

CITY OF WICHITA

**DEPARTMENT OF HOUSING AND COMMUNITY
SERVICES**

**NON-PROFIT HOUSING DEVELOPMENT
OPERATING SUPPORT PROGRAM
2017-2018**

**HOME Program
Housing and Community Services Department
10th Floor
455 N. Main
Wichita, KS 67202
316-462-3734**

NON-PROFIT HOUSING DEVELOPMENT OPERATING SUPPORT PROGRAM

OVERVIEW

The purpose of the Non-Profit Housing Development Operating Support Program is to provide financial operating support to eligible Community Housing Development Organizations (CHDOs) that have received CHDO set-aside funding from the City's Home Investment Partnerships Program (HOME Program), and are furthering the City of Wichita's affordable housing development objectives. These objectives and needs are expressed in the City's Consolidated Plan, Annual Action Plan, and the Comprehensive Housing Policy.

The Operating Support Program is not envisioned as a sole source of operational funding. CHDOs are expected to generate revenue from their projects in the form of developer fees and cash flow. CHDOs are also expected to generate support from the corporate and philanthropic sectors, and pursue other forms of fundraising. These sources of support demonstrate sound housing development activity and show community backing.

SUBMISSION DEADLINE

Funding applications must reach the City of Wichita Housing and Community Services Department, 455 N. Main, 10th Floor, Wichita, Kansas, 67202 **no later than 5:00 P.M., Wednesday, January 31, 2018.**

ELIGIBLE APPLICANTS

City of Wichita certified CHDOs must be a party to a written agreement with the City to receive funding for a City-funded HOME CHDO set-aside project, or must be expected to receive set-aside funds within 24 months of the date of the agreement. in order to receive operational funding support.

The organization must have current IRS tax-exempt status at the time of application and must be eligible to be certified as a CHDO under HOME regulations, prior to submission in order to participate.

The organization must have a track record of successfully developing affordable housing or must demonstrate that it is prepared to produce affordable housing with CHDO set-aside funding during the funding agreement period.

Organizations that received funding in prior years may apply for funding in the current program year. These applicants will be evaluated on their success in meeting performance objectives under current and past HOME CHDO set-aside funding agreements as well as other criteria.

All responding organizations must be incorporated as non-profit organizations under Kansas law and must have IRS not-for-profit tax exempt status (501(c)3 or equivalent) at the time of application submission.

Applicants that are affiliated with religious organizations must demonstrate that the housing development programs of the organization are conducted in a wholly secular manner.

Organizations may not discriminate in their membership or in the implementation of housing activities on the basis of race, color, national origin, religion, sex, disability, or familial status.

FUNDING AVAILABILITY

The total amount of funds available under this program is **\$50,000**. (This figure is subject to change, based on actual HUD funding levels.)

The maximum grant award that will be provided to any one organization is **\$25,000**.

Funding is subject to receipt of HOME Investment Partnerships Program funding to be received from the United States Department of Housing and Urban Development. The City reserves the right to accept, modify or reject any and all applications.

COMMITMENT PERIOD

Funding commitments may be made for one or two years, depending on the track record of the organization and the CHDO set-aside projects that are currently funded, or scheduled to be funded.

ELIGIBLE ACTIVITIES AND COSTS

The Operating Support Program is intended to provide partial support for the core administrative costs of the HOME Program-related housing development functions of the organization. Housing development is different, when compared to other housing-related organizational missions. Housing property management, related community organizing, providing of on-site social services, housing counseling, homeownership training and home mortgage finance are **not** considered housing development activities, for the purpose of this grant program. Housing development may include the acquisition, rehabilitation or new construction of affordable rental housing, housing to be owner-occupied (creating new homebuyer opportunities), or special needs housing. HOME Program-related development projects must serve households with incomes below 80% of the Wichita area median income.

Eligible costs relating to day-to-day operations of the housing development functions may include costs associated with staff involved in selection and acquisition of properties, obtaining project financing, securing and supervising contractors (including technical assistance providers as well as construction contractors), initial lease-up or sale of completed projects, and the administrative supervision and support for these tasks.

Types of eligible costs include payroll costs such as salaries, benefits, payroll taxes, and operating costs such as rent, phones, insurance, supplies, printing, postage, equipment lease and maintenance, training, travel and consultants.

This program is not intended as a source of project financing, and is not intended to cover the cost of other organizational missions. Pre-development costs (architectural, engineering, appraisals, legal, etc.), site control and project equity are not eligible under this program.

Supervisory and administrative costs must be budgeted and billed in a manner reflective of the positions' involvement in the organization's housing development function. Indirect costs are generally not eligible unless the organization has a federally approved indirect cost allocation plan. Please confer with the Housing and Community Services Department staff prior to including indirect costs in the grant budget.

SELECTION PROCESS

The following are the criteria for funding from the Operating Support Program. These criteria are listed in priority order:

- The CHDO is under contract or is expected to be under contract to receive HOME funding for housing development, and the extent to which the operational funding requested will support a HOME-eligible CHDO set-aside project.
- The extent to which the organization received CHDO set-aside funding in current or prior years, and whether or not the CHDO is under contract to receive CHDO set-aside funding.
- The organization has a track record of successful development of HOME-assisted housing and timely usage of CHDO set-aside funding in prior years, and the extent to which its organizational mission includes the development of qualified affordable housing.
- Timeliness of expenditure of operational support funding in the past.
- The budgeted expenses are appropriate.
- Projected tasks and timelines are well thought-out and realistic.

- The organization has a well thought-out plan to stabilize or enhance organizational capacity to develop qualified affordable housing.

Applications will be evaluated by a review committee convened by the Housing and Community Services Department. The Review Panel may include city staff, and/or possibly citizens with backgrounds in housing development, real estate finance, non-profit management, and other related fields who are not affiliated with any pending applications.

Organizations may be asked to make brief oral presentations to the Review Panel if additional information is necessary to evaluate the application. The City will provide notification in this regard.

Housing and Community Services staff will make recommendations for grant awards to the City Council. City staff may make recommendations to fund or partially fund the application, or to decline funding. All grant funding will require approval by the City Council. The City Council has the authority to fund or partially fund an application, or to decline funding.

GRANT AGREEMENTS AND MANAGEMENT

Contract Period: Operational funding contracts may be written for a period of up to two years.

Applicable Federal and City Regulations: All projects must comply with all applicable Federal and City regulations. Some regulatory requirements must be completed prior to executing a grant agreement. Examples of regulations with which all projects must comply include:

Indirect Costs: All charges to the grant agreement must be on a direct cost basis unless the organization has a federally approved indirect cost allocation plan.

Grant Agreements: Operating support funding can begin only upon execution of a formal grant agreement. Grant agreements cannot be executed by the City until the recipient has signed the agreement (with appropriate board authorizing action). Grant agreements will not be backdated to allow start-up prior to the grantee complying with all requirements.

Training: Grantees may be required to attend a technical assistance session conducted by the Housing and Community Services Department to provide orientation on federal regulations pertaining to grant agreements and housing development activities. Applicants will be notified of the dates of these sessions if these sessions are to be held.

Billing Procedures: Grant agreements will provide for payment on a reimbursement basis. Billing for anticipated expenses may be included by special arrangement. Billings may be submitted monthly.

This funding will not cover costs incurred prior to the effective date of the agreement. Further,

costs incurred after the termination date of the contract will not be eligible.

Monitoring and Reporting: Grant recipients will be required to submit annual progress reports. Timely receipt of progress reports will be required as a condition of receiving reimbursement under the agreement. Reporting formats will be provided to grant recipients.

Organizations receiving HOME funding are subject to monitoring. Any deficiencies or required corrective actions will be noted in a formal letter to the grant recipient. The U. S. Department of Housing and Urban Development may also conduct on-site monitoring.

Qualifying organizations will be allowed to apply for funding in future years. Organizations seeking continued funding will be judged on productivity and their success in carrying out their stated objectives under previous agreements.

SECTION 3 REQUIREMENTS

1. The work to be performed under this contract is subject to the requirements of section 3 of the Housing and Urban Development Act of 1968, as amended, 12 U.S.C. 1701u (section 3). The purpose of Section 3 is to ensure that employment and other economic opportunities generated by HUD assistance of HUD-assisted projects covered by section 3, shall, to the greatest extent feasible, be directed to low- and very low-income persons, particularly persons who are recipients of HUD assistance for housing.

2. The parties to this contract will comply with the HUD's regulations in 24 CFR part 135, which implement section 3. As evidenced by their execution of this contract, the parties to this contract certify that they are under no contractual or other impediment that would prevent them from complying with the part 135 regulations.

3. The Agency agrees to send to each labor organization or representative of workers with which the owner has a collective bargaining agreement or other understanding, if any, a notice advising the labor organization or workers' representative of the contractor's commitments under this section 3 clause, and will post copies of the notice in conspicuous places at the work site where both employees and applicants for training and employment positions can see the notice. The notice shall describe the section 3 preference, shall set forth minimum number and job titles subject to hire, availability of apprenticeship and training positions, the qualifications for each; and the name and location of the person(s) taking applications for each of the positions; and the anticipated date the work shall begin.

4. The Agency agrees to include this section 3 clause in every subcontract subject to compliance with regulations in 24 CFR part 135, and agrees to take appropriate action, as provided in an applicable provision of the subcontract or in this section 3 clause, upon finding that the subcontractor is in violation of the regulations in 24 CFR part 135. The contractor will not subcontract with any subcontractor where the contractor has notice or knowledge that the subcontractor has been found in violation of the regulations in 24 CFR part 135.

5. The Agency will certify that any vacant employment positions, including training positions, that are filled (1) after the contractor is selected, but before the contract is executed, and (2) with persons other than those to whom the regulations of 24 CFR part 135 require employment opportunities to be directed, were not filled to circumvent the contractor's obligations under 24 CFR part 135.

6. Noncompliance with HUD's regulations in 24 CFR part 135 may result in sanctions, termination of this contract for default, and debarment or suspension from future HUD assisted contracts.

7. With respect to work performed in connection with section 3 covered Indian housing assistance, section 7(b) of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450e) also applies to the work to be performed under this contract. Section 7(b) requires that to the greatest extent feasible (i) preference and opportunities for training and employment shall be given to Indians, and (ii) preference in the award of contracts and subcontracts shall be given to Indian organizations and Indian-owned Economic Enterprises. Parties to this contract that are subject to the provisions of section 3 and section 7(b) agree to comply with section 3 to the maximum extent feasible, but not in derogation of compliance with section 7(b).

8. Every contract or agreement entered into by the Agency which involves funds provided under this contract will have incorporated therein subsection B of Section 6 of this contract.

9. In the event the Agency sells, leases, transfers or otherwise conveys land upon which work in connection with this project is to be performed, the City must be notified in writing, thirty (30) days prior to such action. Further, prior to sale or lease of property purchases, funded under this agreement, the Agency shall include in each contract or subcontract for work on such land, a clause requiring the purchaser, lessee or redeveloper to assume the same obligations as the Agency for work under subsection B of Section 6 of this contract. Each such purchaser, lessee or redeveloper shall be relieved of such obligations upon satisfactory completion of all work to be performed under the terms of the redevelopment contract.

**NON-PROFIT HOUSING DEVELOPMENT
OPERATING SUPPORT PROGRAM**

Application Instructions

The following materials describe the application process for HOME Program CHDO operational support funding.

Due Date:

5:00 P.M., Wednesday, January 31, 2018. Applications must be submitted to the City of Wichita Housing and Community Services Department, 455 N. Main, 10th Floor, Wichita, KS, 67202.

Please staple the application at the upper left-hand corner. Do not bind the application or place your application form inside any type of folder or three ring binder. Do not submit any materials with your application that must be returned (e.g. photos, brochures, etc.). Submit the original application, and one copy.

Budget Forms:

See Budget Instructions on Page 15.

Questions:

If you have any questions regarding the application, please direct them to Mark Stanberry, Housing Programs Manager, at 462-3734

OPERATING SUPPORT PROGRAM

Application Package Checklist

Please use the following checklist to assure that you have completed and submitted all necessary application materials. This form is for your use only; you do not need to submit it with your application.

- _____ 1. Cover Sheet complete.
- _____ 2. Application narratives complete.
 - A. Organizational Production History
 - B. Proposed Development Activities
 - C. Use of Operational Support Funding
 - D. Proposed Capacity Building Activities
- _____ 3. Timeline complete.
- _____ 4. Budget Forms complete.

Important: Items to be submitted with application (one copy of each item):

- _____ Original application. (Cover Sheet, Narratives, Timeline, Budget).
- _____ Current Copy of Articles of Incorporation, Bylaws and any recent changes.
- _____ Proof of IRS tax exempt status (one copy).
- _____ Resumes of key staff carrying out housing development activities and/or job descriptions for new housing development-related positions (one copy).
- _____ Copies of Financial Statements (Balance Sheet, Income Statement) for last fiscal year, and current fiscal year-to-date.

**APPLICATION FORM
NON-PROFIT HOUSING DEVELOPMENT
OPERATING SUPPORT PROGRAM**

1. COVER SHEET

Applicant Name _____

Address _____

Contact Person _____

Phone Number _____

Fax Number _____

Signature of Executive Director, President/C.E.O.

_____ **Date** _____

**Amount of Funding Requested from the Operating Support Program for PY 2017/2018?
(Program year is defined as July 1, 2017 to June 30, 2018.)**

\$ _____

2. APPLICATION NARRATIVES

A. Please describe the HOME Program-related affordable housing units your organization has completed (constructed, sold and closed) utilizing City HOME funding, since July 1, 2015. (Specify the year the project was completed, the address, and the name, if applicable. Also, please note if the project was completed with CHDO set-aside funding, Boarded-up HOME funding, or Housing Development Loan Program funding.) Feel free to attach an additional page.

B. Proposed Development Activities: Describe the housing development activities that your organization will be pursuing during PY 2017-2018, utilizing City HOME funding. Feel free to attach additional pages, as you feel necessary.

- **How many units will be developed?**

- **How will activities be financed?**

- **What steps have already been initiated or complete related to these activities (e.g. sites identified/acquired, financing applied for, secured, etc.)?**

- **If projects will not be completed during 2017/2018, what benchmarks will be accomplished (financing secured, construction begun, etc.)?**

- **Describe the key staff that will be involved in HOME Program-related housing development activities (current positions or new positions, job titles, experience levels, role in the project, etc). Please provide a copy of resume for those staff members who will be responsible for project oversight or who will be involved in actual housing development work, related to HOME funding. Provide a brief description of the specific task each staff member will perform, in connection with the housing development project.**

C. Use of Operating Support Funding: Describe how the operational support funding, if awarded, will support your City HOME CHDO Set-Aside funded housing development activities.

D. Proposed Capacity Building Activities: Describe any activities that your organization will be pursuing during the program year (July 1, 2017 - June 30, 2018) to stabilize and/or build capacity to develop housing, within the scope of the following categories:

- **Board or staff development**

- **System enhancements (e.g. accounting system, project tracking, etc.)**

- **Strategic planning**

- **Are these activities intended to stabilize your capacity or expand your capacity?**

- **What do you expect to be the outcome of these activities (increased productivity, improved quality, expansion into new development activities, etc.)?**

BUDGET INSTRUCTIONS

Budget information must be provided on the attached forms. If additional space is needed for budget footnotes or other explanatory information, please provide this on an additional sheet of plain, white 8 1/2 x 11 paper.

Please note that Section 1 of the budget portion of the application calls for your total organizational operating budget. This includes your housing development operating budget.

Section 2 of the budget calls for your total housing development operating budget, only. In this section, please include only those organizational costs related to the housing development function of your organization. Do not include direct project costs of housing development activity (e.g. land acquisition, pre-development, rehabilitation/construction). Do not include costs associated with property management, community organizing, provision of social services, homeownership training, mortgage lending, or other organizational activities. It is understood that in organizations with diverse missions, it may be difficult to accurately attribute costs to different program areas--estimates are acceptable. Please provide information regarding the methodology used in the Budget Footnotes.

On the Budget Resource form, section 4, include only those organizational resources being dedicated to the housing development function of your organization.

The requested funds under the Operating Support Program may be related to the proposed development activities or capacity building activities, or both.

Organizations are not required to request funds in all budgeted line items of the Total Housing Development Operating Budget or to pro-rate costs among funding sources. Applicants are encouraged to cluster the Operating Support funding request within a small number of easily documented line items.

4. BUDGET (Section 1 of 4)

Total Organization Operating Budget

Item

Total Salaries: \$ _____

Total Taxes and Benefits \$ _____

Sub-Total \$ _____

Operating Costs:

Rent \$ _____

Phone \$ _____

Supplies \$ _____

Postage \$ _____

Printing \$ _____

Insurance \$ _____

Equipment Maintenance \$ _____

Training \$ _____

Travel \$ _____

Audit \$ _____

Contract Services \$ _____

Utilities \$ _____

Miscellaneous \$ _____

_____ \$ _____

_____ \$ _____

_____ \$ _____

Sub-Total \$ _____

TOTAL OPERATING BUDGET \$ _____

4. BUDGET (Section 2 of 4)

Housing Development
Operating Budget

Item

Staff Members/Percentage of Time allocated for Housing Development Activities

Name/Position	%	Salary
_____		\$ _____
_____		\$ _____
_____		\$ _____
_____		\$ _____
_____		\$ _____

Taxes and Benefits \$ _____

Sub-Total \$ _____

Operating Costs:

Rent	\$ _____
Phone	\$ _____
Supplies	\$ _____
Postage	\$ _____
Printing	\$ _____
Insurance	\$ _____
Equipment Maintenance	\$ _____
Training	\$ _____
Travel	\$ _____
Audit	\$ _____
Contract Services	\$ _____
Utilities	\$ _____
Miscellaneous	\$ _____
_____	\$ _____
_____	\$ _____
_____	\$ _____

Sub-Total \$ _____

TOTAL BUDGET \$ _____

Note: Do not include Direct Project Costs or organizational costs related to other organizational functions. (Example: Architectural, engineering, construction costs, etc.) This is your budget for Housing Development activities only... staff salaries and expenses involved in the creation of housing units.

BUDGET (Section 3 of 4)

Budget Footnotes - Expenses

Staff: List the job title, the percent of time devoted to actual housing development activity (creation of housing units) and the salary for each position included in the housing development operating budget. Include an explanation of how taxes and benefits are calculated.

Operating Costs: Please describe the method for calculating the following cost categories:

- Training
- Travel
- Contract Services
- Other budget items of special note
- If the housing development activity is only one part of your organization's operating budget, please explain how office expenses were calculated (example: If staff time devoted to the housing development function is 25% of the organization's total full-time employees, 25% of the office expense for these employees may be charged to housing development operating expenses).

BUDGET (Section 4 of 4)

Resources: CHDOs must be able to generate other revenue for operating support. Please provide estimates of the amounts, types, and status of resources anticipated to meet housing development operational expenses during the 2017-2018 program year.

For example:

\$_____ Cash flow from property (# of units, income per unit, etc.)
Source:

\$_____ Grants/Contributions
Source:

\$_____ Developer fees
Source:

\$_____ Other
Source:

\$_____ TOTAL RESOURCES