Affordable Housing
Application
Training Workshop

MONTGOMERY COUNTY
PROGRAM OFFICE: HOUSING & COMMUNITY DEVELOPMENT

FEBRUARY 2024
Montgomery County Fair Housing

Administers approximately $4 million annually of federal CDBG and HOME and ESG assistance from HUD.

The required Analysis of Impediments (AI) to Fair Housing was completed for submission in 2020.

AI identifies any discriminatory practices and policies that impede the ability of members of the protected classes in securing equal access to suitable housing.

The Fair Housing Act (FHA) also known as Title VIII of the Civil Rights Act of 1968, as amended, protects people against housing discrimination based on race, color, religion, national origin, sex, disability, and familial status. These are known as the protected classes.
Affirmatively Furthering Fair Housing

Applicants must demonstrate how they are affirmatively furthering fair housing.

ACTION STEPS:

Reduce racial and national origin concentration;

Provide a full range of housing opportunities to applicants and tenants;

Take steps to overcome conditions which limit participation of persons due to race, national origin or other protected class;
Consolidated Plan Priority Activities
Fiscal Years 2020-2024

Goal #1:
Promote the rehabilitation and preservation of the existing affordable housing stock (homeowner and rental) through partnerships with agencies that provide housing rehabilitation.

Goal #2:
Create new affordable rental housing for households below 80% of the area median income.

Goal #3:
Create new affordable home ownership opportunities for households between 50% and 80% of the area median income.

Goal #4:
Fund tenant-based rental assistance annually to provide suitable housing for at-risk and special needs populations.
Eligible Applicants

- Public Agencies
- Non-Profits
- Designated CHDO’s
- For-Profit Housing Developers
Non-Participating Jurisdictions

- Abington Township
- Lower Merion Township
- Conshohocken Borough
- Norristown Borough

Any Affordable Housing proposals in these areas *may* be eligible for HealthChoices and/or Affordable Housing Trust Fund, but are *not* eligible to receive HOME funding.

Applications submitted for proposals outside of these areas are a higher priority for funding.
2024 Estimated Funding

- **HOME Investment Partnership Program (HOME)** – Entitlement Funds received from the U. S. Department of Housing and Urban Development (HUD)
  - 2023 Entitlement: $1,492,052.00
  - HOME-ARP: $3,318,553.00 (must be Your Way Home unit setasides)

- **Affordable Housing Trust Fund (AHTF)** – Local funds generated from the County’s recording fees.
  - Approximately $500,000 available

- **Housing Reinvestment (HRI) Funds** – HealthChoices Funds
  - Approximately $750,000 available

- **ARPA Housing Opportunities Fund** – for acquisition
  - Approximately $3m available
## 2024 Estimated Funding - HOME

<table>
<thead>
<tr>
<th>Entitlement</th>
<th>$1,492,052.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>Administration</td>
<td>($149,205.00)</td>
</tr>
<tr>
<td>CHDO Set Aside</td>
<td>($223,808.00)</td>
</tr>
<tr>
<td>Total Sub-Total</td>
<td>$1,119,039.00</td>
</tr>
<tr>
<td>Program Income</td>
<td>$672,748.50</td>
</tr>
<tr>
<td>HOME ARP Funds</td>
<td>$3,318,553.00</td>
</tr>
<tr>
<td>Total Funds</td>
<td>$5,110,340.50</td>
</tr>
</tbody>
</table>
HealthChoices Housing Funds

Capital/Gap Financing and/or Pre-Development activities for rental housing development.

The project will add to the affordable housing stock for the target population.
- The amount of funding used per housing unit / apartment shall not exceed $125,000.
- The rents shall be affordable to persons with extremely low incomes (at or below 20% of the AMI).
- Renter must be eligible for and have Medical Assistance (HealthChoices or Community HealthChoices) health insurance.
- Renter must be a Montgomery County Resident and 18 years or older and have a significant mental health challenge (have a mental health diagnosis meeting the state definition of serious mental illness or co-occurring disorder).

Within the target population, the following priority groups exist (in this order):
- Persons that are diverted or discharged from one of PA State Hospitals.
- Persons who are homeless, at risk of homelessness, and/or receiving a temporary assistance through OMH or the Your Way Home Program.
- Residents of mental health Transitional Residential Programs.
- Persons who are diverted or released from the Montgomery County Correctional Facility.
Eligible Activities

Montgomery County will provide incentives to develop and support affordable rental housing and homeownership affordability through:

- New Construction
- Acquisition
- Rehabilitation
- Tenant Based Rental Assistance (TBRA) – to provide up to 12 months of rental assistance for persons experiencing homelessness or other qualified Special Needs populations – please apply through the Homeless Services Application
Ineligible Activities

- Supportive Services or Case Management Costs
- Operating Costs
- Administrative funding
- Projects serving renters above 60% of median income guidelines
- Projects serving homeowners above 80% of median income guidelines
- Funding for emergency shelter (refer to Homeless Services Application instead)
Applications must...

- **Rental Units**: Assist individuals or families at 60% or below median income
  - At or below 20% AMI for HealthChoices
  - Your Way Home (homeless preference - HOME-ARPA)

- **Homeowner Units**: Assist individuals or families at 80% or below median income
  - Meet property standard requirements including accessibility and local, state and federal code requirements and all housing quality standards.
  - Meet affordable housing guidelines. This includes rent limits, including utility allowances, and non-discrimination guidelines.
  - Meet rental assistance and tenant protection requirements and affirmatively further fair housing.
Applicants must...

Be ready and willing to have an environmental review completed on the project, if awarded.

Completion of the environmental review process is mandatory before taking any physical action on a site or making a commitment or expenditure of HUD or non-HUD funds for property. This includes:

- Acquisition
- Demolition
- Rehabilitation
- Conversion
- Lease
- Repair
- Construction activities

May not commit HOME funds until HUD has approved the Request for Release of Funds and related certification (RROF).
Montgomery County Funding Priorities

Housing Projects that are in areas of opportunity = non impacted areas

Housing opportunities for the Your Way Home (Homeless) clients.

Housing opportunities for the County’s special needs clientele.

Housing opportunities for families.
Impacted Areas

Please visit Montgomery County’s Office of Housing & Community Development Website (“Reports and Notices”) to view all impacted areas as outlined in the document *Analysis of Impediments to Fair Housing Choice*.

Neighborhoods in the following municipalities have impacted areas: Ambler, Bridgeport, Cheltenham, Hatfield, Horsham, Lansdale, Plymouth Township, Pottstown, Souderton, Springfield Township, Telford, Towamencin, Upper Dublin, Upper Merion, Upper Moreland, West Norriton, Whitpain Township.

If you’re applying for a project in a non-participating jurisdiction (Abington, Lower Merion, Conshohocken, or Norristown), please utilize HUD’s 2011 – 2015 ACS data on low-mod areas of concentration.
HOME Per Unit Subsidy Limits  
(effective April 7, 2023)

<table>
<thead>
<tr>
<th>Efficiency</th>
<th>$173,011.00</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Bedroom</td>
<td>$198,331.00</td>
</tr>
<tr>
<td>Two Bedroom</td>
<td>$241,176.00</td>
</tr>
<tr>
<td>Three Bedroom</td>
<td>$312,005.00</td>
</tr>
<tr>
<td>Four+ Bedroom</td>
<td>$342,482.00</td>
</tr>
</tbody>
</table>

Montgomery County usually awards a maximum of 11 units.

Maximum Sales Price for Homeownership: $356,000
HOME Rent Limits *(includes utilities)*

<table>
<thead>
<tr>
<th>Efficiency</th>
<th>One BR</th>
<th>Two BR</th>
<th>Three BR</th>
<th>Four BR</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>2023 Low HOME Rent Limits</strong></td>
<td>$977</td>
<td>$1,046</td>
<td>$1,256</td>
<td>$1,451</td>
</tr>
<tr>
<td><strong>2023 High HOME Rent Limits</strong></td>
<td>$1,081</td>
<td>$1,218</td>
<td>$1,470</td>
<td>$1,789</td>
</tr>
</tbody>
</table>

The HOME Program establishes the maximum gross rent standard, which is the lesser of the Fair Market Rent or the 65% Rent Limit.
20% of rental units in a development of five (5) or more must be occupied by very low-income families, meaning they are 50% AMI or below. Example:

<table>
<thead>
<tr>
<th>Total Units Developed</th>
<th>60</th>
</tr>
</thead>
<tbody>
<tr>
<td>20%</td>
<td>12</td>
</tr>
<tr>
<td><strong>Therefore Rents (including utilities) cannot exceed:</strong></td>
<td></td>
</tr>
<tr>
<td>48 Units (One Bedroom)</td>
<td>$1218.00 (High HOME rents)</td>
</tr>
<tr>
<td>12 Units (One Bedroom)</td>
<td>$1046.00 (Low HOME rents)</td>
</tr>
</tbody>
</table>
## HOME Income Limits

<table>
<thead>
<tr>
<th>Household Size</th>
<th>30% HOME ONLY</th>
<th>30% Rental</th>
<th>50% Rental</th>
<th>60% HOME Rental</th>
<th>60% Rental</th>
<th>65% HOME</th>
<th>65% Rental</th>
<th>70% HOME</th>
<th>70% Rental</th>
<th>80% HOME</th>
<th>80% Rental</th>
<th>100% HOME</th>
<th>100% Rental</th>
</tr>
</thead>
<tbody>
<tr>
<td>One Person</td>
<td>$23,450.00</td>
<td>$23,450.00</td>
<td>$39,100.00</td>
<td>$46,920.00</td>
<td>$50,830.00</td>
<td>$54,740.00</td>
<td>$62,500.00</td>
<td>$62,500.00</td>
<td>$78,200.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Two Persons</td>
<td>$26,800.00</td>
<td>$26,800.00</td>
<td>$44,650.00</td>
<td>$53,580.00</td>
<td>$58,045.00</td>
<td>$62,510.00</td>
<td>$71,400.00</td>
<td>$71,400.00</td>
<td>$89,300.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Three Persons</td>
<td>$30,150.00</td>
<td>$30,150.00</td>
<td>$50,250.00</td>
<td>$60,300.00</td>
<td>$65,325.00</td>
<td>$70,350.00</td>
<td>$80,350.00</td>
<td>$80,350.00</td>
<td>$100,500.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Four Persons</td>
<td>$33,500.00</td>
<td>$33,500.00</td>
<td>$55,800.00</td>
<td>$66,960.00</td>
<td>$72,540.00</td>
<td>$78,120.00</td>
<td>$89,250.00</td>
<td>$89,250.00</td>
<td>$111,600.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Five Persons</td>
<td>$36,200.00</td>
<td>$36,200.00</td>
<td>$60,300.00</td>
<td>$72,360.00</td>
<td>$78,390.00</td>
<td>$84,420.00</td>
<td>$96,400.00</td>
<td>$96,400.00</td>
<td>$120,600.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Six Persons</td>
<td>$38,900.00</td>
<td>$40,280.00</td>
<td>$64,750.00</td>
<td>$77,700.00</td>
<td>$84,175.00</td>
<td>$90,650.00</td>
<td>$103,550.00</td>
<td>$103,550.00</td>
<td>$129,500.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Seven Persons</td>
<td>$41,550.00</td>
<td>$45,420.00</td>
<td>$69,200.00</td>
<td>$83,040.00</td>
<td>$89,960.00</td>
<td>$96,880.00</td>
<td>$110,700.00</td>
<td>$110,700.00</td>
<td>$138,400.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Eight Persons</td>
<td>$44,250.00</td>
<td>$50,560.00</td>
<td>$73,700.00</td>
<td>$88,440.00</td>
<td>$95,810.00</td>
<td>$103,180.00</td>
<td>$117,850.00</td>
<td>$117,850.00</td>
<td>$147,400.00</td>
<td></td>
<td></td>
<td></td>
<td></td>
</tr>
</tbody>
</table>
Application

- Application will be available online beginning March 4th, 2024
- The application and all materials will be submitted online
- Please visit Montgomery County’s Office of Housing & Community Development website to access the application
  
  https://www.montgomerycountypa.gov/415/Funding-Opportunities

- Applications will be due electronically on April 12, 2024 by 4:30 PM EST
  - Late applications will not be accepted!
Application

- Project description & location (including census tract, municipality, impacted/non-impacted area, and access to transportation)
- Identification of how the funds will be used (acquisition, new construction, etc.)
- Project’s alignment with the consolidated plan
- Narrative on who the project will serve (families, seniors, etc.)
- Special section for any projects applying as a CHDO
- # of units to be funded and AMI breakdown
- Unit set-asides for HealthChoices and/or Your Way Home
- Full project narrative, including expected outcomes, status of zoning, and timeline
- Project readiness checklist
Application Attachments

- Certifications and Assurances signed form
- Certification of CHDO status
- HOME program certification of capacity
- Detailed project budget
- Sources & uses form
- Supplemental Assurances for Affordable Housing Development
- Income projections for Affordable Housing Development

These forms will be available for download on the OHCD website
Application Attachments – Additional (as applicable)

- Certification of non-profit status
- Articles of Incorporation & By-Laws
- Most recent financial statement & audit
- Annual operating budget of organization
- Any applicable property-related documents (deed, etc.)
- Affirmative marketing plan
- Section 3 outreach plan
- List of Board of Directors
For Your Information...

Any funded project must demonstrate compliance with federal requirements and be able to produce the following documents at the request of Montgomery County or HUD at any time during the life of the loan/grant and must be available for physical inspection during monitoring:

- Code of Conduct and Conflict of Interest
- Drug Free Workplace Policy
- Excessive Force Policy
- Anti-Displacement Plan
- Affirmative Marketing Plan
- MBE/WBE Plan
- Section 3 Plan
- Fair Housing Analysis
Funding Timeline

April 12, 2024 – Applications are due by 4:30pm (no exceptions)

May 2024 – Eligible project recommendations are sent to the County Commissioners

June/July 2024 – Preliminary award notification sent to applicants and public announcement of Annual Action Plan is advertised – 30-day public comment period

July 2024 – Commissioners adopt Resolution for Action Plan (1st Thursday)

September / October 2024 – HUD Environment Reviews for Approved projects & Release of Funds

November/December 2024 – Conditional Funding Award letters sent to Awardees