

PART III

ARKANSAS DEVELOPMENT FINANCE AUTHORITY



Neighborhood Stabilization Program

**SINGLE FAMILY NEW CONSTRUCTION
APPLICATION**

NSP SINGLE FAMILY NEW CONSTRUCTION PROGRAM GUIDELINES

This activity will provide new single family units to be sold to households with incomes at or below 120 percent of the area median income.

:

Eligible Activities: This activity will include the acquisition of foreclosed properties and the new construction of single family houses for sale to eligible homebuyers. Projects must be located in areas of greatest need (as defined in the State's Substantial Amendment to the Action Plan for NSP) and may include the demolition of existing foreclosed structures.

Eligible Properties: Foreclosed or vacant and abandoned properties for demolition

Minimum Number of Units: Applications must be for a minimum of 5 or more units.

Homebuyer Counseling: Each household will be required to attend eight hours of homebuyer education from a HUD approved housing counseling agency.

National Objective: Direct Benefit to LMMI (low, moderate, and middle income) persons. The purchase price by the homeowner must not exceed the costs incurred to purchase and develop the unit.

Affordability: Units should be made affordable to homebuyers so that their total housing cost burden, which is the homebuyers costs for principal, interest, taxes and insurance (PITI), shall not exceed 35% of the household's gross monthly income.

NSP SINGLE FAMILY NEW CONSTRUCTION APPLICATION CHECKLIST

Please attach the following information in sequential order.

General Items

- NSP New Construction Program Application
- Staff resumes & consultant resumes
- Letter from highest governmental official stating that the project is needed and accepted in the community
- Copy of commitment letters from each funding source
- Copy of Census Tract, 2000
- Site Control (Copy of Option/Sales Contract or Warranty Deed)
- Verification of Site Zoning and Utilities
- Appraisal(s) for subject property (ies)
- Verification of Arm's Length Transaction
- Pre-qualification procedures established (list of approved applicants)
- Provide comparable sales in the area and listings
- Market Study or Copies of Contracts with Pre-approved buyers for pre-sold units
- Copy of the Affirmative Market Plan
- Copy of City's Adopted Fair Housing Ordinance
- Financial Statements of Project Owner(s)
- New ADFA Applicant-Balance Sheet, Profit & Loss Statement for past two years
- Prior ADFA Applicant-Balance Sheet, Profit & Loss Statement for past year
- Flood Plain Map for subject property (ies)
- Area map with directions to the site
- Plan for Section 3
- List of specific affordable housing projects (federally funded or subsidized), completed in last five (5) years. Single-family housing rehabilitated or constructed within one (1) year may be listed as one project.
- Cooperative Agreement, if joint application.
- Contract and Grant Disclosure and Certification Form
- Form W-9 Request for Taxpayer Identification

Unit Specific Application Items

(Submit documentation for each proposed unit)

ENVIRONMENTAL REVIEW INFORMATION

- Four Color Photos of the property including any structure to be demolished – (Front & Back) (Side Views)
- Area Map with Property Location Noted
- Flood Plain Map (FIRM) (property location, panel number and flood plain noted)
- Environmental Statutory Checklist, completed, and signed with supporting photos

SCOPE OF WORK

- COPY OF COMPLETE SET OF PLANS AND SPECIFICATIONS
- Description of Materials

Procurement and Contractor Information

(Submit prior receipt of Notice to Proceed)

- Copy of *selected* Contractors' Itemized Bid, signed and dated (must obtain 3 separate bids)
- Copy of Advertisement for Bids; Proof of Publication; and Bid Tabulation Sheet (ARDEMGAZ)
- Project Setup HUD Form (visit www.arkansas.gov/adfa to view this document)

CONTRACTOR INFORMATION

- Copy of Contractors Arkansas State License
- Copy of General Liability Insurance
- Copy of Builders Risk Insurance
- Payment and Performance Bond or Irrevocable Letter of Credit (must provide one) –(Reconstruction projects only)

CONTRACTS

- Consultant Contract (Agreement between administering entity and consultant, if applicable)

Project Completion Forms

- Copy of Certificate and Release of Liens
- Copy of Certification of Final Inspection
- Copy of Plumbing Certification
- Copy of Electrical Certification

Homebuyer Information

(Submit to ADFA for approval prior to closing)

- Homeowner Loan Application
- Verification of Income from Source must include one of the following:
(Paycheck Stub, SSI, W-2s, Verification of Employment Form)
- Copy of proposed take out financing and calculation of NSP affordability subsidy
- Copy of DPA Loan note (if applicable)
- Copy of un-recorded DPA Loan second mortgage (if applicable).
- Copy of un-recorded assignment of DPA Loan note and second mortgage (if applicable)

- Copy of DPA Loan certificate of completion for homebuyer education course (if applicable).
- Copy of DPA Loan Truth-In-Lending Disclosure form (if applicable).
- Copy of the Hazard Insurance Policy and Endorsement reflecting ADFA as loss payee if borrower received second mortgage or DPA Loan (if applicable).

I. SUMMARY INFORMATION

A. Project Narrative: Briefly describe the proposed project including target area, number and types of units, and the target buyers within the local market. Will units be targeted for households at or below 50% AMI?

A. Project Information:

1. Contact Person: _____ Phone # _____
Organization: _____ Fax# _____

This person will be the responsible point of contact and only that person will be contacted in regards to this project.

B. Project Information:

1. Contact Person: _____ Phone #: _____
Organization: _____ Fax #: _____

This person will be the responsible point of contact and only that person will be contacted in regards to this project.

2. Project Addresses(attach additional pages as needed)

1. _____
2. _____
3. _____
4. _____
5. _____

3. Total Development Cost: \$ _____ Average Cost/unit: \$ _____

4. Average Cost/square foot: \$ _____

5. NSP Program Request: \$ _____ Average NSP \$'s/unit: \$ _____

6. Average Square foot per unit: _____

7. Average sale price for completed unit: \$ _____

8. 2000 Census Tract No.(s)_____ (**Attachment**)

9. If the application proposed to utilize a portion of the NSP funds as a subsidy to the homeowner, describe in detail how this transaction will occur at closing and detail the portion of NSP funds that will remain as a subsidy and the amount that will be returned to ADFA. (Describe this transaction per unit)

10. Describe the marketing plan to qualified homebuyers.

11. Identify the available HUD certified Homebuyer counseling agency available in target area. Does the agency maintain a list of potential homeowners already certified to having completed a minimum of 8 hours of counseling?

12. Do you have a waiting list of pre-approved applicants? (If yes, attach list)

13. Does the application provide homebuyer counseling to the homeowners? If applicable, please describe the counseling plan that will be provided or required and the name of the ADFA-approved homebuyer counselor.

II. PROJECT READINESS

A. Site Control

1. Does applicant own the property? (**Attach Warranty Deed**) Yes No
2. If no, does applicant have site control? Yes No
 - (a) If yes, form of control: Purchase Contract Option to Purchase
 - (b) Expiration Date of Contract/Option _____
2. If no, describe the plan for attaining site control:
3. Provide documentation to verify property meets the NSP required category of abandoned or foreclosed property. (see ADFA Policies and Procedures for guidance)

A. Appraisal

1a. If the market appraised value of the property is more than \$25,000, has an appraisal been completed on the property? Yes No N/A

(NSP requires that the appraisal documenting the purchase price conform to the appraisal requirements of the Uniform Relocation Act (URA) at 49 CFR 24.103 and be dated within 60 days of the purchase offer. If an appraisal has been completed attach a copy to the application.)

1b. If the market appraised value of the property is \$25,000 or less, has an appraised value been established based on a review of available data by a knowledgeable person with experience in property valuation? Yes No N/A

(Please provide a copy of the review that was completed to establish the appraised value and include the name and contact information of the person who completed the appraisal.)

2. Value of the Land and Improvements: \$ _____
(based on appraisal or other basis of valuation)
3. Proposed Purchase Price: \$ _____
4. (Prospective) Seller's Name: _____
Address: _____
City, State, Zip Code: _____
Phone: (____)-____-_____

5. Is the (prospective) seller related to the applicant or owner? Yes No
(including Board Members and employees)

(Attach Statement of Verification of Arm's Length Transaction)

Board members must obtain Governor's Waiver to sell property to applicant

If yes, what is the relationship?

6. Does the purchase price represent at a minimum a 1% discount over the appraised market value for the property?

C. Zoning and Utilities

1. Is site properly zoned for your development? Yes No
(If yes, attach verification)

(Attach Verification of Site Zoning from local jurisdiction)

2. If no, what are zoning issues and when is the zoning issue to be resolved?
Explain:

3. Are all utilities presently available to the site? Yes No

If no, which utilities need to be brought to site?

Electric Water Phone Gas

Sewer Other: _____

D. Unit Amenities

Equipment/Appliances to be included in each completed unit (*mark all that apply*)

Range Refrigerator Disposal
 Dishwasher Central Heat/Air Garage/Carport
 Outside storage Other: _____

E. Plans and Specs

- 1 Attach Plans and Specifications for all planned reconstruction units:
(Complete Set of Plans & Specifications on at least 11"x17" paper)

14. Attach any available bid proposals or the results of the bid proposals.

III. FINANCING PLAN

A. Development Costs Budget (Submit one budget per unit)

Total Cost	NSP Funds	Other Funds
Acquisition		
Purchase of Land/Bldg	_____	_____
Other Expenses	_____	_____
Hard Costs		
Site Work	_____	_____
Demolition	_____	_____
Construction	_____	_____
Appliances	_____	_____
Accessory Buildings	_____	_____
General Requirements	_____	_____
Contractor Overhead	_____	_____
Contractor Profit	_____	_____
Construction Contingency	_____	_____
Other (list on separate sheet)	_____	_____
Soft Costs		
Architect Fee - Design	_____	_____
Architect Fee - Supervision	_____	_____
Legal Fees	_____	_____
Engineering Fees	_____	_____

Other Professional Fees (list)	_____	_____
Appraisal	_____	_____
Market Study	_____	_____
Environmental Report	_____	_____
Title and Recording Expense	_____	_____
Relocation Expense	_____	_____
Consultants	_____	_____
Other Soft Costs	_____	_____
Interim Costs		
Construction Insurance	_____	_____
Construction Interest	_____	_____
Construction Loan Origination	_____	_____
Credit Enhancement	_____	_____
Real Estate Taxes	_____	_____
Financing Costs		
Bond Premium	_____	_____
Permanent Loan Origination	_____	_____
Permanent Loan Credit Enhance	_____	_____
Other Financing Costs	_____	_____
Developer Fee	_____	_____
TOTAL DEVELOPMENT COST	_____	_____

Submit the following to support and verify the all items of the above proposed financial plan: copies of general contracts, estimates or sworn statements. **(Attach Copy(ies) of all Contracts applicable to this project)**

B. Funding Sources

Attach copies of financing firm commitment letters from each funding source. (**Attach Copies of all Commitment Letters from other funding sources**)

DEVELOPMENT TIMELINE

Fill in completion or anticipated completion dates for all development tasks listed. Make sure the dates are realistic.

A. Timeline*

Task	Completion Date
Project Start Up	
Site Acquisition	
Zoning	
Plans and bid specs	
Initial Closing	
Construction/Implementation	
Construction contract awarded	
Pre-construction conference	
Construction starts	
Construction completed	

*Another form may be used; however, it **must** contain all the elements of this form.

IV. DEVELOPMENT EXPERIENCE

A. Development Team Experience

Identify the following team members as applicable and attach resumes or a summary of experience of each team member which illustrate experience in similar projects. Owner financial statements, including income statements and balance sheets, must be provided. (NOTE: If the project contains a small number of units to be rehabilitated/constructed, several of the following team members may not be applicable.)

1. Owner: _____
Address: _____
City, State, Zip Code: _____
Phone/Fax: _____

2. Project Manager/Developer: _____
Address: _____
City, State, Zip Code: _____
Phone/Fax: _____

3. General Contractor: _____
Address: _____
City, State, Zip Code: _____
Phone/Fax: _____

Development Team Experience (continued)

4. Architect: _____
Address: _____
City, State, Zip Code: _____
Phone/Fax: _____

5. Attorney: _____
Address: _____
City, State, Zip Code: _____
Phone/Fax: _____

6. Real Estate Agent: _____
Address: _____
City, State, Zip Code: _____
Phone/Fax: _____

7. Consultant (if applicable): _____
Address: _____
City, State, Zip Code: _____
Phone/Fax: _____

B. Federal Labor Standards (Davis-Bacon)

If the project to be constructed contains 8 or more NSP-assisted units, the federal labor standards provisions regarding the payment of prevailing wage rates as determined by the Department of Labor apply.

C. Contractor Licensing

Must have contractor licensed by Arkansas State Contractors Licensing Board for all projects (**Attach Copy of Contractor's License**).

Does the general contractor have experience? Yes No
(Please the addresses of units constructed and a list of references)

V. OTHER

A. **Special Needs Populations**

Identify any project features designed to serve populations with special housing needs, including persons with disabilities, the elderly, or large families (units with three (3) or more bedrooms). This could include design features, occupancy preferences, etc.

B. **Building and Energy Standards**

Describe the construction and energy standards that will be used for the project. Upon completion, all units must meet State and local building codes. New construction projects must meet all local codes, building standards, zoning ordinances, and the State Energy Code. Priority may be given to projects that are designed to meet Energy Star standards.

Environmental Statutory Checklist

Federal laws and authorities listed at Sec. 58.6 and permits, licenses, forms of compliance under other laws – Federal,
State and Local

Area of Statutory - Regulatory Compliance (Precise citations for applicable statutes and regulations are printed on the back of this Checklist.)	Not Applicable to This Project	Consultation Required	Review Required*	Permits Required*	Determination of Consistency – Approvals, Permits Obtained	Conditions and/or Actions Required*	Reference to Note Providing Documentation Sources and Correspondence
<i>SOLID WASTE DISPOSAL</i>							
<i>FISH AND WILDLIFE</i>							
<i>NOISE</i>							
Flood Insurance – 58.6 (a)							
Toxic Sites							
Environmental Justice							
Airport Clear Zones							
Coastal Barriers – 58.6 (b)							
<i>STATE OR LOCAL STATUTES (TO BE ADDED BY LOCAL)</i>							

Prepared by: _____

Title: _____

Date: _____

Attachments to the checklist should include: 1.) Photos showing at least four views of subject property and surrounding area (front of subject property, area to the left of subject property, area to the right of subject property, street view, area behind subject property); 2.) Copy of area map with property location noted; 3.) Copy of flood plain map (FIRM) with property location, flood zone, and panel number indicated. Also, if a noise study or eight-step flood process is required, please provide supporting documentation.

Summary of Findings and Conclusions:

Summary of Environmental Conditions:

Project Modifications and Alternatives Considered:

Additional Studies Performed (Attach Study or Summary):

Mitigation Measures Needed:

DESCRIPTION OF MATERIALS

<https://formsadmin.sc.egov.usda.gov/efcommon/eFileServices/Forms/RD1924-0002.pdf>

COPY OF COMPLETE SET OF PLANS AND SPECIFICATIONS

Note: All ADFA single-family projects must meet at least Level 1 in accordance with the *Arkansas Usability Standards in Housing: Guidance Manual for Constructing Inclusive Functional Dwelling (AUSH)*.

For more information, please visit the following website: www.studioaid.org under the “Design” link, click on “standards.”

COPY OF SELECTED CONTRACTORS ITEMIZED BID

(COPY MUST BE SIGNED AND DATED)

See HUD Website to view a sample copy of a bid form:

<http://www.hud.gov/offices/cpd/affordablehousing/library/forms/bidform.doc>

HUD PROJECT SET-UP FORM

Please visit www.arkansas.gov/adfa to view this form.

CONTRACTOR INFORMATION

Please provide the following information in this section of the application.

- Copy of Contractor's Arkansas State License
- Copy of General Liability Insurance
- Copy of Builder's Risk Insurance
- Payment and Performance Bond or Irrevocable Letter of Credit

III. COMPLETION DOCUMENTS

The following documents must be submitted upon the final construction inspection:

1. Project Completion Report HUD (Form 40096)
2. Certificate and Release of Liens
3. Certification of Final Inspection
4. Plumbing Certification
5. Electrical Certification

CERTIFICATE AND RELEASE OF LIENS

From: _____ (Contractor)

To: _____ (NSP grantee)

Reference contract entered into the ____ day of _____, 19____, between the above parties for the rehabilitation of the property at _____

_____ (address of rehabilitated property.)

1. The undersigned hereby certifies that there is due from and payable by the Owner to the Contractor, the balance of \$ _____ pursuant to the Contract and duly approved Change Orders and modifications.

2. The undersigned certifies that all work required under this contract has been performed in accordance with the terms thereof, and that there are no unpaid claims for materials, supplies, or equipment and no claims of laborers or mechanics for unpaid wages arising out of the performance of this Contract.

3. That upon receipt of the final payment stated in Paragraph 1 hereof, the undersigned does hereby release the Property Owner from any and all claims arising under or by virtue of this Contract; provided, however, that if for any reason the Property Owner does not pay in the full amount stated in Paragraph hereof, the unpaid amount will become the amount, which the Contractor has not released.

Company • Supplier

Signature

Title

Authorized

Date

ACKNOWLEDGEMENT

State of _____ }
County of _____ }

Signed and sworn before me on this _____ day of _____, _____.

Notary Public

My Commission Expires: _____

ADFA form 2013

CERTIFICATE OF FINAL INSPECTIONS

Project Address: _____

Contractor: _____

Contract Date: _____

I, the undersigned, hereby certify that the Contractor has satisfactorily completed the rehabilitation work, including all change orders, as outlined in the rehabilitation contract dated as indicated between the Property Owner and the Contractor.

Rehab. Inspector Date

NSP Project Administrator Date

PLUMBING CERTIFICATION

Property Address:		
NSP Project Number:		
Plumber's Printed Name:		
License Number:		Expiration Date:
Plumber's Mailing Address:		
Plumber's Phone Number:		
Project Contractor Name:		

I certify that I have installed or inspected all new and existing plumbing work or systems at the above address and do hereby declare that this work meets all State and Local Codes.

Plumber's Signature

Date

ELECTRICAL CERTIFICATION

Property Address:		
NSP Project Number:		
Electrician's Printed Name:		
License Number:		Expiration Date:
Electrician's Mailing Address:		
Electrician's Phone Number:		
Project Contractor Name:		

I certify that I have installed or inspected all new and existing electrical work or systems at the above address and do hereby declare that this work meets all State and Local Codes.

Electrician's Signature

Date

HVAC CERTIFICATION

Property Address:		
NSP Project Number:		
Contractor's Printed Name:		
Contractor's License Number:		Expiration Date:
Mailing Address:		
Phone Number:		
General Contractor's Name:		

I certify that I have installed or inspected all new and existing electrical work or systems at the above address and do hereby declare that this work meets all State and Local Codes.

Electrician's Signature

Date

HOMEOWNER LOAN APPLICATION

The information collected below will be used to determine whether you qualify as a borrower under The State NSP Loan Program. It will not be disclosed outside the HOME Program Agencies without your consent except to your employer for verification of information, obtaining credit information from a national credit-reporting agency, and as required and permitted by law. You do not have to provide the information, but if you do not your application for a loan may be delayed or rejected.

APPLICANT INFORMATION:

Property Address: _____ City: _____ State: ___ Zip: _____ Phone: _____

How long have you owned your home? _____

How many Dependents live at the above address? _____

Marital Status: ___ Married ___ Unmarried ___ Separated

Employment Information:

Name of Employer: _____

Address: _____ City: _____ State: _____ Zip: _____

Position/Title: _____ Employment Date: _____

Supervisor's Name: _____ Telephone: _____

CO-APPLICANT INFORMATION:

Property Address: _____ City: _____ State: ___ Zip: _____ Phone: _____

How long have you owned your home? _____

How many Dependents live at the above address? _____

Marital Status: ___ Married ___ Unmarried ___ Separated

Employment Information:

Name of Employer: _____

Address: _____ City: _____ State: _____ Zip: _____

Position/Title: _____ Employment Date: _____

Supervisor's Name: _____ Telephone: _____

ANNUAL HOUSEHOLD INCOME PROJECTED FOR THE NEXT 12 MONTHS

Source	Applicant	Co-Applicant	Other Household Member 18 or Older	Total
Salary				
Overtime Pay				
Commissions				
Fees				
Tips				
Bonuses				
Interest and/or Dividends				
Net Income from Business				
Net Rental Income				
Social Security, Pensions, Retirement Funds, Etc., Received Periodically				
Unemployment Benefits				
Worker Compensation, etc.				
Alimony, Child Support				
Welfare Payments				
Other				
TOTAL ANNUAL HOUSEHOLD INCOME				
TOTAL MONTHLY HOUSEHOLD INCOME				

LIABILITIES:

List outstanding debts including auto loans, credit cards, charge accounts, credit union loans, personal loans, real estate loans (except for the home you live in)

Type	Creditor's Name	Monthly Payment	Unpaid Balance	Payment Date
TOTAL				

MONTHLY HOUSING EXPENSE:

	Monthly Payment	Principal Balance	
Monthly Mortgage Payment	\$	\$	Mortgage Holder: Address: _____
Hazard and Flood Insurance	\$	\$	Describe any special circumstances relative to your housing or its financing:
Real Estate Taxes	\$	\$	
Other (please specify)	\$	\$	
TOTAL	\$	\$	

HOUSEHOLD COMPOSITION:

(List the head of your household and all members who live in your home. Give the relationship of each family member to the head)

	Full Name	Relationship	Age	Social Security No.
1				
2				
3				
4				
5				
6				
7				
8				

1. Does anyone live with you now that is not listed above? _____ Yes _____ No

2. Does anyone plan to live with you in the future who is not listed above? _____ Yes _____ No

Please explain if you answer "Yes" to either question above.

If "Yes" to any of the following questions you *must* attach an explanation on a separate sheet.

1. Do you have any outstanding unpaid judgments? \$_____Amount Yes No

2. In the past seven (7) years have you declared bankruptcy? Yes No
- *If currently in Bankruptcy you must provide a Post-Petition-to-Incur-Debt from Bankruptcy Court.*
3. Are you currently a party in a lawsuit? Yes No
4. Are you or anyone living in the household related to any staff member of the agency to which you are applying for NSP funds? Yes No
- *Please explain if you answer "Yes" to either question above.*
-

The information provided below is true and complete to the best of my/our knowledge and belief. I/we consent to the disclosure of such information for purposes of income and verification related to my/our application for financial assistance. I/We understand that any willful misstatement of material fact will be grounds for disqualification.

Applicant Signature:

Date

Co-Applicant

Date

COPY/PROOF OF HOMEBUYER'S HAZARD INSURANCE POLICY, BINDER OR QUOTE

Note: All homeowners must provide proof of insurance prior to closing