

SUMMIT COUNTY HOUSING ADVISORY BOARD

The Summit County Housing Advisory Board (HAB) was established by County Council Resolution Number 2001-558, Section 148A of the Codified Ordinances, and ORC Section 176.04. The purpose of the Board is to receive and review comprehensive plans for the development and maintenance of affordable housing by providing financial assistance to for-profit/non-profit developers and non-profit organizations for a comprehensive array of housing initiatives.

The HAB has been charged with the responsibility of disbursing funds from the Summit County Housing Trust Fund. Financial assistance will not be provided directly to individuals.

The housing assisted is to be affordable to households with incomes at or below 80% of the median income for Summit County. This currently translates to households with gross earnings at or below the income levels stated in the following table:

INCOME LIMITS FOR SUMMIT COUNTY – FY 2003

Family Size	1	2	3	4	5	7	7	8
30% Median Income	\$12,650	\$14,450	\$16,300	\$18,100	\$19,550	\$21,000	\$22,450	\$23,900
50% Median Income	\$21,100	\$24,100	\$27,150	\$30,150	\$32,550	\$34,950	\$37,400	\$39,800
80% Median Income	\$33,750	\$38,600	\$43,400	\$48,250	\$52,100	\$55,950	\$59,800	\$63,700

The Housing Advisory Board will announce Request for Funding Proposals at least once a year. Eligible initiatives may include but need not be limited to property acquisition, housing rehabilitation, new construction, transitional housing, supportive services, matching funds to leverage local, state and federal funds, homeownership programs, foreclosure prevention, technical assistance for non-profit corporations, emergency shelter, and support for research.

After reviewing the enclosed application, please feel free to contact the Housing Advisory Board at (330) 643-2566 to answer any questions.

Sincerely,

Thomas Fuller
Chairman

TF:pc
Enclosure

**HOUSING TRUST FUND
REQUEST FOR PROPOSALS
(March 2003)**

For its first round of Request for Funding Proposals, the Housing Advisory Board (HAB) has a limited amount of funding available in its Housing Trust Fund.

ELIGIBLE APPLICANTS: For-profit and non-profit developers and organizations properly licensed to conduct business in Ohio. Neither grants nor loans will be made directly to individuals.

ELIGIBLE INITIATIVES: May include but not be limited to property acquisition, housing rehabilitation, new construction, transitional housing, supportive services, matching funds to leverage local, state and federal funds, home ownership, foreclosure prevention, technical assistance for non-profit corporations, emergency shelters, and support for research. ***ELIGIBLE INITIATIVES MUST BE LOCATED IN SUMMIT COUNTY, OHIO.***

TYPES OF LOANS AVAILABLE: Four types of loans are currently offered from the Housing Trust Fund.

1. Pre-development loans:

Purpose: To finance costs associated with the pre-development stage of a project. Funds are loaned for such items as purchase options, environmental studies, soil or structural stability studies, architectural schematics and cost estimates, market studies, certain holding costs such as real estate taxes and an interest reserve and organizational costs such as legal fees and filings.

Loan Size: Up to \$25,000

Term: 3 to 12 months

Collateral: Mortgage if and when available. May be unsecured until such time that property is purchased. May take assignment of purchase option during interim.

Recourse: To the sponsor

Upfront fee: \$200.00 with application

Interest Rate: 5% per annum, accrues to and payable at maturity.

Repayment: Repayable from acquisition or construction financing.

Risk: High especially during unsecured stage. Mitigated by small size.

2. Bridge Loans

Purpose: To provide cash to borrowers in expectation of their receipt of other committed project funding. The bridge loan is repaid as soon as the borrower receives the committed funds. Borrower must provide evidence satisfactory to the Housing Advisory Board that the funds are committed. Loans will not be made to bridge expected developer fees.

Loan Size: Up to \$100,000

2. Bridge Loans (Continued)

- Term:** 1 to 12 months
- Collateral:** Secured by at least one of the following:
A Mortgage, if available
Assignment of the funding contract if permitted by the contractor
Assignment of distributions made by the contractor to the Borrower
- Recourse:** To the Sponsor
- Upfront Fee:** \$200.00 with application
- Interest Rate:** 3% per annum
- Repayment:** Repayable directly from the contractor to HAB or by check made co-payable to the Borrower and HAB. Otherwise, payable by the Borrower immediately upon receipt of contracted funds.
- Risk:** Low to high depending on the Borrower's ability to meet the contractor's funding requirements and the Borrower's financial management capacity. Must identify source of interest payment and determine payment method on a case-by-case basis. May have opportunity to mitigate risk by limiting draw amounts.

3. Acquisition Loans

- Purpose:** To purchase land and/or buildings to be developed. Not available for speculative ventures.
- Loan Size:** Up to \$100,000
- Term:** 3 to 12 months
- Collateral:** Mortgage on the acquired property subordinate only to conventional bank financing.
- Recourse:** To the Sponsor
- Upfront Fee:** \$200.00 with application
- Interest Rate:** 3% per annum, accrues to and payable at maturity or capitalized.
- Repayment:** Repayable from proceeds of construction or permanent financing.
- Risk:** Moderate depending on location of land and efficacy of development concept and capacity.

4. Construction Loans

- Purpose:** To pay for development costs including construction and soft costs.
- Loan Size:** Up to \$100,000
- Term:** 4 to 12 months
- Collateral:** Mortgage subordinate only to conventional bank financing. Completion guarantee.
- Recourse:** To the Sponsor
- Upfront Fee:** \$200.00 with application
- Interest Rate:** 3% per annum, accrues to and payable at maturity or capitalized.
- Repayment:** Repayable from permanent financing
- Risk:** Moderate depending on development capacity, and in the case of for-sale housing, marketing capacity.

- 5. **Link Deposits:** **May be added at a later date**
- 6. **Grants:** **May be added at a later date**

LENDING CRITERIA: The following eligibility criteria are recommended for HAB’s lending program:

Service Area: The service area includes all of Summit County, i.e., The Cities of Akron, Barberton, Cuyahoga Falls, Fairlawn, Green, Hudson, Macedonia, Munroe Falls, Norton, Stow, Tallmadge, and Twinsburg; The Villages of Boston Heights, Clinton, Lakemore, Mogadore, New Franklin, Northfield, Peninsula, Reminderville, Richfield, and Silver Lake; and the Townships of Bath, Boston, Copley, Coventry, Franklin, Northfield Center, Richfield, Sagamore Hills, Springfield, and Twinsburg.

- Projects:** Projects eligible for financing must:
- 1) Be located in Summit County, and
 - 2) Be the development of new homeowner units for low/moderate households with incomes at or below 80% of the area median income, or
 - 3) Be the rehabilitation of rental and homeowner units for low/moderate households and ensure the long-term affordability to the target population, and
 - 4) Be generated by eligible Sponsors (defined below).
 - 5) Be developed by a team with appropriate experience to make the project a success, and
 - 6) In order to help protect the viability of the project’s sponsor, the project must make economic sense in the long run, i.e. it must be self-sustaining and not require on-going operating subsidies except in certain cases of housing developed for special needs population, and
 - 7) Must comply with all local, state and federal laws and regulations.

- Sponsors:** Sponsors eligible for financing must:
- 1) Be a 501 (C)(3) non-profit corporation, or
 - 2) Be a private and for-profit developer, or
 - 3) Be a government agency, and
 - 4) Show all funding for proposed project outside of HTF funding, and
 - 5) Demonstrate project cannot proceed without this funding, and
 - 6) Be in good standing with the State, and
 - 7) Must comply with all local, state and federal laws and regulations.

- Borrowers:** Borrowers eligible for financing must:
- 1) Be the sponsor or an entity in which the borrower holds a controlling interest, and

Borrowers (Continued):

- 2) Be an entity eligible for financing in accordance with the application for tax-exempt status as approved by the Internal Revenue Service, and
- 3) Have the capacity to carry out its designated role in the development project in a manner that will ensure the project's success, and
- 4) Have the financial capacity to administer and repay the loan funds, and
- 5) Must comply with all local, stated and federal laws and regulations.

Financing: The proposed project financing:

- 1) Must be only gap financing to leverage other public and/or private funding sources, and
- 2) Must not be more than 10% of the total development cost of the proposed project, and
- 3) Cannot exceed \$100,000

EVALUATION: The proposal will be reviewed for compliance with the objectives of the Housing Advisory Board program requirements and consistency with the Summit County Consolidated Plan Summary (attached). The review will also consider the following:

A. Organization/Track Record/Development Capacity

1. The track record of the organization and members of the development team in implementing projects similar to the proposed project.
2. The specific technical or professional expertise available to the organization for implementing the project, including the capabilities of the identified project manager, staff and development team; and
3. The documented fiscal management capabilities of the organization, and
4. Past performance including any claims, legal action or alleged violations of any local, state or federal laws or regulations.

B. Need/Market/Community Involvement

1. The extent to which the project meets the needs of low- and moderate-income residents of the neighborhood, community, or area;
2. The extent to which the project meets the needs of persons or families identified as having a housing burden;
3. The extent to which the project meets the needs of a defined geographic market; and
4. The extent to which there is evidence of organizing efforts and other community involvement in planning the project and support of local government.
5. The extent to which the incomes of the target end-users will fall below the Area Median Income (AMI), and as a result, generate a demand for the type of housing proposed.

C. Project Feasibility/Financing

1. The general project financial feasibility and marketability, including:
 - a. An assessment of the project concept and its marketability, and
 - b. Evidence of site control, and
 - c. The extent of commitments from other funding sources – private, public and philanthropic.
2. Evidence of project readiness – current status of the project and the amount of time it will take the organization to implement the project.
3. The extent to which the funds leveraged are from private sector resources, and
4. The reasonableness of the cost per square foot/per unit.

D. Project Results

1. The relationship of project outcomes (i.e., units rehabbed, cost/unit, etc.) to the amount of funds requested, and
2. The extent to which the project will directly benefit, and involve low- and moderate-income residents of the community, and
3. The extent to which the project will provide for long-term affordability of housing units to community residents; and
4. Other community benefits, such as the extent to which the project will be linked to supportive services or will provide job training or job experience for low- and moderate-income persons.

FOLLOW-UP FOR APPROVED LOAN APPLICANTS: All recipients are expected to maintain contact with the Housing Advisory Board throughout the term of the loan and through the fiscal year in which the activities funded by the loan are concluded. This means submitting to the Housing Advisory Board:

- 1) A brief semi-annual progress report without demand by HAB, and
- 2) An audited year end fiscal and project summary within 30 days after completion without demand by HAB. This requirement can be waived by the HAB upon request, and
- 3) Other reports as requested by the HAB.

In all cases, funds may not be diverted for any use other than that stated in the approved proposal. Excess funds must be returned to the HAB within 30 days after the close of the loan period.

IMPORTANT INFORMATION: Applicants must not have been convicted of discrimination in the sale or lease or financing of housing or in any other violations of fair housing laws. All applicants must comply with all local, state and federal laws and regulations.

Any project that creates newly constructed multi-family units must be developed, managed and maintained in accordance and compliance with local, state and federal laws and regulations,

IMPORTANT INFORMATION (Concluded):

including, but not limited to, the American Disabilities Act and Fair Housing Law. All licenses and permits required by all local, state and federal laws must be kept current.

The HAB will notify those organizations whose loan requests have been postponed or denied.

ATTACHMENT
SUMMARY OF 2001-2004 CONSOLIDATED PLAN STRATEGIES AND OBJECTIVES

STRATEGY*	OBJECTIVES	PRIORITY LEVEL
A) AFFORDABLE HOUSING		
Housing Rehabilitation	Rehabilitate owner-occupied, single family housing units, which are owned by persons with a household income of 0-80% of the MFI.	High
Provide Ownership Assistance	Offer the following types of assistance: <ul style="list-style-type: none"> • Down payment assistance • Second mortgage assistance • Interest rate buy-down 	High
New Construction of Affordable Housing	Provide funds for the construction of, or to assist with the construction of new, single-family housing units.	High
B) HOMELESSNESS		
Provide the homeless and those threatened with homelessness with a range of housing options and support services	Provide assistance for the rehabilitation, restoration, or construction of homeless facilities. Provide assistance to one agency that offers support services for the homeless.	Medium
C) OTHER SPECIAL NEEDS		
Provide special needs populations with a range of housing options and support services.	Provide assistance for the rehabilitation, restoration, or construction of permanent or transitional housing facilities for special needs populations. Provide assistance to two agencies that offer support services to persons with special needs.	Medium
D) NON-HOUSING COMMUNITY DEVELOPMENT		
Finance needed infrastructure improvements in low-to-moderate income areas.	Provide assistance for the restoration, rehabilitation, extension, or upgrade of infrastructure improvements.	High
Finance needed public facility improvements.	Provide assistance for the historic restoration, rehabilitation, or removal of architectural barriers.	High
Provide appropriate supportive services for individuals with special needs to facilitate their ability to live independently in the community.	Provide funding for support services that benefit people with special needs, including the elderly, the illiterate, and the disabled.	High
Provide financial assistance for economic development activities that benefit low-to-moderate income persons.	Provide funding for economic development activities to create and/or retain employment for low-to-moderate income persons.	High
Provide financial assistance for activities that improve public safety and security in communities.	Provide funding for safety and security projects that protect and/or serve the needs of low-to-moderate income persons.	Medium

*“Strategies” will encompass the entire county, with the exception of the Cities of Akron and Barberton, and as of PY 2003, the City of Cuyahoga Falls.