUD use of material bulletin 44D. VCT, Vinyl Plank, LVT, sheet vinyl, carpet squares, and other floor coverings must meet or exceed the ASTM standards for Resilient Floor Covering and carry a minimum of a 10-year Manufacturer Warranty. An aluminum or vinyl "J" trim must be installed at the tub/shower transition when sheet vinyl flooring is installed and sealed with a silicone sealant.
Laundry:		
	Minimum Standards	A common laundry room must be located in each building of a project and contain a window within or near the door. Laundry room must also include a continuous or humidistat-controlled ventilation system. Projects with townhomes or apartments without common laundry space must provide washer and dryer hook-ups within each unit. Washers and dryers must meet Energy Star qualifications.

	5 points	A common laundry room for each building floor and must meet above minimum standards.
	15 Points	A washer and dryer provided for each unit. Washer and dryers must meet Energy Star qualifications.
Unit Bathrooms:		
	Minimum Standards	Minimum of one-half bath per floor for multi-story townhomes 2 or more bedrooms.
	Minimum Standards	Primary bath light and bathroom ventilation fan must be switched together.
	5 points	Installation of Energy Star qualified bathroom ventilation fan equipped with a humidistat. Humidistat must be incorporated within the fan and not at a wall switch.
	15 points	Installation of HVI certified HRV or ERV.
	Minimum Standards	For new construction projects that must comply with Section 504 of the Rehabilitation Act of 1973, a UFAS compliant curbless roll-in shower must be provided in at least 50% of the Section 504 mobility impaired accessible units or at least one.
Appliances and Fixtures:		
	Minimum Standards	A minimum of a 14 cu. Ft. frost free refrigerator/freezer for all 0 or 1 bedroom units. A minimum of 18 cu. Ft. refrigerator/freezer for all 2 or more bedroom units .Dishwashers to be a minimum of 24" in width.
	Minimum Standards	Water Sense qualified faucets, toilets/urinals, showerheads. Kitchen faucets are required to meet the same Water Sense GPM standards as bathroom faucets.
	5 points	Range hood vented to the exterior of the building.
Window Coverings:		
	Minimum Standards	Window coverings or blinds shall be provided and installed.
Mechanical		
Heating and Cooling:		
	Minimum Standards	At a minimum high efficiency cove heat. Electric baseboard heat and PTAC's are NOT allowed for new construction. 92% AFUE minimum gas furnace, Heat Pumps rated at HSPF of 8 or greater with a 13.0 SEER rating or higher (packaged or split). Programmable thermostats are required.
	Minimum Standards	All units must have Energy Star qualified through the wall air conditioning or central air conditioning rated at 13 SEER or better sized to properly cool the unit.
	5 Points	Energy Star qualified central air conditioning or verified AHRI certificate with matching coil and condenser 16 SEER or better. Split systems must be Energy Star matched.
	20 points	Forced air furnace 96% or greater AFUE or Energy Star qualified Air-source or Ground Source heat pump capable of providing heat to -15 F. Split systems must be Energy Star matched.
Note: Proposed heat pump systems used for primary heat must be submitted for approval.		
Water Heating:		

	Minimum Standards	A minimum of a 0.92 UEF electric water heater in each unit. Atmospheric vented gas water heaters will not be allowed. Any central hot water systems must be submitted for approval.
	10 points	A gas condensing (close combustion, two-vent pipe system) or electric heat pump water heater provided for each unit.
Healthy Homes		
	Minimum Standards	<ol style="list-style-type: none"> 1. Low VOC paints, stains, adhesives and sealants. 2. Formaldehyde free insulation. 3. Formaldehyde free or sealed particle board products such as shelving, cabinets and countertops. 4. Lead detection and abatement. Only applies to rehabilitation projects. 5. Install a passive radon system. Test for radon near completion and if 4pCi/L or higher the system must be made active and re-tested until results are below 4pCi/L.
Electrical Standards		
	Minimum Standards	<ol style="list-style-type: none"> 1. Hardwired CO sensors required with installation of gas appliances. 2. The use of incandescent light bulbs is not allowed. 3. New construction or substantial rehabilitation of rental housing with more than four (4) units must incorporate the installation of broadband infrastructure.

I certify that the above indicated characteristics will be incorporated into the final working drawings and that they must be provided prior to occupancy of the project.

I certify that the housing will meet the accessibility requirements of 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 Part 100.201, must also meet the design and construction requirements at 24 CFR Part 100.205, which implement the Fair Housing Act (42 U.S.C. 3601-3619).

Applicant Date

Architect Date

EXHIBIT 5 – HOME-ARP Tenant Questionnaire
(Complete all sections requested, if a question does not apply, please put N/A)

Project Name: _____ Initial Certification: _____

Unit No.: _____ Bedroom Size: _____ Annual Recertification: _____

Applicant Name: _____

Address: _____

City: _____ State: _____ Zip: _____

1. List all occupants of the unit

	Occupant	Relationship	Social Security Number	Date of Birth	Sex
(a)		Head of Household			
(b)					
(c)					
(d)					
(e)					
(f)					

2. Are all members of the household U.S. Citizens? Yes No

3. Is any member of the household a full or part-time student at an institution of higher education? Yes No

4. Race – Head of Household:

- White
- Asian & White
- Asian
- American Indian/Alaskan Native
- American Indian/Alaskan Native & Black/African American
- American Indian/Alaskan Native & White
- Black/African American
- Black/African American & White
- Native Hawaiian/Pacific Islander
- Other Multi-Racial

Hispanic Head of Household: Yes No

5. The following question is optional. However, the information supplied may be used to determine any special needs you may have.

Do any family members have a disability? Yes No
 If so, what type of special accommodations may be needed? _____

6. If tenant is already residing in the HOME project, complete this section. Otherwise go to Question 7.

CURRENT RENT
Monthly: \$ _____

CURRENT UTILITY ALLOWANCE
Monthly: \$ _____

7. Do you currently receive rental assistance? Yes No

	Amount Per Month
If yes, are you receiving: Section 8 Certificate <input type="checkbox"/>	_____
Section 8 Voucher <input type="checkbox"/>	_____
Other <input type="checkbox"/>	_____

8. Please answer each of the following questions. For each “Yes” answer provide details in the chart below.

	Yes	No
Is any member of your household employed, full-time, part-time, or seasonally?	<input type="checkbox"/>	<input type="checkbox"/>
Does any member of your household expect to work for any period during the next 12 months?	<input type="checkbox"/>	<input type="checkbox"/>
Does any member of your household work for someone who pays them in cash?	<input type="checkbox"/>	<input type="checkbox"/>
Is any member of your household on leave of absence from work due to lay-off, medical, maternity, or military leave?	<input type="checkbox"/>	<input type="checkbox"/>
Does any member of your household now receive or expect to receive unemployment benefits?	<input type="checkbox"/>	<input type="checkbox"/>
Does any member of your household now receive or expect to receive child support?	<input type="checkbox"/>	<input type="checkbox"/>
Is any member of your household entitled to child support that he/she is not now receiving?	<input type="checkbox"/>	<input type="checkbox"/>
Does any member of your household now receive or expect to receive alimony payments?	<input type="checkbox"/>	<input type="checkbox"/>
Is any member of your household entitled to alimony payments that he/she is not now receiving?	<input type="checkbox"/>	<input type="checkbox"/>
Does any member of your household receive or expect to receive welfare assistance?	<input type="checkbox"/>	<input type="checkbox"/>
Does any member of your household receive or expect to receive Social Security benefits?	<input type="checkbox"/>	<input type="checkbox"/>
Does any member of your household receive or expect to receive income from a pension or annuity?	<input type="checkbox"/>	<input type="checkbox"/>
Does any member of your household receive regular cash contributions from individuals not living in the unit or from agencies?	<input type="checkbox"/>	<input type="checkbox"/>

Does any member of your household receive income from assets, including interest on checking or savings accounts, interest and dividends from certificates of deposit, stocks, or bonds, or income from the rental of property?

Is anyone in the household a student at an institute of higher learning and age 18-23?

For each type of income that your household receives, give the source of the income and the amount of income that can be expected from that source during the next 12 months.

FAMILY MEMBER	SOURCE OF INCOME/ TYPE OF INCOME	ANNUAL INCOME

If additional space is needed attach a separate sheet.

9. List all checking and savings accounts (including IRA's, Keough accounts, and Certificates of Deposit) of all household members, including accounts disposed of during the past two years.

FAMILY MEMBER	FINANCIAL INSTITUTION	ACCOUNT NUMBER	TYPE	BALANCE

If additional space is needed attach a separate sheet.

List value of all stocks, bonds, trusts, pension contributions, or other assets:

Do you own a home or other real estate? Yes No

Did you have any assets in the last two years not listed above? Yes No

If yes, did you dispose of any assets for less than fair market value? Yes No
(This means that the assets were either given away or sold at less than the allotted market value.)

What were the assets, the market value at the time of disposition, the amount received, and date you disposed of the assets?

Any assets listed as disposed of for less than fair market value in the two years preceding the effective date of the certification or recertification will be counted as assets if the difference between the value and the amount received exceeds \$1000.

RESIDENT'S STATEMENT: I understand that the above information is being collected to determine my eligibility for residency. I authorize the owner/manager to verify all information provided on this application and my signature is consent to obtain such verification. I certify that I have revealed all assets currently held or previously disposed of and that I have no assets other than those listed on this form (other than personal property). I further certify that the statements made in this application are true and complete to the best of my knowledge and belief and am aware that false statements are punishable under Federal law and grounds for eviction. I declare and affirm under the penalties of perjury that the claim (petition, application, information) has been examined by me, and to the best of my knowledge and belief, is in all things true and correct.

Signature of Head of Household: _____ Date: _____

Signature of Spouse or Co-Tenant: _____ Date: _____

The following person has been designated to coordinated compliance with the nondiscrimination requirements contained in the Department of Housing and Urban Developments regulations implementing Section 504: _____

**EXHIBIT 6
PROHIBITED LEASE TERMS**

The lease may NOT contain any of the following provisions per 24 CFR Part 92.253 b.:

1. 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;
2. 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;
3. Excusing owner from responsibility. Agreement by the tenant not to hold the owner or owner's agents legally responsible for any action or failure to act, whether intentional or negligent;
4. Waiver of notice. Agreement of the tenant that the owner may institute a lawsuit without notice to the tenant;
5. 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;
6. Waiver of a jury trial. Agreement by the tenant to waive any right to a trial by jury;
7. Waiver of right to appeal court decision. Agreement by the tenant to waive the tenant's right to appeal, or to otherwise challenge in court, a court decision in connection with the lease; and
8. 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.