

## EXHIBIT I – EXHIBIT CHECKLIST FOR HOME PROGRAM APPLICATION

### A. Application should include:

1. Complete application form (current year), including, but not limited to:
  - a) Complete breakdown of the funds anticipated. Sponsor must provide a letter of intent or commitment from the Lender(s) and Syndicator(s) for the investment of all required equity and loan funds in the development. Said document(s) to identify and outline the specific terms (i.e., pricing, costs, structure, equity injection schedule, required reserves, etc.) either being offered or proposed by the Lender(s) and Syndicator(s) (See Section 7.3.13 of the Allocation Plan).
  - b) If applicable, documentation regarding the terms and conditions of proposed subsidies.
  - c) Documentation substantiating utility allowance calculations.
  - d) 30-year pro forma
2. Narrative description of the development;
3. Market Study and Feasibility Requirements:
  - For proposed projects consisting of twenty (20) or more new units, the study must be conducted by an IHFA qualified independent third party available at [http://www.ihfa.org/multifamily\\_taxcredit.asp](http://www.ihfa.org/multifamily_taxcredit.asp)
  - The Market Study should not be more than 6 months old and must include the names and positions of the individuals providing the information. An update will be allowed up to six months after the original market study or appraisal has expired.
  - For acquisition/rehabilitation projects, an MAI Appraisal can be an acceptable alternative to a Market Study. However, the MAI must address the Market Study components listed below. An update will be allowed up to six months after the original appraisal has expired, although in no instance will the Association accept an appraisal beyond 12 months of the appraisal's original date.
    - Projection for absorption must be adequately supported by the incremental “new unit demand” for the type and design of the proposed development. In addition, the analysis must evaluate the overall effect of the proposed development on the existing rental market of the targeted area;
    - Affordability analysis must compare the proposed LIHTC and/or HOME units with comparable market rate units. In the event the

analyst does not specifically justify a projected comparable rent, but rather provides a broad range of rents for the comparables, please be advised that the Association will establish affordability by using the low end of the range;

- Proposed developments which are designed for, and are 100% dedicated to, a targeted market segment (i.e. senior, elderly, special needs, etc.) will be required to provide a targeted feasibility analysis; and
- Proposed multiple use projects, i.e. rental and commercial space, must provide an evaluation which substantiates the commercial demand, vacancy rate(s), and lease rate(s) for comparable commercial space within the market area that the development is proposed.

Criteria for Market Feasibility: Researched and prepared by an independent professional firm which recommends and justifies the overall market area demand for new housing units by addressing all aspects of marketability including but not limited to:

- Market composition between home owners and renters;
- Geographic definition and analysis of market area;
- Existing competing developments;
- Developments in the market area which are under construction and/or in the pipeline to be developed – with anticipated dates of completion and availability to the public;
- Vacancy rates of both market units and low-income units in the market area;
- Demographic Mapping in primary Market Area
  - Percentage of low-income residents to overall population;
  - Number of affordable units to total units,
  - Income levels in targeted market area
- Capture rate analysis of target population;
- Absorption (taking into account both existing and proposed for both low-income and market rate developments). The analyst must include a description of the effect of the sponsor's proposed development on the market area;
- Community profile
  - employment profile and outlook,
  - unemployment rate
  - major employers
  - population growth projections
  - Major employers

- Site analysis and opinion
- Analysis of how the site will enhance or detract from development marketability
- Analyst must visit the proposed site
- Tax credit and/or HOME rents (as compared to market rents for comparable units);
- Market and low-income housing unit demand
  - currently needed
  - anticipated need at the time that the proposed development will be completed
- A description of proposed development
  - Amenities
  - Number of units
  - Unit type
  - Unit size.

If there are no local comparable units, the study should utilize comparables from nearby community(s).

If the Market Study and update does not provide a definitive conclusion regarding new unit market demand, the housing sponsor will fail the market study threshold and the application will be returned.

**Note:** The Association is hereby notifying the Housing Sponsor that the contents of the market study may and can be disclosed to the general public. The party requesting this information may be assessed a nominal fee.

4. Legal description;
5. Location map;
6. Sketch plan of site, typical unit layout, building elevations.
7. Evidence of initial site control (purchase agreement, option);
8. Evidence of approved zoning or, if unavailable, evidence of application for permissive zoning;
9. Résumés for development team members, including addresses, telephone numbers and contact persons;
10. Certifications or other documentation required to substantiate eligibility for Selection Criteria Points;
11. Applicable Association fees;
12. Nonprofit Organizations – Articles of Incorporation and IRS documentation of status;
13. Previous Experience Summaries for the Developer and Management Agent;

14. Proposed Management Agreement, Comprehensive Management Plan and Manager's Questionnaire;
15. If applicable, evidence of Real Estate Tax Waiver or Reduction signed by appropriate official;
16. If applicable, written evidence of available Volume Cap for tax-exempt bond issuance (for tax-exempt bond developments only);and
17. Acquisition/Rehabilitation developments must provide the following information:
  - a) A current independent third party MAI appraisal\* that includes both an "as is" restricted-rent value and an "as is" market value (net of appraiser recommended repairs and dollar balance of replacement reserves) of the existing development with land value broken out separately;

\*For clarification purposes, a previously completed appraisal can be used to determine property value, provided: 1) the appraisal report is less than six months old, and 2) the appraisal addresses the development's ability to sustain existing occupancy. An update will be allowed up to six months after the original market study has expired, although in no instance will the Association accept an appraisal beyond 12 months of the appraisal's original date.

If acquisition tax credits are not requested, this item will not be required)

- b) Complete description of the rehabilitation work proposed for the development and the time frame in which completion of rehabilitation is expected.
- c) A line item cost estimate detailing acquisition, displacement costs, and proposed rehabilitation. For a building to be considered substantially rehabilitated, the "hard" rehabilitation costs during any 24-month period must equal or exceed an average of \$20,000 per unit. Hard rehabilitation costs include site work, rehabilitation costs for physical improvements to the property, and construction contingency. (It should be noted that contractor profit, contractor overhead, general requirements, and soft costs will not be considered in this definition of hard rehabilitation costs.);
- d) Three years of the most current financial statements for the existing development and a current year-to-date operating statement;
- e) An architect's certification indicating that the development will, when rehabilitated, provide decent, safe, and sanitary dwellings which meet Housing Quality Standards (24 CFR 982.401), all applicable local, state, and federal laws including Fair Housing laws and the Americans With Disabilities Act and local building codes. Said certification must state the anticipated R-factor of Insulation in walls, ceilings, and floors at rehabilitation completion;
- e) A plan for covering the costs and logistics of displacement for all persons impacted by the rehabilitation;

- f) A letter of acknowledgement and/or commitment from the provider (HUD, USDA RD, etc.) that the current housing subsidy will continue in force, or be extended for a given period of time. The letter needs to include the following:
  - Maturity date of contract/subsidy;
  - Rental assistance dollar amount
- h) Level I Environmental Report conducted by a professional firm approved by the Association that includes, but is not limited to assessment of risks relating to lead-based paint, asbestos, and radon;
- i) Physical needs assessment conducted by a licensed architect to determine the need for replacement reserves and the remaining useful life of appliances, floor coverings, doors, and all major building components including roof structures, windows, foundations, plumbing, heating, electrical systems, and air conditioning;
- j) If acquisition tax credits are requested, and the acquired property is not substantially financed, assisted, or operated under Section 8 of the United States Housing Act of 1937, Section 221(d)(3), 221(d)(4), or 236 of the National Housing Act, Section 515 of the Housing Act of 1949, any housing program administered by HUD or the Rural Housing Service of the Department of Agriculture, or any other similar state housing programs, a CPA opinion letter stating that the ten year rule requirements have been met or that an IRS waiver is appropriate will be required.

B. (Refer to Scoring Criteria, pages VIII-2 through 5 of the HOME Administrative Plan.)

1. Self Sufficiency Plan. (Provide narrative, see Exhibit “L” in the HOME Administrative Plan.)
2. Period of Affordability:  
(Minimum Period: \_\_\_\_\_ Commitment Period:\_\_\_\_\_)
3. Neighborhood Impact Documentation – Plans, construction material descriptions, open space calculation, distance to community services, description of surrounding neighborhood, etc.
4. Development Support Documentation – Copies of letters, planning & zoning decisions, council actions, etc.
5. Documentation of Match Source and Amounts.
6. Documentation of Cost Benefits from Energy Efficiency Features.
7. Certification of Consistency with local Consolidated Plan (if applicable).

