



RENTAL HOUSING DEVELOPMENT PROGRAM GUIDELINES

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PROGRAM SUMMARY

The City of Fayetteville's Economic & Community Department announces the availability of funds under the City's Affordable Rental Housing Development Program for qualified developers to submit proposals for the new construction or acquisition and/or rehabilitation of multifamily or single-family rental units. Rental units assisted with City funds must be affordable to families, individuals, and/or the elderly with annual incomes at or below 80% of the area median income (AMI). Funds are available through various allocations from the: Department of Housing and Urban Development's (HUD) Home Investment Partnership (HOME), Community Development Block Grant (CDBG), and Housing Opportunities for Persons With AIDS (HOPWA); the United States Treasury's American Rescue Plan Act of 2021 (ARPA); the State of North Carolina's State Capital and Infrastructure Fund (SCIF) Directed Grant; Local and other funds as made available.

1) APPLICATION DEADLINE AND SCHEDULE

Developers may submit proposals to the City at any time, subject to the availability of funds.

2) ELIGIBLE APPLICANTS

For-profit or non-profit corporations, individuals, general or limited partnerships, or limited liability companies with demonstrated experience and capacity in the development and management of affordable rental housing may apply. Applicants without the necessary experience may be required to attend a developer workshop prior to funding commitment.

3) ELIGIBLE PROJECTS

- a. Projects may include the construction of new units, the rehabilitation of existing units, or the adaptive re-use of existing structures.
- b. The property must meet the minimum property standards and all applicable building codes upon completion of construction or rehabilitation. Higher scores will be given to projects that commit to meeting Energy Star requirements or better (third-party verification required upon completion of construction/rehabilitation).
- c. Projects must contain at least four (4) assisted rental units within a four (4) block radius.
- d. Development of permanent supportive housing, transitional housing, and non-congregate shelter intended for occupancy by lower-income households are allowable projects under this program NOFA.
- e. The properties must be located within the City limits of Fayetteville or be in the process of annexation prior to staff making recommendations to City Council.
- f. Projects that are presently occupied must include relocation expenses in the development budget. (NOTE: Tenants cannot be asked to relocate in anticipation of awarding for City funds. Please see [49 CFR 24.205](#) for further details on the Uniform Relocation Act).
- g. Projects must have secured site control at the time of application. In the case of City-owned property, The City of Fayetteville is open to various site conveyance options, including fee-simple ownership and a long-term ground lease. A long-term ground lease is preferred for proposed rental developments.

- h. Staff will review applications in the rezoning process; however, staff will not recommend a loan for approval if the site is not zoned correctly for its intended use. The developer shall take full responsibility for any required rezoning.
- i. Projects for public housing modernization or operations are ineligible activities under this program.

4) ELIGIBLE COSTS

- Property Acquisition
- Demolition
- On-Site Improvements
- Off-site Utility Connections
- Construction costs necessary to construct or rehab a non-luxury project with suitable amenities in accordance with HUD property standards.
- Soft costs associated with the development and financing of the project
- Reasonable developer fees
- Relocation costs

INELIGIBLE COSTS

- Costs associated with construction items or materials of a luxury nature
- Furnishings (except where required for special needs projects)
- Most off-site improvements (utility connections into the adjacent street are eligible costs)
- Developer/sponsor administrative costs (other than included in the developer fee)
- Substitution of City funds for any source of funds that have been previously committed to the project, or represented to any other funding source as being available for the project, is not permitted
- Capitalized replacement reserve

5) RENT AND INCOME LIMITS

All city-assisted rental units will follow HOME requirements and carry rent and occupancy restrictions for varying lengths of time, depending upon the average amount of HOME funds invested per unit.

Activity	Average Per-Unit HOME \$	Minimum Affordability
Rehabilitation or Acquisition of Existing Housing	< \$15,000/unit	5 years
	\$15,000-\$40,000/unit	10 years
	>\$40,000/unit	15 years
Refinancing of Rehabilitation Project	Any \$ Amount	15 years
New Construction or Acquisition of New Housing	Any \$ Amount	20 years

The rent limits apply to the rent plus the utilities or the utility allowance. One hundred

percent (100%) of units funded with City of Fayetteville loan funds must meet the following rent restrictions: [HOME Program Rent Limits](#)

The maximum HOME rents (High HOME Rents) are the lesser of:

- a. The fair market rent for existing housing for comparable units in the area as established by HUD under [24 CFR 888.111](#); or
- b. A rent that does not exceed 30 percent of the adjusted income of a family whose annual income equals 65 percent of the median income for the area, as determined by HUD, with adjustments for the number of bedrooms in the unit. The HOME rent limits provided by HUD will include average occupancy per unit and adjusted income assumptions.

In rental projects with five or more HOME-assisted rental units, at least 20 percent of the HOME-assisted units must be occupied by very low-income families and meet one of the following rent requirements:

- a. The rent does not exceed 30 percent of the annual income of a family whose income equals 50 percent of the median income for the area, based on household size, as determined by HUD.
- b. The tenant portion of rent does not exceed 30 percent of the family's adjusted income (for families that receive Federal or State project-based rental subsidy); the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

Rents and tenant incomes will be annually reviewed for compliance. Priority and more generous financing terms will be given to developments that set aside units for persons making at or below 30% of AMI. See [HUD Income Limits](#)

CITY FUNDING IN COMBINATION WITH SECTION 8

Projects may not increase rents above the City's formula for tenants with tenant-based rental assistance (such as Section 8 vouchers). Units with project-based rental assistance (such as project-based Section 8); however, can rent for the maximum rent allowed under the rental assistance program provided that they are rented to a very low-income household and the tenant contribution to rent is no more than 30% of the household income.

ANNUAL RECERTIFICATION OF TENANT INCOME

Owners are required to re-examine tenant incomes annually for all restricted units to ensure that tenants continue to meet the income requirements of this and other applicable funding programs. Rent schedules and utility allowances, including any increases, must be reviewed and approved annually by the City. In the event that a tenant's income exceeds the applicable HUD income limits for lower-income households, the tenant's rent must be increased to an amount equal to 30% of the tenant's adjusted income, less an allowance for tenant-paid utilities. Projects that are also assisted with Low-Income Housing Tax Credits or other state sources will be subject to those relevant rules regarding over-income tenants.

6) LOAN TERMS

- a. For rental projects, the maximum City loan amount is 100 percent of the total residential development cost of the project's *affordable units* (those units are subject to long-term affordability restrictions). The interest rate shall be 4% in cases where the City of Fayetteville provides primary financing.
- b. If applicable, the value of any City land donations will be counted as part of the maximum allowable subsidy total.
- c. Other sources of appropriate financing must be identified but not necessarily committed at the time of application. Projects will be reviewed to ensure that only the minimum level of City subsidy needed will be provided. All other funding sources must be committed before closing the City loan.
- d. HOME-assisted units are subject to the HOME Maximum Per Unit Subsidy Limits as published annually by HUD.

The terms of the City funds will be negotiated consistent with the following guidelines:

1. Construction-to-permanent financing (Single close loan) – The loan starts as a construction loan where money is drawn as needed to pay for costs of construction, then converts to a permanent mortgage upon completion.
2. Interest Rate: 0%-4%, depending on a project's needs.
3. Term: 5/10/20/30/40 Years, dependent upon per unit investment.
4. Repayment: Payments of interest and principal will be due from excess cash flow from operations after payment of operating costs, senior debt, reserves, and deferred developer fees. To the extent payments cannot be made, they will be deferred for the term of the loan. All loans are due on sale, refinancing, or transfer (except to a related entity, such as a limited partnership, subject to City approval) or at the end of the term.
5. Lien: City loans will be evidenced by a promissory note secured by a mortgage on the project. A development agreement will specify all development obligations per state requirements as listed in [NC Statute 160D-1001](#). Post-occupancy use restrictions will be enforced through a regulatory agreement recorded against the project, including the land and the improvements.
6. Right of First Refusal: If the owner decides to sell the property, the City of Fayetteville has the right to purchase the property first.

7) FINANCIAL PROJECTIONS AND UNDERWRITING ASSUMPTIONS

The City will review the development budget for accuracy and reasonableness.

Operating budgets and proformas for the term of 5/10/20/30/40-year affordability must meet the following criteria:

- a. The operating budget must show positive cash flow inclusive of all fees within 18 months of initial rent-up, and the first-year Debt Service Coverage ratio shall not be less than 1.15:1. Ideally, the budget should show sufficient cash flow to make a modest payment to the City loan.
- b. Include operating and replacement reserves (See Replacement and Operating Reserve Requirements below).

- c. 5% annual vacancy/collection loss for family, senior, and preservation projects and 7% annual vacancy/collection loss for Single Room Occupancy (SRO) or special needs projects.
- d. A 3.0% annual increase for expenses (other than property taxes and replacement reserves deposits) and a 2.0% annual increase for income.
- e. The operating budget will be reviewed to ensure it is sufficient for proper maintenance and management but is not excessive compared to other similar properties.
- f. If the project has a commitment for rental assistance, two operating proformas must be provided, one assuming rental assistance will be renewed and one assuming rental assistance will expire after the initial contract term. Rents must remain restricted according to City requirements even if the rental assistance is no longer available.
- g. General requirements, builders' profit, overhead, consulting fees, contingency, architect's fees, and developer's fees are reasonable within the scope of the project and within the limits, as listed in NCHFA's [Qualified Allocation Plan \(QAP\)](#).
- h. City legal fees, which are the responsibility of the developer or sponsor, are included in the development budget.
- i. A 5% construction cost contingency is required for new construction projects. A 10% construction cost contingency is required for rehab projects.
- j. Replacement Reserves are 0.6% of the replacement cost of the structure annually, up to \$500 per unit for family developments and \$400 per unit for senior developments. For rehabilitation projects, developers will be required to submit a third-party replacement cost analysis in which the lifecycle and cost of major building systems are estimated and amortized over the number of units and years. Gut rehab projects should use reserve standards for new construction projects. The City reserves the right to request an updated replacement reserve analysis every five years.
- k. Operating Reserves are annual deposits of not less than 1% of annual gross rental income are required until an operating reserve has been capitalized at a level equal to three months of operating costs and debt service. The operating reserve must be maintained at the level of three months of operating costs during the term of the City regulatory agreement.
- l. The City funds are typically provided for gap financing. Fees are capped at award and may not increase thereafter.

8) EVALUATION CRITERIA

The following criteria will be used to evaluate development proposals. The relative importance of the evaluation criteria attempts to track the evaluation criteria of the NCHFA as well as Fayetteville's housing goals. The probability of the project closing is an important criterion. The location of the site, the quality of the proposed improvements, the population being served, the financial strength and the capability of the developer, the capability of the property manager, and the ability to repay the loan with the minimum repayment terms are also important criteria. The City will not issue a commitment unless the zoning is appropriate to the plan.

a. Financial Feasibility, Leveraging, and Development Costs (30 points)

Leveraging (10 points): Degree to which outside funding will be pursued. Points will be awarded for the projected applicant's equity and permanent financing, **excluding** City of Fayetteville NC resources of the total development costs.

Funding Commitments (10 points): Degree to which outside funding has been committed.

Discretionary Land Use Approvals (10 points): Maximum points awarded for sites that have obtained discretionary public land use approvals and present evidence of site control.

b. Location (15 points)

Targeted Redevelopment Area (10 points): The development proposal is within any area designated as a development area by the City of Fayetteville.

Proximity to appropriate services and/or employment centers and transportation (5 points).

c. Development Quality (20 points)

The building design and use are compatible with the surrounding environment and existing neighborhood with appropriate vehicular and pedestrian connections to nearby amenities (0 to 7 points).

The overall building design is aesthetically pleasing and well thought out and is characterized as possessing "architectural appeal" with material selections that are of good quality, designed for normal maintenance, and can be expected to perform well over the long term (0 to 7 points).

The site is suitable for the proposed development without additional major geotechnical, environmental, or utility infrastructure expenditures (0 to 6 points).

d. Development and Management Team (20 points)

Capacity and experience of the development team points are awarded based on evidence that the lead staff and supervisory staff proposed to work on the current proposal have the necessary expertise and capacity to undertake the project (0 to 7 points).

Capacity and experience of the property management company with comparable size and type projects evidenced by occupancy levels, maintenance and repair of existing rental units, compliance with federal requirements, and record-keeping and reporting (0 to 7 points).

The financial strength of the developer: Points are awarded based on evidence that the developer is financially sound and will be able to sustain the costs of effectively following through with the current proposal. (0 to 6 points).

e. Target Population and Supportive Services (10 points)

The project designates at least 20% of units to households earning at or below 30% AMI (5 points).

The project serves vulnerable populations (older adults age 55+, individuals with disabilities, homeless, or veterans (3 points).

The proposal includes a detailed supportive services plan to outline the description of case management and referral services to assist households in living independently and achieving self-sufficiency (2 points).

f. Bonus (10 points)

The City of Fayetteville prohibits discrimination in any manner based on race, color, creed, national origin, sex, age or handicap, or sexual orientation and will pursue an affirmative policy of fostering, promoting, and conducting business with women and minority-owned business enterprises.

The City of Fayetteville encourages participation by certified minority and women-owned businesses. The organization or individuals applying should make a good faith effort to achieve this goal and include documentation with their proposal that addresses these criteria (0 to 5 points).

If a market study is conducted to demonstrate a housing market in the area (0 to 5 points). A market study is required for development proposals over 48 units.

9) EVALUATION OF PROPOSALS

Applications will be reviewed for completeness and eligibility. All eligible proposals will be ranked according to the criteria stated in this Request for Proposals. Also, note that all sources of financing must be identified before a commitment letter will be issued. All sources of funding must be secured before closing. Commitments will be valid for 12 months.

Note: Should any project with a funding commitment return to the City or with requests for additional funds, payment changes, changes in terms of funding commitment, units produced, or any other substantial change to the original commitment, the developer will be required to resubmit an application for the changes to be considered.

10) APPLICATION FEE

Applicants must submit a \$50 nonrefundable application fee in the form of a check or money order made payable to the City of Fayetteville. The application fee will be waived for non-profit applicants. Applications are considered complete upon receipt of the application fee.

11) HOUSING DEVELOPER WORKSHOP

Applicants are invited to attend a housing developer workshop prior to applying for funding. The workshop schedule and additional details are available on the [Economic and Community Development website](#).

12) ENVIRONMENTAL REVIEW AND ASSESSMENT (NEPA)

HOME-funded projects must be assessed in accordance with the National Environmental Policy Act of 1960 (NEPA) prior to loan closing. This includes a Phase I environmental assessment, and if recommended by the Phase I, a Phase II assessment

must be provided before a project will be recommended to the City Council. With the Phase II, applicants must also provide a discussion of mitigation measures, the impact of any recommendations on the project budget, design, etc.

Choice-Limiting Actions Prohibited During NEPA Review. Because of the likelihood that federal funds will be awarded, applicants must refrain from undertaking activities that would have an adverse environmental impact or would otherwise limit the choice of reasonable alternatives between the time of application submittal and when the City has completed its environmental review process. Such activities include acquiring, rehabilitating, converting, leasing, repairing, or constructing a property, any site preparation, or committing or expending HUD or non-Federal funds for HOME program activities with respect to any project eligible under this NOFA. If the applicant has entered into a purchase agreement or contract for any of the above activities prior to applying for NOFA funds, work may continue pursuant to that contract. But amendments to the contract or new contracts may not be entered into. HOME funds may not be used to reimburse an applicant for project-related costs incurred after the applicant has submitted the application for funding and before the completion of the City's environmental review process except for activities that are excluded and not subject to federal environmental review requirements, and for certain relocation costs.

Applicants must sign a certification that they understand this restriction. The prohibition against choice-limiting actions begins on the date that the application is submitted to the City. Applicants are encouraged to check with the City's ECD staff regarding eligible expenditures after the submission of an application. Failure to comply with this requirement could result in a project being ineligible for City funding.

City ECD staff will seek to obtain NEPA approval in a timely manner. Completing the NEPA review, including local and federal notice periods, takes a minimum of 8-12 weeks after receipt of all necessary information.

13) FEDERAL REQUIREMENTS

All HOME-funded projects must comply with applicable federal statutes and laws, including, but not limited to:

- Section 3 of the U.S. Housing Act of 1968, as amended
- Equal Opportunity and related requirements in 24 CFR Section 982.53
- Section 504 of the Rehabilitation Act of 1973
- Americans with Disabilities Act of 1990
- Architectural Barriers Act of 1968
- Fair Housing Act of 1988
- National Environmental Protection Act (NEPA)
- Federal prevailing wage requirements, including Davis-Bacon and Related Acts

14) RIGHT TO REJECT PROPOSALS

The City of Fayetteville reserves the right to reject any, and all proposals received as a result of the Request for Proposals or to negotiate on the terms of the funds to best serve the interests of the City of Fayetteville.

15) GENERAL LOAN TERMS

TIMELINE OF CITY COMMITMENTS

City conditional financing commitments are made for 12 months from the date of City Council approval. All other sources of funds must be committed within that time frame.

City staff will review the project for feasibility and assess the likelihood of receipt of proposed funding. If the 12-month period elapses without the commitment of full project financing, the City funding commitment will be revoked, and the project must re-compete for funds through the NOFA. The inability to meet a project schedule may also result in negative points for future NOFA applications.

Projects funded with HOME must complete construction within four years of signing a written agreement with the City.

Rental units assisted with HOME funds must be occupied within 18 months of project completion.

MONTHLY UPDATES

Upon commitment of funds from the City, the borrower must provide written monthly updates to City staff. Monthly updates will allow City staff to anticipate upcoming approvals needed and to stay informed about efforts to move the project forward on schedule. If monthly updates are not provided in a timely manner, decreased developer capacity points may be assessed for the next NOFA application submitted by the project sponsor. Monthly updates must include a schedule projection related to the four-year completion deadline required by HOME program regulations.

SUBORDINATION

The City will subordinate its affordability covenants to the mortgages securing other lenders' financing, subject to staff approval and loan ratio to total development cost. The affordability covenants control, among other things, the maximum income of tenants of project units and the maximum rents allowed for project units. The City mortgage may be subordinated to private financing on a case-by-case basis.

PAYMENTS

Payments of interest and principal will be due from excess cash flow from operations after payment of operating costs, senior debt, reserves, and deferred developer fees. To the extent payments cannot be made, they will be deferred for the term of the loan. All loans are due on sale, refinancing, transfer (except to a related entity, such as a limited partnership, subject to City approval), or at the end of the affordability term.

City loans will be evidenced by a promissory note secured by a mortgage on the project. A development agreement will specify all development obligations. Post-occupancy use restrictions will be enforced through a regulatory agreement recorded against the project, including both the land and the improvements. The minimum term for affordability restrictions is five years.

16) DISBURSEMENT OF FUNDS

Funds will be disbursed to the borrower only for costs actually incurred. Payment for construction costs will be made on a progress payment basis, subject to the approval of

each draw request by the City. The progress schedule can be negotiated but will typically be disbursed at 25%, 50%, 75%, and 100% completion. The City will retain ten percent (10%) of the amount of City financing as performance retention, to be released upon recordation of a Notice of Completion, the release of all liens, and satisfactory compliance with any other City requirements including City contracting programs. Therefore, City funds will be disbursed in the following increments: 15% at 25% completion; 40% at 50% completion; 65% at 75% completion; and 100% at final draw.

17) MARKET DEMANDS AND DESIGN GUIDELINES

Projects should be planned and designed according to market demand. A market study prepared by an approved third-party market analyst must be submitted with the application to ensure there is adequate demand for any proposed project which includes 48 or more units. At City discretion, this requirement may be suspended for smaller projects.

LIVABILITY STANDARDS

The City's provision of affordable housing financing is a long-term investment. Underwriting includes assuring that each development will be well-designed and well-constructed to provide decent, safe, affordable housing over the long term for a population that does not have a wide range of housing choices.

The quality and marketability of any housing unit are affected by its size and the livability of the space, including the space's ability to accommodate the potential number of occupants and the necessary furniture. A larger unit does not guarantee the successful accommodation of a particular furniture layout over a more efficiently laid out smaller one. The project must meet all code requirements imposed by Development Services, but it may be appropriate to exceed these requirements for certain projects.

- Windows/Lighting/Ventilation – Units must be designed so that there is adequate natural light and ventilation.
- Parking – In general, the minimum number of spaces required for the particular site shall be provided. Any reductions in that number must be approved by Development Services.
- Building Shape and Appearance – The structure should respond to its context, enhance the neighborhood, and create a pride of place for its residents.
- Landscaping – The design should be appropriate for the intended use of all the residents.
- Quality of Building Materials – Materials must be of quality and durability to assure the long-term viability of the structures.
- Open Space/Storage Space - The project must address adequate levels of the following, based on the type of project, location, and target group. Examples of acceptable open space/storage space include:
 - common space (e.g., community room);
 - secure, on-site laundry facilities;
 - children's play area (family projects);
 - storage space (both inside and outside of the unit);

- open space (public and private space within the housing complex)

Projects must provide the capacity for high-speed internet access in each unit by a means that does not impede the use of the primary telephone line. Projects are strongly encouraged to go beyond this minimum by providing and maintaining computers in a common area, providing computer training, or providing free high-speed internet access to all units as an element of their Resident Services Plan. Designing spaces to make available for tutoring programs is also highly encouraged.

18) OTHER GUIDELINES AND CITY REQUIREMENTS

APPRAISALS

If an acquisition is included in the development budget, applicants are required to submit a recent appraisal of the project site and any existing improvements as part of the application. Appraisals must have been completed within six months of the application deadline or, if the project has already been acquired, within six months of acquisition.

DONATED PROPERTY

If land or buildings have been donated for the project, the value of the donated property should be included in the total development cost both as an acquisition cost and as a source of funds. If the property is to be donated, the value of the property will be included when calculating the percentage of City subsidy.

MANAGEMENT AND MARKETING (for 4% LIHTC projects only)

A Preliminary Management Plan and Marketing Plan must be submitted in the application. A Final Management and Marketing Plan will be required 120 days prior to construction completion, and a Management Contract must be submitted to the City 30 days prior to construction completion. The final Marketing Plan must be approved prior to beginning rent-up activities, including marketing flyers and application materials.

A complete market study for the project must be reviewed and approved by the City of Fayetteville prior to loan closing.

COST CERTIFICATION

Developers must arrange for an independent cost certification on completion of a project. Approval of this certification is a requirement for the City's release of final payments.

The cost certification must include final sources and uses budget-based on all the original City approved budget line items. The developer must show all sources in lien order and include limited and general partner contributions, if applicable. This should include loans or equity contributions that were spent and expenses that were incurred during the development period.

The developer must show the total proposed initial sources and uses and the actual sources and uses by line item. The analysis must explain any difference for line items over or below 10% of the original sources and uses budget. Please note that the City's approved budget must be used for this analysis. The City will use this analysis to ensure

that all of the City's final uses were spent on HOME-eligible costs.

RELOCATION

Federal relocation law will apply for projects that temporarily or permanently displace current business or residential occupants, and relocation assistance and benefits may be required, which can add substantially to the project cost. See the Application Instructions for more information.

RESIDENT SERVICES AND SPECIAL NEEDS UNITS

Supportive and social service coordination reasonable for the population being served may be included as a cost paid by building operations. However, direct service provision may not be paid for from the building's operating funds unless another funding source requires the direct service.

"Special needs units" are defined as units reserved for populations including the following: veterans, developmentally disabled, survivors of physical abuse, persons with chronic illness including HIV/AIDS or mental illness, displaced teenage parents (or expectant teenage parents), individuals exiting from institutional settings, youth exiting foster care, chronic substance abusers, or another specific group as approved by the City of Fayetteville.

UNITS FOR HOMELESS HOUSEHOLDS OR THOSE AT RISK OF HOMELESSNESS

For NOFA scoring purposes, the City will utilize the HUD definition of "homeless" and "at risk of homelessness."

Projects with units set aside for formerly homeless households or those at risk of homelessness must provide sufficient support services for the population served and show adequate commitment to services.

MIXED-INCOME PROJECTS

In mixed-income properties, the affordable units must not be substantially different from the market rate units. All lower-income units must be of the same construction type as market-rate units but need not contain the same interior amenities or the same amount of floor space as long as livability is maintained. The exterior of the lower-income units must be indistinguishable from the exterior of the market rate units. Lower-income units should be reasonably distributed throughout the project and should not be isolated or segregated in only one portion of the project.

INSURANCE

During development, developers must obtain comprehensive general liability and property (hazard) insurance coverage of at least \$2 million. The City also requires property damage or builder's risk insurance in an amount equal to 100% of the structure's replacement cost, with a lender's loss payable endorsement in favor of the City. Construction contractors will be required to obtain liability and builders risk insurance in an amount equal to \$2 million. Automobile insurance, professional liability, workers' compensation, and employer's liability coverage are also required.

After completion, similar levels of liability and hazard coverage are specified by the regulatory agreement. All policies must name the City as an additional insured; property

insurance must have a lender's loss payable endorsement. For more information on insurance requirements, please contact the Housing Development staff.

PAYMENT AND PERFORMANCE BONDS

As per 2 CFR Part 200.326, for projects exceeding \$250,000, general contractors will be required to provide payment and performance bonds equal to 100% of the construction contract amount.

DISABLED AND SENIOR ACCESSIBILITY

Developments assisted by the City must meet the requirements of the Americans with Disabilities Act and the Fair Housing Act, among other local, state, and federal laws. Projects with federal funding must also meet the more stringent accessibility requirements of Section 504 of the Rehabilitation Act of 1973 (24 CFR 100.205 and Part 8). Section 504 sets minimum percentages of accessible units and calls for fully accessible common areas, among its numerous requirements. For projects funded with HOME, 5% of the total number of units must be accessible to people with physical disabilities, and an additional 2% of units must be accessible to people with auditory and visual disabilities, as defined in the Uniform Federal Accessibility Standards (UFAS).

Where Section 504, the Fair Housing Act, or ADA apply, the developer and project architect must provide written certification of compliance.

LEAD-BASED PAINT

The use of lead-based paint on City-funded projects is prohibited. Testing and abatement of lead-based paint in demolition projects may be required. Projects must follow the federal guidelines, which require lead-safe work practices and notification to prospective residents of potential lead-based paint hazards, among other requirements. If applicable, Project sponsors should be aware of the EPA regulation that requires all renovators of pre-1978 homes and child-occupied facilities to be trained in lead-safe work practices and certified by the EPA. For more information, go to www.epa.gov/lead/pubs/renovation.htm.

NON DISCRIMINATION

All applicants must agree not to discriminate on the basis of race, color, ancestry, national origin, religion, sex, sexual preference, age, marital status, family status, source of income, physical or mental disability, Acquired Immune Deficiency Syndrome (AIDS) or AIDS-related conditions (ARC), or any other arbitrary basis.

APPLICATION SUBMISSION CHECKLIST

To be considered complete, the proposal must include the following supporting documents:

- Nonrefundable application fee of \$50 made payable to the City of Fayetteville
- Project schedule: For all projects, please submit a detailed timeline showing when each work task will be completed over the duration of the project. (HOME funds require that project construction begin within 12 months of issuing the final commitment letter and be complete within four years)
- Location maps indicating the project site
 - Site map showing lot boundaries, locations of structure(s), and other site features
 - General location map (at least ½ mile radius)
- Evidence of site control (deed, contract of sale, option to purchase, or other evidence acceptable to the City)
- Evidence of zoning compliance for the proposed project or evidence that zoning change is in process with a likelihood of approval prior to making recommendations
- Outline plans and specifications, including elevation, floor plans, and a site plan
- Resume or other qualifications of the developer or sponsor, including a list of previous projects with current vacancy rates
- Letters of Support/ Financial commitment letters from all funding sources
- Description of supportive services offered to tenants (if applicable), including the provider of services, history of providing services to the proposed population, and annual budget for the supportive service delivery
- Description of how the developer intends to recruit/use small disadvantaged minority & women-owned businesses in the project
- Appraisal (required for all acquisitions prior to closing) and Phase I, if available
- Previous two years' financial statements for the lead applicant
- Total development budget including sources and uses and proforma in accordance to 5/10/20/30/40-year affordability period