

# PROJECT-BASED VOUCHER AND GAP FINANCING PROGRAM

Round 7 - 2023

## Attachment A PBV/Gap Financing Program & Underwriting Guidelines

(These Guidelines are subject to changes in  
HACP/ARMDC's policy and regulatory requirements.)



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## **1.0 INTRODUCTION**

The Housing Authority of the City of Pittsburgh (HACP), through this Request for Proposals (RFP), is soliciting qualified respondents (Respondents) to apply for funding through the Project-Based Voucher (PBV) and Gap Financing program (PBV/Gap Financing program). Eligible Respondents include private, for-profit developers and non-profit organizations. Respondent and Owner/Developer are used interchangeably in this RFP. Eligible uses of these funds are the development, rehabilitation and/or preservation of affordable, quality housing in the City of Pittsburgh.

HACP's PBV/Gap Financing program is created to provide the last resort development financing source and project-based operating subsidy for Owners/Developers to develop and preserve the availability of housing choices for low and moderate income families in the City of Pittsburgh. HACP and its instrumentality, Allies & Ross Management and Development Corporation (ARMDC), will perform programmatic analysis and underwriting analyses on all proposals submitted in response to this RFP. Respondents who receive a PBV/Gap Financing award are subject to and must perform services in compliance with HACP's policies, procedures, and Board of Commissioners' approvals; and all rules, regulations and requirements of PBV set forth in 24 CFR 983 and Mixed-Finance Development set forth in 24 CFR Part 905, Subpart F and all other applicable Federal regulations. PBV/Gap Financing projects must also comply with HUD's Moving to Work (MTW) local non-traditional development program guidelines as described below.

These guidelines may be subject to change and may be modified pending federal and state legislative requirements and/or HACP policy.

### **1.1 Project Funding**

The Gap Financing loan is funded by HACP's MTW block grant funds and projects supported by MTW funds are subject to HUD's and HACP's compliance requirements. Any PBV/Gap Financing project, especially the closing of the Gap Financing loan, is subject to HUD's final approval as a Local Non-Traditional program. HACP/ARMDC will guide awardees through HUD approval processes for eligible, qualified, gap financing projects.

### **1.2 ARMDC**

ARMDC, as HACP's instrumentality, performs various levels of development services for the PBV/Gap Financing program and will be the lender of Gap Financing loans. Under these Guidelines, the two entities, ARMDC and HACP, will be used interchangeably as ARMDC adheres to the regulations and policies established by HACP and HUD.

### **1.3 Eligible Projects & Respondents**

Eligible projects are ones that create new affordable housing opportunities or preserve existing ones. Additionally, all of the units supported by the PBV/Gap Financing program must be located within the City of Pittsburgh and Owners/Developers must commit to the long-term preservation and management of the newly developed or rehabilitated affordable housing.

An eligible Respondent is a private, for-profit or non-profit individual or business, corporation, partnership, firm, joint venture or other legal entity, duly organized and authorized to do business in the City of Pittsburgh. Eligible Respondents must be financially sound and able to provide the services being procured by HACP.

## 2.0 GENERAL REQUIREMENTS

### 2.1 Good Standing and No Debarments/Suspensions

Each Owner/Developer must be in good standing with HACP, and any Federal, State, or city entity that has or has had a contracting relationship with the Owner/Developer. Good standing means continuously being in compliance with all explicit obligations, while not being subject to any form of debt, sanction, debarment, suspension, disciplinary censure, or any form of lawful preclusion from participating in any public procurement activity. If the Owner/Developer has previously utilized HACP's PBV/Gap Financing loan for any certain development project, HACP will review the status of the project, including the extent of compliance with the requirements of the PBV/Gap Financing loan and its other public funding sources (e.g. Low Income Housing Tax Credits (LIHTC)) in order to determine financial and regulatory risks. If the Respondent is not in good standing with HACP, ARMDC and/or any Federal, State or Municipal entity, or if a Federal, State or Municipal entity has terminated any contract with a Respondent for deficiencies or defaults, that Respondent must disclose this information to HACP in its proposal. HACP will consider such facts and circumstances during its evaluation of the Respondent's proposal, which may be sufficient ground for disqualification. If the Respondent is selected, but failed to disclose such information and HACP discovers it thereafter, then HACP could terminate the contract. Respondents must have and maintain all necessary insurance to cover malpractice liability and workers' compensation at all times, at least from the award date of this RFP.

### 2.2 Program Threshold Requirements

To be eligible for evaluation and thereby be eligible to receive funding, projects must meet the program threshold requirements as specified in Section IV Tabs 03, 04 and 05 of the RFP. All Respondents must provide adequate information in their proposals for HACP to determine the Respondent's compliance with the threshold items.

### 2.3 Site Control

Although site control is a threshold requirement for this RFP, HACP, at its discretion, may allow the site control to be completed within 90 days from the PBV/Gap Financing award date only if the proposed project submitted a convincing evidence of good faith efforts and mutual agreement among potential seller(s) and Respondent. If allowed, the 90-day site control deadline shall be strictly enforced, and any proposed projects failing to meet this requirement will have their award ***immediately rescinded***. Acceptable forms of site control include: a deed to the property, exclusive negotiation letter from the City of Pittsburgh or Urban Redevelopment Authority (URA), a fully executed option agreement, and a fully executed purchase and sale agreement. If the Owner/Developer demonstrates site control through a contract of sale or an option agreement, such contract or agreement must remain in effect for at least 180 days after the RFP proposal due date and may include only commercially standard early termination clauses and conditions to closing.

### 2.4 Market Analysis

HACP requires a market analysis for all PBV/Gap Financing projects. This guidance adopts PHFA's market study requirements, regardless of whether the project uses LIHTC or not. The market study should ensure that the number and initial contract rents of housing units in a proposed development are supported by the existing and anticipated market. The market analysis should provide sufficient and clearly defined information that can be used for HUD's PBV site selection standards justification in conformity with HUD 24 CFR 905.602(d) unless the Owner/Developer provides a separate documentation for the site selection standards as described in Section 2.11 below.

## 2.5 Appraisal

If HACP's gap financing fund is used to acquire a real estate property for a project, HACP's funds must not be used to pay above the appraised value of the property. Any appraisals submitted must have had an inspection conducted within 120 days of the submission. Unless the appraisal is undertaken by or on behalf of the permanent project lender, HACP/ARMDC may wish to conduct its own appraisal and if it differs from the developer's, the final value will be settled through a third appraisal. The Owner/Developer must reimburse the costs of appraisals commissioned by HACP or ARMDC, if any.

## 2.6 Physical Capital Needs Assessment

A Physical Capital Needs Assessment (PCNA) is needed for all existing structures and rehabilitation projects applying for HACP funding. The PCNA assesses the current property condition and determines where critical improvements are required in order to ensure a long project lifecycle covering a minimum of 20 years. The PCNA report should include the following:

1. Inspection report and an opinion regarding both critical and non-critical needs that includes a detailed cost estimate of the up-front critical repairs and other costs that are required to ensure the project sustains a long lifecycle; and
2. Replacement reserve analysis that details a cost schedule for repairs or major maintenance. It is imperative that this analysis provides a concise recommendation for the per unit per annum contribution to the replacement reserve in anticipation of any expenditures or critical replacements identified by the first part of the report.

## 2.7 Substantial Changes

Any substantial changes to the proposal, as defined by HACP/ARMDC at its sole and absolute discretion, which includes but is not limited to changes in the Owner/Developer entity, unit mix, affordability requirements, and site location, during the underwriting or construction process must be reported to HACP/ARMDC, in writing. Any substantial changes to the initial proposal under the RFP are subject to HACP/ARMDC's approval, which may otherwise result in re-evaluation and possible termination of HACP's contingent commitment for the PBV/Gap Financing loan.

## 2.8 Funding Letters of Intent

For proposals indicating a gap in financing due to pending funding applications or letters of intent rather than binding commitments, Respondents will have a certain number of days from date of HACP's Gap Financing award or LIHTC award (***Owner/Developer must refer to the Critical Timeline Post-Award section as outlined in Section I of the RFP***) to submit evidence of all necessary financial commitments. Proposals indicating a gap in financing without a letter of intent, pending application, or specifically identified and available potential funding source (such as an open, announced, or recurring solicitation or competition, including possible gap financing offered by HACP) will not be considered.

## 2.9 Financial Capacity Review

HACP/ARMDC will perform a responsibility review of Respondents, which will include reference checks and financial background checks. Respondents will submit two years of audited financial statements to HACP/ARMDC as part of the review (see Section III, Tab 10.02 of the RFP). The financial statements will be evaluated by the Chief Financial Officer to determine the Respondent's (or affiliated entity's) financial capacity to perform the tasks delineated in this RFP.

## 2.10 Community Outreach

It is the Owner/Developer's responsibility to actively and sincerely conduct community outreach efforts including, but not limited to, hosting community meetings for areas the project will impact.

All efforts must be documented, and attendance of community members needs to be noted. Respondents should provide evidence of input from City of Pittsburgh's Registered Community Organizations (RCO), if an RCO exists in the project's neighborhood.

## **2.11 HUD Regulatory Compliance Requirements**

### **2.11.1 PBV Site Selection Standards**

The proposed project must be reviewed and approved by HUD's Field Office as conforming to HUD's site and neighborhood standards outlined in 24 CFR 905.602(d), which are enforced by HUD's Office of Fair Housing Equal Opportunities (FHEO). Site and neighborhood selection standards approval is required for all development projects utilizing federally-assisted funds (i.e. MTW funds).

Please note that the Owner/Developer has a risk of HUD's rejection of their site selection justification. Pursuant to the RFP award, each awardee shall work with HACP to prepare a site selection standards submission that will be reviewed by FHEO and a HUD field office. Pittsburgh's HUD field office directly coordinates the submission and evaluation with FHEO. Only projects that receive FHEO's approval will be funded. HACP bears no responsibility for HUD's final decision.

### **2.11.2 Subsidy Layering Review**

All federally funded and/or subsidized development projects are subject to HUD's Subsidy Layering Review (SLR). In order to ensure that the amount of funds requested is not more than the demonstrated need, a SLR must be performed by HUD. Pursuant to Administrative Guidelines: Subsidy Layering Review [Docket No. FR-6359-N-01], HUD will perform the SLR certification process for local non-traditional development projects. A fully approved SLR is required for an Agreement to Enter into a Housing Assistance Payments Contract (AHAP) and Gap Financing closing.

### **2.11.3 Environmental Review**

HACP must obtain HUD's Part 58 environmental approval prior to execution of the PBV/Gap Financing program's legal contracts and agreements (e.g., AHAP and Gap Financing loan documents) and release of any HUD funds for PBV/Gap Financing projects. All activities funded by the PBV/Gap Financing program are subject to an environmental review under HUD's environmental regulations at 24 CFR Part 58 and must comply with the requirements of the National Environmental Policy Act of 1969 (NEPA) (42 U.S.C. 4321et seq.) and the related laws and authorities listed at 24 CFR 58.5. Please note that the City of Pittsburgh, as the responsible entity, will commence its environmental review process only upon receipt of Pennsylvania State Historic Preservation Office's (SHPO) approval of the project. This review and approval process may take some time and it is recommended for the Owners/Developers to initiate this process at the onset.

The owner/developer must conduct two critical processes in sequence to complete the Part 58 environmental approval process as follows.

1. Assist HACP's Development Manager in submitting the Section 106 form to the SHPO to inquire about the proposed sites/buildings' historical significance. Depending on its analysis, SHPO may require archaeological investigations to be completed before giving its approval. The City of Pittsburgh only starts their environmental review process upon receipt of SHPO's approval for the project. This process is one of those items that should be done soon after HACP's RFP award and HACP staff can assist RFP awardees in finalizing and submitting the Section 106 packets to SHPO.



2. Conduct a Phase I Environmental Site Assessment (ESA) which will be submitted to the City of Pittsburgh (Part 58 responsible entity for HACP PBV/Gap Financing program). HACP will submit the ESA reports and SHPO approval to the City to initiate the City's Part 58 environmental review. The City will not accept a Phase I ESA report that is more than 6 months old at the time of submission. (Note: A Phase II ESA study or any further investigation must be conducted if recommended by the Phase I ESA report.)

#### **2.11.4 Davis-Bacon Wage Requirements**

All projects that apply for assistance under this PBV/Gap Financing RFP, regardless of how many PBV units will be operated in any project, are required to follow HUD-required wage determination wages covering the application of Davis-Bacon Wage Rates. Because these programs are resourced by federally-assisted funds (i.e., MTW funds), the Owner/Developer is required to adhere to all relevant standards. In order to ensure that the Owners/Developers are following the most current Davis-Bacon wage determinations, monitoring of the system will need to be implemented. Awardees must submit a request for Davis-Bacon wage determination to HACP's Development Manager at least a month before issuance of an invitation for bid (IFB) so that HACP/HUD's labor specialist can provide the wage determination that will be included in the IFB. If a construction contract is not awarded within 90 days from bid opening, an Owner/Developer is not "locked in" to a particular wage determination until the construction contract is signed. Wage determinations must not be more than 90-days old at the time the construction contract is signed.

#### **2.11.5 Minority/Women-owned Contractors**

Minority and Women Business Enterprise (MBE/WBE) commitment is required for projects funded by the PBV/Gap Financing program. ARMDC's MBE/WBE participation goals are follows:

- MBE Goal: 25% of Construction and Professional Contracts
- WBE Goal: 10% of Construction and Professional Contracts

MBE/WBE commitment is required for any projects funded by the PBV/Gap Financing program. Monthly utilization reports are required for HACP's review during the construction period and HACP may perform any necessary due diligence it deems appropriate to assess the accuracy or appropriateness of any reports. Relevant forms will be provided closer to the start of construction.

#### **2.11.6 Section 3 Employment and Contracting Requirements**

PBV/Gap Financing projects are required to comply with HUD's Section 3 training, employment and contracting requirements. Please refer to 24 CFR Part 75 et seq. and the HACP Section 3 Policy and Program requirements. A Section 3 Plan is required for any project funded by the PBV/Gap Financing program. Monthly status reports are required for HACP's review during the construction period. Relevant forms will be provided closer to the start of construction.

#### **2.11.7 Veteran-owned Businesses**

PBV/Gap Financing projects are encouraged to provide business contracting opportunities to veteran-owned businesses.

#### **2.11.8 Federal Accessibility Standards**

All federally-assisted new construction developments are required to include five percent (5%) or one (1) unit (whichever is greater) of mobility-impaired accessible units and an additional two percent (2%) or one (1) unit, (whichever is greater) must be sensory impaired accessible units in accordance with Section 504 of the Rehabilitation Act of 1973 (Section 504). The accessibility standard covered by Section 504 is the Uniform Federal Accessibility Standards (UFAS). UFAS is the default standard that projects have to comply with. However, if the Developer intends to



comply with Titles II and III of the Americans with Disabilities Act of 1990 (its standard is the 2010 Standards for Accessible Design), the project will have to be reviewed alongside UFAS and the stricter of the two standards shall apply. HACP requires that all units developed must be in compliance with all applicable Federal laws and regulations, Commonwealth of Pennsylvania laws and regulations and the City of Pittsburgh Building Codes.

All accessible units are subject to review and approval by HACP's third-party certifier and technical staff. Accessible unit/site design must be approved by HACP's third-party certifier prior to execution of the AHAP. Owners/Developers must submit design documents that have information (dimensions, grading, etc.) that is sufficient for the accessibility design review. It usually takes 1 – 2 months for all parties to review and revise the accessibility design. After construction, all units supported by subsidy will be subject to inspections and all accessible units and common areas will be subject to additional accessibility inspections prior to the execution of a Housing Assistance Payment (HAP) contract.

Each development project must demonstrate accessibility for, at minimum, five elements of accessibility requirements:

1. Housing units
2. Interior Accessible Route, such as hallways and elevators
3. Parking areas and the path from the parking spaces to the living units
4. Common Areas, including but not limited to, the exterior tenant trash receptacles and any ancillary property uses such as on-site playgrounds or recreation facilities
5. Non-Housing Program Facilities, if applicable.

#### **2.11.9 Relocation**

All acquisition, demolition, rehabilitation, and development activities supported by the PBV/Gap Financing program shall comply with the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (or Uniform Relocation Act) and with implementation regulations at 49 CFR part 24.

#### **2.11.10 Form HUD-5370 - General Conditions of the Contract for Construction**

For construction contracts above \$150,000, the Developers must ensure that their construction contracts comply with Form HUD-5370 – General Conditions of the Contract for Construction.

### 3.0 PBV PROGRAM OVERVIEW AND REQUIREMENTS

HACP's PBV program is designed to conform to the Project-Based Voucher Program Final Rule published on October 13, 2005 at 24 CFR Part 983 as modified by the Housing and Economic Recovery Act of 2008 and Federal Register Notice 73 FR 71037, other applicable Notices from HUD, the implementing provisions of the Housing Opportunity Through Modernization Act of 2016 (HOTMA) (Federal Register Notices 82 FR 5458 and 82 FR 32461), and HACP's Housing Choice Voucher Program Administrative Plan, its MTW Agreement, as well as the RFP.

- Any proposed development under the PBV/Gap Financing program must utilize PBV subsidy for a minimum of 10% of the development's total number of housing units.
- The owner entity and HACP will enter into the AHAP, which must be approved by HACP and fully executed by both parties prior to construction activities of the proposed project.
- Upon satisfactory completion of construction in accordance with the AHAP, HACP will enter into a PBV HAP contract with the property owner for designated PBV rental units for an initial term of twenty years, with the possibility of a contract extension if offered by HACP.

#### 3.1 PBV Project Eligibility

Note that certain types of housing units and/or developments **are not eligible** for PBV assistance including:

- Shared housing;
- Units on the grounds of a penal, reformatory, medical, mental, or similar public or private institution;
- Nursing homes or facilities providing continuous psychiatric, medical, nursing service, board and care, or intermediate care. However, HACP may approve assistance for a dwelling unit in an assisted living facility that provides home health care services such as nursing and therapy for residents of the housing;
- Units that are owned or controlled by an educational institution or its affiliate and designed for occupancy by the students of the institution;
- Manufactured homes;
- Transitional housing;
- Owner/Developer-occupied housing units;
- Units occupied by an ineligible family at the time of proposal submission or prior to execution of the HAP contract; however, HACP will accept proposals for existing properties with a limited number of currently ineligible households.
- Units for which construction or rehabilitation commenced prior to execution of the AHAP.
- Property will not be constructed or rehabilitated with other rental assistance under the U.S. Housing Act of 1937 in accordance with 24 CFR 983.54.

- Subsidized housing unit types determined ineligible in accordance with HUD regulations. These include, but are not limited to, public housing units; units subsidized with any other form of Section 8 assistance; units subsidized with any governmental subsidy that covers all or part of the operating costs of the housing; units subsidized with rental assistance under Section 236, Section 521 or Section 101; units subsidized with Section 202 including supportive housing for the elderly; units subsidized under Section 811; units subsidized with any form of tenant-based rental assistance as defined at 24 CFR 982.1(b)(2) including units subsidized with such assistance under the HOME program; and, units with any other duplicative federal, state or local housing subsidy as determined by HUD or HACP.

### 3.2 Rent Determination & Rent Reasonableness

All Respondents applying for subsidy must submit an application to HACP for rent determination and reasonableness. Initial contract rent for PBV units are subject to HACP review and approval, including review for rent reasonableness, as required by HUD.

Rent levels are subject to HACP review and approval, including review for rent reasonableness, as required by HUD. Final rent levels for the initial HAP contract will be determined upon HAP execution. The amount of the rent to the Owner/Developer is determined in accordance with HUD regulations. The rent to Owner/Developer including any applicable tenant utility allowances must not exceed the lowest of:

1. The applicable Tiered Voucher Payment Standard or for units meeting the mobility-impaired accessibility requirements, the applicable Reasonable Accommodation Voucher Payment Standard (as provided in Exhibit C); or
2. The rent reasonableness study conducted by HACP; or
3. The rent requested by the Owner/Developer.

Note: The Tiered Voucher Payment Standards and Reasonable Accommodation Payment Standards are subject to HUD's approval. Flexibility is limited to the MTW Agreement between HACP and HUD.

### 3.3 Excepted Units

The number of PBV-assisted units in the building cannot exceed the greater of 25 units or 25 percent (25%) of the total number of dwelling units in the project. The only currently available exceptions to this cap are:

- Units exclusively serving elderly families (head, co-head, spouse or sole member(s) is 62 years of age or older).
- Units made available specifically to households eligible for supportive services such as families with a household member with a disability, as well as other populations. This exception is designed for housing with linked supportive services for various special needs populations that have a preference for families requiring the available services. See HUD regulations at 24 CFR 983.56 as amended by notices implementing HOTMA, as referenced above.
- Projects in a census tract with a poverty rate of 20 percent or less, as determined in the most recent American Community Survey five-year estimates, are subject to an alternate cap, which is the greater of 25 units or 40 percent (40%) of the total number of dwelling units in the project.

Respondents considering "Excepted Units" MUST:

- Specifically identify the exception requested, and provide evidence of eligibility for the exception;

- For Excepted Units for supportive services, specifically identify the service to be provided, the entity providing the service, and provide a detailed description of the service including a description demonstrating service availability to all resident households and any preferences proposed for households requiring those services.
- The Excepted Units Plan will be reviewed and approved by HACP as part of the project's underwriting process.

### **3.4 Housing Quality and Fair Housing Requirements**

All developments funded by PBV assistance must meet the following standards and requirements:

- Applicable laws regarding non-discrimination and accessibility requirements, including the Fair Housing Act and Title VI of the Civil Rights Act of 1964;
- Housing Quality Standards (HQS) (HQS is a series of standards for the condition of the unit related to habitability, safety, and decency. HQS standards can be found at 24 CFR Part 982.)
- PBV Site Selection Standards in HUD 24 CFR 905.602(d).

### **3.5 Initial Term and Contract Renewal**

The initial term of the PBV HAP contract will be twenty (20) years unless otherwise specified. Prior to expiration of the initial contract term, the Owner/Developer will be required to renew the HAP contract for another maximum term allowed by HUD at that time, subject to HACP's approval and HUD's ability to provide PBV assistance based on available appropriations or other related factors.

### **3.6 Pre-Construction**

**The AHAP must be executed before construction can begin on a project.** The awarded PBVs will be withdrawn should construction begin prior to issuance of the AHAP.

### **3.7 Unit Designation**

Contracted PBV subsidy can float with a prior written approval from HACP as long as the substitute unit meets all PBV requirements. HACP will calculate rent reasonableness for any substitute unit and amend the exhibit of the HAP Contract to reflect the changes, if any.

### **3.8 Commitment to Utilize Awarded PBV Units as Replacement Units for Relevant HACP Developments**

Up to one hundred percent (100%) of PBV units in the awarded project will be committed to be utilized as new replacement units for certain public housing units owned by HACP. For a potential Choice Neighborhoods Implementation Grant (CNIG) program of U.S. Department of Housing and Urban Development, the Owner commits to HACP that it will provide up to one hundred percent (100%) of PBV units in the awarded project as replacement units for certain CNIG applications or awarded CNIG programs that are sponsored by HACP (CNIG PBV Units). HACP and/or ARMDC will determine the types and number of CNIG PBV Units required for certain CNIG projects. The CNIG PBV Units must be offered to CNIG-eligible residents. The tenant applications of CNIG-eligible residents must be approved for the CNIG PBV Units as long as they meet low income housing tax credit regulations and are compliant with the lease agreement while residing in the Authority's properties and during the CNIG temporary relocation period, with no additional background checks or screening from the Owner Entity or its property manager.

### 3.9 Other Requirements

HACP will review all applications and, before selecting units, determine that each application is responsive to and in compliance with HACP's written selection criteria and procedures, and in conformity with HUD's program regulations and requirements. **All proposals must provide adequate information for HACP to determine proposal compliance with the following:**

- That the Owner/Developer and other project principals are not on the U.S. General Services Administration list of parties excluded from Federal procurement and non-procurement programs.
- Property must meet eligibility requirements under 24 CFR 983.53 (Eligible and ineligible Properties and HACP- owned units), 24 CFR 983.4 (Other Federal requirements), and the Site and Neighborhood Standards detailed above.
- Property will not be constructed or rehabilitated with other assistance under the U.S. Housing Act of 1937 in accordance with 24 CFR 983.54.

## 4.0 GAP FINANCING STRUCTURE AND LIMITS

The Gap Financing program will provide funding towards the development of affordable housing units (existing, rehabilitated, or newly constructed housing units) within the City of Pittsburgh. HACP intends to offer Gap Financing as the last source of funds required to implement a development plan (i.e. a development project would not be implemented but for the provision of HACP's Gap Financing loan). HACP will only provide Gap Financing to a particular project that has met all of the following criteria:

- Owners/Developers have secured a Project Based Voucher Award from HACP through this solicitation.
- Owners/Developers must secure either a 9% or 4% allocation of LIHTC from PHFA, or raise enough equity from alternate sources greater than, or equal to, the expected 9% or 4% LIHTC allocation covering at a minimum the units to be considered affordable in the project.
- Owners/Developers have applied for or secured commitment of other gap financing from 3rd parties other than HACP before HACP can commit any funding to the deal.
- Owners/Developers must secure written commitments from all possible funding sources (i.e. loans, grants, private equity, etc.).
- The project meets HACP's But/For Test.

### 4.1 Affordability Restrictions (Use Agreement)

Affordability income range and term must be approved by HACP and HUD. HUD's Use Agreement will govern certain affordability restrictions for each development. HUD's minimum affordability use term is 30 years and, if applicable, it will increase to follow any loan term of Gap Financing loan that goes beyond 30 years.

HACP must record a Use Agreement as the first document in a recording order of a Gap Financing project. In general, the income restriction will be consistent with the PBV income requirements and the term of affordability will be consistent with HUD's minimum term or the term of the Gap Financing loan, **whichever is greater**.

### 4.2 Eligible Activities

HACP's Gap Financing loan can be used for typical development project costs except for the following **ineligible uses**:

- Operating reserves
- Developer fee or deferred developer fee
- Construction of commercial or retail space

NOTE: ARMDC does not provide a predevelopment fund or predevelopment loan under the Gap Financing program.

### 4.3 Maximum Loan Amounts

The Gap Financing funds will be provided in the form of a construction loan or a construction/permanent loan. The maximum loan amount that can be provided is \$100,000 per PBV unit, regardless of the primary equity financing method (LIHTC or Non-LIHTC) and subject to HACP's funding availability. The maximum loan amount that can be provided to each project is subject to HACP's funding availability.



#### 4.4 Loan Term

The maximum term of each ARMDC Gap Financing loan shall not exceed 45 years.

#### 4.5 Loan Structure

- Cash Flow Based Loan
  - HACP's Gap Financing loan is provided as the last resort gap financing tool for the proposed projects. As a result, HACP's Gap Financing is often structured as a cash flow-based loan. HACP will review the project financing and deal structure in detail.
  - The Gap Financing loan should be the first position with respect to other soft loans except for deferred developer fee. Each project's overall cash flow distribution, especially Gap Financing loan repayment and any other related fees for HACP/ARMDC must be approved by HACP/ARMDC.
- Amortization Loan
  - Under certain conditions, such as favorable financial terms and conditions agreeable by all parties that can also help sustain HACP/ARMDC's affordable housing funds, the Gap Financing loan can be structured to provide a hard amortization debt that requires a fixed amount of loan repayment on an annual basis along with an annual service fees.

#### 4.6 Debt Service Coverage Ratio

If the Debt Service Coverage Ratio (DSCR) exceeds 1.15 on average for the first 15 years in the operating pro forma calculation, the Owner/Developer should either:

1. Increase the amount of the senior hard loan to increase fixed repayment to lower the DSCR to 1.15 level or
2. Convert a portion or all of HACP's Gap Financing loan to a hard debt that generates fixed repayment to lower the DSCR to 1.15 or
3. Increase cash flow distribution substantially to HACP/ARMDC Gap Financing loan repayment if the loan is structured as a cash flow loan.

Note: ARMDC can consider a higher DSCR limit up to 1.20 if the ARMDC Gap Financing loan is structured for a 30-year or shorter amortization period. Based on a standard pro forma assumption (i.e., rents increase by 2 percent (2%) per year and expenses increase by 3 percent (3%) per year), a higher DSCR can be allowed to maintain DSCR at or above 1.00 during the first 15 years.

#### 4.7 Loan Repayment

1. Loan repayment will begin within 180 days after the first full-year of property operations.
2. The soft loan repayment schedule will be based upon the borrower's capacity to repay the loan through the project's operating income as determined by ARMDC, using the projected operating cash flow analysis.
3. For cash flow loans, a balloon payment of principal and interest, if any, will be due on the maturity date of the loan. The HACP/ARMDC loan will at a minimum carry an interest rate equivalent to the long-term adjusted Applicable Federal Rate (AFR) at the time of closing, or at parity with other hard or significant soft debt, unless there is a compelling public purpose rationale to use a lower interest rate.

#### **4.8 Total Development Costs Limits**

HUD enforces limits on the Total Development Costs (TDC) of projects, especially those administered by Public Housing Authorities that use public housing funds. As a result, each application will be subjected to a review to ensure compliance with 24 CFR 905.314 TDC limits. The information shall be provided in HUD's spreadsheet template as part of HUD development proposal packet. (Exhibit A. Mixed-Finance Development Proposal and TDC Workbook)

#### **4.9 Cost Reasonableness**

HACP reserves the right to request additional information from all Respondents in order to determine the cost reasonableness of a proposed project. Development cost will be evaluated by comparing costs to similar developments or previous phases of a development. Total development costs and operating expenses will be evaluated on a per unit and/or per square foot basis.

#### **4.10 HUD Cost Control and Safe Harbors**

HACP's PBV/Gap Financing projects are subject to HUD's Cost Control and Safe Harbors. HUD's Cost Control and Safe Harbors regulate various elements of the project development budget. The TDC workbook model provides some key cost control items for verification. (Exhibit B. HUD Cost Control and Safe Harbors)

#### **4.11 Cash Flow**

Projects should not generate excessive cash flow. Annual net cash flow should be less than 10% of annual total operating expenses.

#### **4.12 Completion Guarantee**

ARMDC's Gap Financing loan also requires the Owner/Developer to provide a completion guarantee in a form prescribed by ARMDC.

#### **4.13 Loan Disbursement**

The disbursement of development funding sources must be clearly presented in a monthly draw schedule for the construction period and approved by ARMDC prior to financial closing.

ARMDC's Gap Financing loan proceeds will be disbursed only after the following conditions are met for each payment period:

- ARMDC's construction inspector's sign off on each payment application;
- Monthly MBE/WBE/Section 3 reports in ARMDC's prescribed format;
- Each draw request must be fully documented with an invoice guide that clearly describes uses of individual funding sources and a copy of backup documents including receipts.

#### **4.14 Loan Closing Fees**

HACP/ARMDC will be paid for the following items related to closing of the Gap Financing loan:

1. HACP/ARMDC legal fees: Up to \$25,000 (HACP, at its discretion, may require additional legal fee reimbursement for complex projects that include, but are not limited to, two limited partnerships, condominium ownership structure, more than one tax credit program, etc.)
2. Gap Financing Loan Origination fee: 1% of Loan Principal Amount
3. Servicing Fee: An annual servicing fee of \$5,000 or one-half percent (.5%) of the outstanding principal balance, whichever is lesser, shall be due each April 15th for the term of the Gap Financing loan or until the outstanding balance is repaid in full. The initial fee may be financed as part of the total project cost.

4. Construction Inspection Fee: \$5,000

**4.15 Identity of Interest**

If there is an identity of interest (IOI) between the Developer and the contractor/builder, i.e., a financial relationship between the two parties, the Developer may award the construction contract to the related contractor/builder only if it has met one of the following requirements prior to HUD's approval of the Development Proposal. If an IOI is applicable to a project, the developer must select one of the following allowable scenarios and provide the required information.

- 24 CFR 905.604(i)(1): There has been a bidding procedure and the related contractor's bid was the lowest bid received. Provide documentation on the bidding process and bids received.

OR

- 24 CFR 905.604(i)(2): There is an independent third-party cost estimate that shows the related contractor's price to be at or below the cost estimate. Provide a copy of the cost estimate and the related contractor's cost or construction contract.

## 5.0 HUD PROPOSAL & EVIDENTIARY DOCUMENTS

### 5.1 Proposal, HUD Evidentiary and Closing Documents

All gap financing projects must be presented to and approved by HUD's panel and various HUD offices in addition to HACP/ARMDC. HUD's Development Proposal templates are used for HUD's panel review. (Exhibit A: Mixed-Finance Development Proposal and TDC Workbook).

Upon submission of the Development Proposal, HACP has to submit for HUD's review certain evidentiary documents including the Use Agreement, ALTA survey, title policy pro forma, recording order, and HACP lawyer's legal opinion. It typically takes a minimum of 45 days for HUD's proposal review/comments and another minimum of 45 days for HUD's Evidentiary documents review/final gap financing program approval.

HUD Evidentiary Documents for Typical Project
HUD Use Agreement
ALTA Survey
Pro forma Lender's Title Policy (For ARMDC's loan)
Recording Order Memorandum
Site and Neighborhood Standards (HUD's approval)
HACP Legal Opinion Letter

NOTE: HUD reserves the right to request any additional evidentiary documents.

HACP/ARMDC Financial Closing Documents (Submit these documents to the ARMDC's Development Manager at least 2 months prior to the anticipated financial closing date)	
PBV	PBV Agreement to Enter Into Housing Assistance Payment Contract (AHAP). Prior to the execution of an AHAP, the Owner/Developer must ensure compliance with all HACP and HUD required compliance, such as the completion of a Rent Reasonableness approval, Subsidy Layering Review, Environmental Assessments, accessibility design approval, and Excepted Unit Plan.
A/E and Construction	Architectural Contract
	Construction Contract
	100% Architectural Construction Documents and Specifications
	Building Permits
	Construction Drawings and Manual approved and sealed
	Evidence of Contractor's Insurance
Financing	Planning/Zoning Approvals
	Commitment Letters for All Other Financing (Initial and Final)
	Final/Updated HUD Development Proposal/TDC Calculation Packet
	ARMDC Loan Agreement, Mortgage, Promissory Note
	Completion Guaranty (ARMDC loan)
	Loan Documents From All Other Funding Sources
	Overall Project Schedule

	HUD Part 58 Approval (7015.16)
	Subsidy Layering Review
Other HUD Requirements	M/WBE Subcontract Commitment
	Section 3 Plan
	Relocation Plan (If applicable)
	Davis Bacon Wage Decision (latest update prior to execution of construction contract)
Other	Good Standing Certifications & Incumbency Certificates
	Management Plan and Management Agreement
	Form of Resident Leases (including Tenancy Addendum Section 8 Project-Based Voucher Program)
	Phase I – Environmental Site Assessment
	Physical Needs Assessment (If applicable)

## 5.2 Major Milestones for Gap Financing Loan Approval

ACTIVITY	DURATION
RFP Award/Conditional Commitment of PBV/Gap Financing	Approximately 2 months after an RFP is advertised/published
Due diligence items	<b><i>Owner/Developer must refer to the Critical Timeline Post-Award section as outlined in Section 5.3 below and Section I of the RFP</i></b>
Part 58 Approval Process <ul style="list-style-type: none"> <li>Step 1: State Historic Preservation Office inquiry &amp; approval.</li> <li>Step 2: City of Pittsburgh &amp; HUD Field Office Environmental Review.</li> </ul>	The entire process can take 5 – 6 months for a non-complicated project. It can take longer if archaeological investigations and detailed environmental analysis/remediation plans are required.
Submission of HUD Development Proposal Package	Upon completion of all funding awards (e.g., LIHTC, FHLB's AHP, etc.) and final commitments of equity and loans
HUD Panel Review	Within 30-45 days from the submission of a proposal package (If the proposal package has significant issues or insufficient information, HUD's review may take longer.)
Complete Draft of Agreement to Enter into PBV HAP Contract (AHAP)	Timeline of AHAP process is separate from the Gap Financing program
Initial Evidentiary Submission to HUD	After HUD's panel review and preliminary (verbal) approval from HUD's grant manager
HUD approval for financial closing	Within 45 days from the initial evidentiary submission with no significant issues
Financial Closing (including Gap Financing loan documents and AHAP)	

### 5.3 Due-Diligence Items

The Owner/Developer must submit due-diligence items within a certain number of days from date of HACP's Gap Financing award or LIHTC award (***Owner/Developer must refer to the Critical Timeline Post-Award section as outlined in Section I of the RFP.***).

1. Securing of all equity and grant funding awards and written commitment of all loans
2. Draft of HUD Development Proposal package including the TDC workbook
3. Draft of Exhibits B and C of the AHAP



**Exhibit A. Mixed-Finance Development Proposal and  
Total Development Cost (TDC) workbook  
(See Attached)**

Note: This is for reference only.  
Respondents are not required to complete and submit these documents.

**MIXED-FINANCE  
DEVELOPMENT PROPOSAL**

**U.S. Department of Housing  
and Urban Development**  
Office of Public and Indian Housing

OMB Approval No. 2577-0275  
(exp. 1/31/2019 )

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Public reporting burden for this collection of information is estimated to average 16 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This collection of information is required for developing a Mixed-Finance rental project pursuant to HUD regulations 24 CFR 905. The information will be used to provide HUD with sufficient information to enable a determination that the proposed housing project is demographically and financially feasible and that HUD statutory and regulatory requirements have been met.

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Pursuant to 24 CFR 905.606, prior to developing public housing, either through new construction or through acquisition (with or without rehabilitation), public housing authorities (PHA) must submit a Development Proposal to HUD which contains information about the project. Submission of a Development Proposal allows HUD to assess the viability and financial feasibility of a proposed development and to assure compliance with public housing regulations.

A Development Proposal must be submitted for all types of public housing development, including mixed-finance development. If a PHA does not submit a Development Proposal and secure HUD approval, the PHA may have to repay any public housing funds used in conjunction with the project.

The purpose of this document is to provide a template for preparation of the Development Proposal. Information may be typed directly into the form. This template may be used for all types of public housing development. However, it is required to be used for mixed-finance public housing development. This document replaces the previously used Rental Term Sheet (HUD form 50030). This document may also be modified by HUD for use with projects including development of non-public housing units through programs such as Choice Neighborhoods, RAD, or Moving to Work.

This document, along with its attachments, generally includes all information required to be included in a Development Proposal, though HUD reserves the right to request additional information or to require less information to carry out its review. In addition, for mixed-finance projects, this document identifies additional documentation needed to allow HUD to complete a Subsidy Layering Analysis for the project, as required under section 102(d) of the HUD Reform Act of 1989. Note that this Subsidy Layering Analysis does not satisfy the subsidy layering requirements related to Housing Choice Vouchers.

For non-mixed-finance public housing development, the Development Proposal and all attachments must be submitted to the appropriate HUD Field Office.

For mixed-finance projects or other non-public housing development, Development Proposals and all attachments must be submitted to HUD Headquarters, Office of Public Housing Investments. PHAs should work with their assigned HUD Project Manager to prepare the Development Proposal. Submission must be made well in advance of closing to allow adequate time for review and approval.

**Section 1: Project Information**

PHA: \_\_\_\_\_

Project Name: \_\_\_\_\_

\_\_\_\_\_ (Old Name, if applicable)

PIC Project Number: \_\_\_\_\_

PHA Contact Person: \_\_\_\_\_

Phone Number: \_\_\_\_\_

Email: \_\_\_\_\_

MTW Agency? \_\_\_\_\_ Yes \_\_\_\_\_ No

RAD Conversion? \_\_\_\_\_ Yes \_\_\_\_\_ No

HOPE VI Grant Name: \_\_\_\_\_

HOPE VI Grant Number: \_\_\_\_\_

Choice Neighborhoods Grant Name: \_\_\_\_\_

Choice Neighborhoods Grant Number: \_\_\_\_\_

## **Section 2: Project Description\***

Provide a narrative description of the proposed project that gives an overview of the development, including the following information:

- Current project status (ownership, units, occupancy, condition, etc.)
- Proposed project status
- Development method (new construction, rehab, acquisition, etc.)
- Housing type (elevator, walk-up, row house, detached/semi-detached)
- The number of units by type (public housing, LIHTC, PBV, unrestricted, etc.) using Form A of the Development Proposal Calculator
- Proposed energy rating for units (energy star, LEED, local code, etc.)
- Proposed type of internet access
- Non-dwelling space type & size (community center, maintenance shed, etc.)
- Phasing plan (if this project is part of a larger, multi-phases development)
- Proposed residents to be served (families, elderly, disabled, etc.)
- Role of PHA
- Identification and description of Developer
- Description of RAD conversion, if applicable
- Other pertinent information
- Identification of any work requirement or work preference for public housing residents

\* Information in this Section 2 must also be included in Exhibit B of the Mixed-Finance Amendment to the ACC Amendment for the project.

## **Section 3: Site Information**

Provide information on the development site, including the following:

- A physical description of the site
- Environmental issues
- Description of the neighborhood
- Proximity of site to retail, education, social services, transportation, jobs, etc.
- Describe any unusual features which might affect development
- Site map
- Map of the surrounding neighborhood and city
- Other pertinent information

**Section 4: Key Development Partners and Participating Parties\***

Provide the following information for each major partner in the Project:

<b>ROLE</b>	<b>ENTITY NAME &amp; CONTACT INFORMATION (person, phone &amp; email)</b>	<b>FINANCIAL INTEREST (%)</b>	<b>RELATIONSHIP TO PHA (if any)</b>
Developer			
Ownership Entity			
General Partner or Managing Member of the Owner			
Limited Partner or Investor/Limited Member of the Owner			
Public Housing Authority, Instrumentality or Affiliate			
Property Manager			
Construction Lender			
Permanent Lender(s)			
Other			
Other			
Other			

If a PHA instrumentality or affiliate is involved in the project, provide a description of the relationship between the PHA and the instrumentality/affiliate as it relates to the project (see PIH Notice 2007-15):

\*Information in this Section 4 must also be included in Exhibit A to the Mixed-Finance Amendment to the ACC for the project.

**Section 5: Project Schedule\***

Provide projected dates for each activity identified below:

ACTIVITY	COMPLETION DATE
Demolition Approval from HUD	
Disposition Approval from HUD	
LIHTC Award	
Environment Review Completed (HUD-7015.16 signed)	
Relocation Completed	
Financial Closing	
Abatement/Demolition Completed	
Construction Start	
Construction Completed	
Target Date of Full Availability (DOFA) for Public Housing Units	
LIHTC Placed-in-Service Date	
Lease Up Complete	
Submission of Final Cost Certification	
Other:	
Other:	

\*Information in this Section 5 must also be included in Exhibit D of the Mixed-Finance Amendment to the ACC Amendment for the project.



## **Section 6: Compliance with Design and Accessibility Requirements**

The design of the project, including the lay-out of units, must comply with accessibility requirements specified at 24 CFR 905.312 and 905.604(g) and any other requirements which apply to the specific project.

PHAs must submit the following architectural plans:

- Site Plan
- Building Plans
- Sections and Elevations
- Unit Plans

The following information must be reflected on the plans or separately provided:

- Site Plans: show exterior private spaces, public recreational areas, location of trees to shade walks, parking areas, etc.
- Building Plans: show the location, type, and mix of accessible and visitable units
- Exterior Elevations and Building Sections: identify materials on walls and roof areas
- Unit Plans: show the livability of the spaces within the dwelling unit by providing adequate floor area for furniture and circulation spaces
- Energy efficiency/green design

Plans for mixed-finance projects will be reviewed by a HUD architect. Before submitting plans, the PHA should consult with the HUD Project Manager to determine where the plans should be sent and in what format, i.e. hard copy, electronic, CD, etc.

## **Section 7: Project Costs**

Provide the following information regarding project costs and financing:

### **A: Project Budget\***

- Provide a construction period project budget reflecting all sources and uses of funds (including grant numbers, if applicable) during project construction using Construction Budget Tab of the Development Proposal Calculator.
- Provide a permanent project budget reflecting all sources and uses of funds (including grant numbers, if applicable) following construction completion using the Permanent Budget Tab of the Development Proposal Calculator.
- Provide a construction draw schedule that shows the projected sources and uses of funds on a monthly basis throughout the construction period using the Draw Schedule Tab of the Development Proposal Calculator.

\*The construction and permanent project budgets must also be included in Exhibit F of the Mixed-Finance Amendment to the ACC for the project.

### **B. Compliance with Total Development Cost (TDC) and Housing Construction Cost (HCC) Limits**

- Projects must comply with TDC and HCC limits imposed by HUD on the development of public housing units, pursuant to 24 CFR 905.314. Provide a calculation of TDC and HCC limits for the project using TDC and HCC Tab of the Development Proposal Calculator.

### **C. Pro Rata Test**

- The proportion of public housing funds to total project funds may not exceed the proportion of public housing units to the total number of units. For example: if there are 100 units and 40 are public housing, the amount of public housing funds committed to the project cannot exceed 40% of the total project budget. Note: projects which use public housing funds to construct non-public housing units may include these units in the pro rata test.
- NOTE: the pro rata test applies only to those project costs shown in "Part A" of permanent project budget in the Development Proposal Calculator. "Part B" costs, which are generally costs incurred by the PHA, are not included.
- Provide the following information:

Type	Number/Amount	Percent of Total
Public Housing Units/Approved Non-PH units		
Non-Public Housing Units		
<b>Total Housing Units</b>		<b>100%</b>
Public Housing Funds		
Non-Public Housing Funds		

<b>Total Funds</b>		<b>100%</b>
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**D. Construction Cost Estimate**

- Submit an independent construction cost estimate (cover letter and summary page showing costs broken down by major trades) or the actual construction contract which supports the permanent and construction budgets provided above.

**E. Limitation on the Cost of New Construction**

- A PHA may not construct new public housing unless the cost of construction is less than the cost of acquiring existing units (with or without rehab.)
- For projects involving new construction, provide the following:

1) Documentation which shows the construction cost of the new project is less than the cost to acquire (and rehab as necessary) similar units in the same neighborhood that would serve the same purpose as the new housing; or,

2) Documentation which shows there is insufficient housing in the neighborhood to acquire that would serve the same purpose as the new housing.

**F. Predevelopment Costs**

- Pursuant to 24 CFR 905.612(a)(2), use of public housing funds for predevelopment expenses related to mixed-finance projects must be approved by HUD prior to expenditure. PHAs should submit requests to HUD prior to expenditure of funds for predevelopment activities.
- The percentage of predevelopment costs borne by the PHA should be in compliance with HUD's Cost Control and Safe Harbor Standards for Mixed-Finance Development (April 2003) (Safe Harbor Standards). Provide the following Information:

Total Predevelopment Costs: \$ \_\_\_\_\_

Amount paid by the PHA: \$ \_\_\_\_\_ %

Amount paid by the Developer: \$ \_\_\_\_\_ %

- Provide a justification if the Safe Harbor Standard is exceeded:

## **Section 8: Project Financing\***

### **A. Project Financing**

- Provide a separate description for each source of financing, i.e., public housing, other public, and private (construction and permanent) included in the project budget. In the description, include the following:
  - 1) Name of the provider
  - 2) Amount
  - 3) Use of funds
  - 4) Grant number (if Capital Funds, RHF, HOPE VI, Choice, etc.)
  - 4) Type of financing (grant, permanent loan, construction loan, second mortgage, etc.)
  - 6) Terms of the financing, such as: length of the loan, interest rate, debt service payments, debt coverage ratio, specific lender requirements, ratio), etc.
  - 7) Other relevant information

### **B. Federal Low Income Housing Tax Credits (LIHTC)**

- For projects that include LIHTC, provide the following information:

Total Tax Credit Allocation	\$
Total Equity Commitment	\$
Equity Per Dollar of Allocation (Equity divided by Allocation)	\$
Type of Tax Credits	_____ 9% _____ 4%

Pay in Schedule for Investor Equity		
<b>Milestone</b>	<b>Projected Date</b>	<b>Amount</b>
<b>TOTAL AMOUNT OF EQUITY</b>		<b>\$</b>

- Describe the proposed exit strategy for the Investor at the end of the 15 year LIHTC compliance period, including the role of the PHA, continued preservation of affordable units, and how any exit taxes will be paid.

### C. Other Tax Credits

- For projects that include other types of tax credits, such as state LIHTC, federal and state historic preservation, new market, etc. provide the following:

Type of Tax Credit	Amount of Equity

### D. Existing Financing

Identify any existing financing, such as funds through a Capital Fund Financing Program (CFFP) transaction or an Energy Performance Contract (EPC).

- Identify the amount of funding.
- Describe how the debt will be addressed as part of the new project.
- Provide evidence of approval

### E. Reserve Accounts

Public housing funds may be contributed towards reserve accounts, subject to the following limitations:

- Public housing funds may not be used to initially fund reserve accounts, with the exception of establishment of an Initial Operating Subsidy Reserve for public housing units only.
- Public housing Operating Subsidy and public housing tenant rents may be used to replenish reserve accounts, but only to replace funds which have been disbursed for allowable public housing expenses.
- Public housing Operating Subsidy and public housing tenant rents may be used to fund the Replacement Reserve, but only in an amount proportionate to the number of public housing units.
- Public housing funds may not be used to fund an Exit Tax Reserve.
- Public housing funds in all reserve accounts must be tracked separately
- Public housing funds in all reserve accounts must remain with the project if sold/ transferred or returned to the PHA.
- Reserve accounts must be described in detail in the Regulatory and Operating Agreement between the PHA and the Owner Entity.

Submit the following information for each Reserve Account included in the project:

- 1) Initial Operating Period/Lease-Up Reserve (public housing only): \$\_\_\_\_\_

Identify source of funds to establish reserve account	
Identify source of funds to replenish reserve account	

Briefly describe when funds may be drawn down	
What entity owns the reserve account	

2) Operating Subsidy Reserve (public housing only): \$\_\_\_\_\_

Identify source of funds to establish reserve account	
Identify source of funds to replenish reserve account	
Briefly describe when funds may be drawn down	
What entity owns the reserve account	

3) Operating Deficit Reserve: \$\_\_\_\_\_

What type of units does this cover (all, only PH, only non-PH, etc.)	
Identify source of funds to establish the reserve account	
Identify source of funds to replenish reserve account	
Briefly describe when funds can be drawn down	
What entity owns the reserve account	

4) Replacement Reserve: \$\_\_\_\_\_per unit per month

What type of units does this cover (all, only-PH, only non-PH, etc.)?	
Identify source of funds to establish reserve account	
Identify source of funds to replenish reserve account	
Briefly describe when funds can be drawn down	
What entity owns the reserve account	

5) Other: Identify other reserve accounts and provide the above information for each.

\*Information in this Section 8 must also be included in Exhibit B to the Mixed-Finance Amendment to the ACC for the project.

## **Section 9: Project Fees**

The HUD Cost Control and Safe Harbor Standards provide guidance for certain fees and costs related to development. Projects must comply with these Safe Harbor Standards or provide justification for non-compliance.

### **A. Calculation and Pay Out of Developer Fee**

- The amount of the Developer Fee must be in accordance with the Safe Harbor Standards. Complete the Fees Tab 6 of the Development Proposal Calculator to accurately calculate the Developer Fee.
- Total Amount of Developer Fee: \$\_\_\_\_\_ = \_\_\_\_\_ % of project costs
- Amount of Fee Paid to Developer: \$\_\_\_\_\_ = \_\_\_\_\_ % of project costs
- Amount of Fee Paid to PHA: \$\_\_\_\_\_ = \_\_\_\_\_ % of project costs
- If the Developer Fee exceeds the Safe Harbor Standards, provide a justification, based on the criteria in the Safe Harbor Standards.
- What is the pay-out schedule for the Developer Fee? Identify the milestone, such as closing or 50% construction completion, and the percent of the fee to be paid at each milestone.

Milestone	% of Developer Fee Paid

- If the Developer Fee pay-out schedule exceeds the Safe Harbor Standards, provide a justification.
- If the PHA is providing a loan to the developer to cover developer overhead prior to financial closing, provide a description and justification. HUD approval is required prior to payment of any part of the developer fee.

- Is the developer receiving any compensation separate from the Developer Fee, i.e., master planning, relocation, demolition, etc.? If so, identify below:

TASK	COMPENSATION

#### B. Contractor Fees

- The fee paid to the construction contractor must be in accordance with the Safe Harbor Standards. Complete the form in Tab 7 of the Development Proposal Calculator to accurately calculate the Contractor Fee.

Contractor Fee	Amount	% of Hard Construction Costs
Profit		
Overhead		
General Conditions + Performance Bond		
TOTAL		

- If the total amount of the Contractor Fee exceeds the Safe Harbor Standards, provide a justification.
- Provide a written explanation of how construction savings (if any) will be allocated among the development parties. NOTE: per the Safe Harbor Standards, developers can only receive an amount equal to an additional 1% developer fee, with a maximum of a 12% fee.

#### C. Identity of Interest

- If there is an identity of interest between the Developer and the contractor/builder, i.e., a financial relationship between the two parties, the Developer may award the construction contract to the related contractor/builder only if it has met one of the following requirements prior to HUD approval of the Development Proposal. Check the appropriate box and attach the required information:

\_\_\_\_\_ 24 CFR 905.604(i)(1): there has been a bidding procedure and the related contractor's bid was the lowest bid received. Provide documentation on the bidding process and bids received.



\_\_\_\_\_ 24 CFR 905.604(i)(2): there is an independent third party cost estimate that shows the related contractor's price to be at or below the cost estimate. Provide a copy of the cost estimate and the related contractor's cost or construction contract.

### C. Property Management Fees

- The fee paid to the Property Manager must be in accordance with the Safe Harbor Standards and must be described fully in the Management Agreement, which will be reviewed by HUD as part of its review of evidentiary materials.
- Identify the Property Manager: \_\_\_\_\_
- Is the Property Manager a: \_\_\_\_\_ PHA  
\_\_\_\_\_ PHA Instrumentality/Affiliate  
\_\_\_\_\_ Private Company  
\_\_\_\_\_ Private Company but affiliated with the Developer/Owner  
\_\_\_\_\_ PHA/Private Joint Venture  
\_\_\_\_\_ Other (explain) \_\_\_\_\_
- Describe how the Property Management Fee will be calculated:
- If the Property Management Fee exceeds the Safe Harbor Standards, provide a justification.
- Identify any additional fees paid to the Property Manager. Indicate the amount or the fee and/or how the fee is calculated or earned.

### D. Fees or Income Paid to the PHA\*

- Payments received by the PHA, such as developer fees or loan repayments, are generally referred to as program income. The PHA's use of program income is often restricted, depending upon the source of public housing funds contributed to the project.
- Identify any fees or income to be paid to the PHA or its instrumentality/affiliate and the proposed use of the funds:

Source of Income	Amount	Use
Developer Fee		
Loan Repayment (if fixed)		
Bridge Loan Interest		
Other:		

Other:		
Other:		

\*Information included in Paragraph D of Section 9 will also be included in Exhibit H of the Mixed-Finance Amendment to the ACC for the project.

### **Section 10: Operating Pro Forma**

To allow HUD to review the financial feasibility of the project, provide the following:

A) Provide a 15 year operating pro forma, including assumptions, using the pro forma included in the Development Proposal Calculator.

- Show all income and expenses, debt service, and distribution of cash flow (cash flow waterfall) on the pro forma.
- For the public housing units, show, below, how the amount of public housing operating subsidy shown on the pro forma was calculated. Identify the projected PEL, UEL, add-ons, tenant rents, pro-ratio, etc. Include assumptions made. Discuss on what information you based your numbers and assumptions.
- Will all of the Operating Subsidy received by the PHA from HUD be transferred to the Owner Entity? If not, describe how the amount transferred to the Owner Entity will be determined, e.g., a percent of the subsidy, the actual gap between income and expenses, a negotiated amount, etc.
- Note: Detailed information regarding payment of Operating Subsidy should be contained in the Regulatory and Operating Agreement and will be reviewed by HUD as part of its review of evidentiary documents.

### **Section 11: Local Cooperation Agreement**

Attach the following to the Development Proposal:

- A copy of the Cooperation Agreement with the local jurisdiction covering the public housing units OR
- For mixed-finance projects only, if public housing units are to be subjected to local real estate taxes, provide documentation/certification from an authorized official of the local jurisdiction that the project is consistent with the jurisdiction's Comprehensive Plan (previously known as a comprehensive housing affordability strategy.)

## **Section 12: Environmental Review Process and Documentation**

This project is subject to the environmental regulations found at 24 CFR part 58 or, if approved by HUD, 24 CFR part 50. The PHA must comply with all environmental review requirements, as required, including 24 CFR 905.602(f), prior to approval of the Development Proposal.

- Provide a brief narrative on the status of the environmental review process:
- Provide a brief narrative on the status of the "Section 106" (historic preservation) review process.

Upon completion of the environmental review process, provide the following documentation:

- Form HUD-4128, Environmental Assessment and Compliance Findings for Related Laws (part 50 and part 58)
- Form HUD-7015.15, Request for Release of Funds and Certification (part 58 only)
- Form HUD-7015.16, Authority to Use Grant Funds (part 58 only)

## **Section 13: Market Analysis**

For mixed-finance projects which include the development of non-public housing units, provide the following, which should support the proposed development of non-public housing units:

- Attach the Executive Summary of the market analysis for the project.

## **Section 14: Other Requirements**

As applicable, provide the following information:

A) PHA Annual Plan/MTW Plan & Capital Fund Action Plan or MTW Plan: The project must be included in the PHA's Annual Plan or MTW Plan and the Capital Fund Program 5-Year Action Plan. Discuss the status of the plan approval processes.

NOTE: For RAD, the conversion must be included as a significant amendment to the Annual Plan/MTW Plan and approved by the HUD Field Office, unless included in the original Plan. A copy of the HUD Field Office approval letter must be submitted prior to closing. In addition, for MTW PHAs, an approved RAD amendment to Attachment A of the MTW Agreement may also be required.

B) Faircloth Limits: Development of the project cannot result in an increase in the number of public housing units owned, assisted or operated by the PHA on October 1, 1999, as required by 24 CFR 905.602((b)). Provide the following:

# public housing units Oct 1, 1999	
------------------------------------	--

# public housing units (in PIC) today	
# net new public housing units created by project	
TOTAL public housing units after project completion	

C) Site and Neighborhood Standards: The project must be reviewed and approved by the HUD Field Office for compliance with Site and Neighborhood Standards, including those contained in 24 CFR 905.602(d), prior to approval of the Development Proposal. Provide a brief status of this approval process.

NOTE: Site and Neighborhood Standards do not apply to HOPE VI and Choice Neighborhoods projects. Project must comply with provisions of the Grant Agreement.

D) Relocation: Relocation activities, if any, must meet the requirements of 24 CFR 905.308(b)(9) or as provided in a HOPE VI or Choice Grant Agreement. Provide a brief status of relocation activities.

E) Resident Consultation: The PHA must have consulted with affected public housing residents prior to submission of the Development Proposal to solicit resident input into development of the project, as required by 905.600(c)(2) or as provided in a HOPE VI or Choice Neighborhoods Grant Agreement. Provide a brief description of how residents were consulted.

F) Acquisition of New Units: If the project involves acquisition of units that are less than 2 years old, the project may not have been constructed with the intention of selling it to the PHA unless all applicable Federal requirements were met, as required by 24 CFR 905.600(b)(3). If applicable, provide a brief discussion of compliance with this provision.

G) Vouchers: If the project includes Project-Based Housing Choice Vouchers (PBV), the PHA must receive separate approval of the vouchers from the HUD Field Office prior to approval of the Development Proposal, including a separate subsidy layering review. If applicable, provide a brief status of the PBV approval process.

H) Designated Housing: If the project includes Designated Housing, the PHA must include the project in its Designated Housing Plan, which must have been approved by HUD prior to approval of the Development Proposal. If applicable, provide a brief status on approval of the Designated Housing Plan.

I) Demolition/Disposition: If the project includes demolition of existing public housing units and/or disposition (sale or lease) of public housing property, a separate approval must be received from the HUD Special Applications Center. If applicable, provide a brief status on the receipt of these approvals.

NOTE: HOPE VI and Choice Neighborhoods projects follow program specific guidance.

## **Section 15: Submission and Approval of Draft Evidentiary Documents for Mixed-Finance Projects**

For mixed-finance projects only, the following documents must be submitted in draft form to HUD for review and approval prior to HUD approval of the Development Proposal and prior to execution of the evidentiary documents, unless otherwise approved by HUD. Note: submission of these documents may be made separately after submission of the other elements of the Development Proposal.

- A) Mixed-Finance Amendment to the ACC (HUD Model Document)
- B) HUD Declaration of Restrictive Covenants and Partial Release of the existing Declaration of Trust, if applicable (HUD Model Document)
- C) Regulatory and Operating Agreement between the PHA and the owner entity
- D) Ground Lease and Memorandum of Ground Lease between the PHA and the owner entity
- E) Legal Opinion from PHA counsel (HUD Model Document)
- F) Updated Development Proposal and Development Proposal Calculator, reflecting any changes in the project since the original submission
- G) HUD Certifications and Assurances (form HUD-50161)
- H) Title Policy (pro forma submitted prior to closing and final policy submitted after closing showing HUD Declaration of Restrictive Covenant recorded in the order approved by HUD (reviewed by the HUD Field Office)
- I) ALTA Survey (reviewed by the HUD Field Office)
- J) Management Plan, Management Agreement, and sample Tenant Lease (reviewed by the HUD Field Office)
- K) Other documents as may be required by HUD

Upon completion of HUD's review of the Development Proposal and the draft evidentiary documents listed above, HUD will issue a letter to the PHA which will approve the Development Proposal and the draft evidentiary documents and authorize the PHA to proceed with financial closing. However, no public housing funds may be expended by the PHA until the final, executed evidentiary documents have been submitted to and approved by HUD.

## **Section 16: Submission and Approval of Final Evidentiary Documents for Mixed-Finance Projects**

For mixed-finance projects only, after financial closing, the PHA must submit the following information to HUD for approval:

- A) a compact disc (CD) or other electronic medium approved by HUD containing copies of all executed and recorded evidentiary documents previously submitted and approved by HUD in draft form. The index of documents and each document should be copied to the CD or other electronic medium as discrete files;
- B) the required HUD opinion of counsel (HUD Model Document);
- C) a certification from PHA counsel attesting that no significant changes have been made to the evidentiary documents previously submitted to and approved by HUD in draft form, or if changes have been made, a list of all changes, and;
- D) the final title insurance policy that reflects the recordation of all liens, mortgages and encumbrances against the property in the order approved by HUD.

HUD will issue a final letter to the PHA which approves the executed evidentiary documents and authorizes expenditure of the public housing funds committed to the project.

## **Section 17: Cost Certification**

Within one year of project completion, the PHA must submit to the Field Office the Actual Development Cost Certificate (Form HUD-52427) or Development Cost Budget/Cost Statement (HUD -52484) or another form or format as specified by the Field Office.

## **Section 18: Attachments & Additional Submissions to the Development Proposal**

- Attachment 1: Site Map
- Attachment 2: Neighborhood/City Map
- Attachment 3: Architectural Plans
- Attachment 4: Construction Draw Schedule
- Attachment 5: Independent Construction Cost Estimate
- Attachment 6: Documentation on Limitation on Cost of New Construction
- Attachment 7: Documentation on Identify of Interest (if applicable)
- Attachment 8: Cooperation Agreement or Documentation of Consistency with Comprehensive Plan
- Attachment 9: Environmental Compliance Documentation
- Attachment 10: Market Analysis Executive Summary
- Attachment 11: Draft Evidentiary Documents (may be submitted after other elements of the Development Proposal, but prior to HUD approval)
- Attachment 12: Final Evidentiary Documents (submitted after financial closing)

# Development Proposal Calculator

U.S. Department of Housing  
and Urban Development  
Office of Public and Indian Housing

OMB Approval No 2577-0275  
exp 1/31/2019.

Public reporting burden for this collection of information is estimated to average 2 hours per response, including the time for reviewing instructions, searching existing data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. This agency may not collect this information, and you are not required to complete this form, unless it displays a currently valid OMB control number.

This collection of information is required for developing a Mixed-Finance rental project pursuant to HUD regulations 24 CFR 905. The information will be used to provide HUD with sufficient information to enable a determination that the proposed housing project is demographically and financially feasible and that HUD statutory and regulatory requirements have been met.

This workbook uses the TDCs and HCCs in accordance with HUD Notice PIH-2011-38 (HA), as updated to include HUD's most recent TDC and HCC limits, which can be found on the Capital Fund Program website.

**FOR THOSE FAMILIAR WITH THE INSTRUCTIONS:  
START ON THE NEXT TAB AND CONTINUE TO MOVE RIGHT THROUGH THE TABS**

## Instructions: TDC & HCC Limit Calculation Worksheets

**Tips:** Enter information in cells with blue borders,  
text or numbers on screen.

Except for the Pro Forma and Draw Schedule, all other cells are locked.  
Print these Instructions for easy reference, then begin at **Step 1**.

Note: To navigate among the worksheets, click the individual worksheet tabs at the bottom of this window. If no worksheet tabs are visible, select "Options..." from the "Tools" menu. In the dialogue box, select the "View" tab. Under "Window options" put a check mark in the "Sheet tabs" box.

### Step 1. State Basic Information and Unit Mix

> Navigate to the worksheet titled "Unit Mix".

> Enter the PHA Name, Development Name, and Phase Number or Description (on the "Unit Mix" worksheet)

### Step 2. Enter the Number of Units of Each Type and Size (on the "Unit Mix" worksheet)

> Select the appropriate column(s) for the proposed units based on tenure type (Rental or Homeownership, PH or Non-PH), and the development method.

- Rent-to-Own units are to be counted initially as Rental Units.
- Possible development methods are Rehabilitation (of existing public housing only), New Construction, or Acquisition (with or without rehab).

> Enter the number of units proposed, by Structure Type, in the appropriate row based on the Number of Bedrooms.

- TDC limit applies to development of public housing units under an Annual Contributions Contract (ACC) using Public Housing Capital Assistance
- **Public Housing Capital Assistance** (PHCA) includes the following development sources (and borrowed funds to be repaid from these sources):

- HOPE VI and Choice Neighborhoods grant funds;
- Public housing Capital Fund and Public Housing Development assistance provided under sections 9 and 5 of the 1937 Housing Act; and
- Public Housing Operating Fund assistance provided under section 9 of the 1937 Housing Act that is used for development.
- The TDC limit for Modernization of existing public housing is 90% of the published TDC limit for a given structure and unit type.
- The HCC limit is applicable only to New Construction units (not applicable to Rehabilitation of existing public housing, or to Acquisition units).  
The "TDC & HCC Limit calculations" worksheet reflects all such applicability as described above.
- **Definitions of Structure Types** specified on the Unit Mix worksheet:
  - Detached: A structure that consists of a single living unit surrounded by permanent open space on all sides.
  - Semi-detached: A structure containing two living units separated by a common vertical wall.
  - Elevator: Any structure of four or more stories above ground in which an elevator is provided.
  - Row House: A structure containing three or more living units separated only by vertical walls.
  - Walk-up: A multi-level low-rise structure containing two or more living units, in which any units are separated by any common ceiling and floor.



**Step 3. Enter Number of Tax Credit, Market-Rate Rental, and Market-Rate For-Sale Units** (for reference only; not used in TDC calculation)

**Step 4. Enter Number of Special-Needs Units, and Describe Accessibility Design Features** (for reference only; not used in TDC calculation)

**Step 5. Select Location**

> **Navigate to the worksheet titled "Select City & State".**

- > Make the appropriate selections from the menu lists provided there.
- > Follow the Note boxes on that worksheet

**Step 6. TDC & HCC Calculations**

> **Navigate to the worksheet titled "TDC & HCC Limit Calculations".**

**Step 7. Enter Demolition & Replacement Units (total, all project phases)** (on "TDC & HCC Limit calculations" worksheet)

- > Enter the number of public housing units to be demolished (or eliminated by conversion) for all phases of the project.
- > Enter the total number of replacement units to be built back on the original public housing site(s) in all phases of the project.
  - Include only on-site, new-construction replacement rental public housing units and, and ownership units developed with Public Housing Capital Assistance (see Step 3, above for a definition of Public Housing Capital Assistance).

**Step 8. Enter All Sources of Public Housing Capital Assistance**

- > Include: Public Housing Capital Assistance used for development, and borrowed funds secured by repayment with Public Housing Capital Assistance.
- > Do not include: sources other than Public Housing Capital Assistance (e.g., HOME and CDBG), or any non-HUD funding sources.

**Step 9. Enter All Uses of Public Housing Capital Assistance**

- Use the budget line items provided. These track HUD Notice PIH 2003-8, For example:
  - BLI 1440: Site Acquisition costs are all expenses of acquiring sites (only sites that do not include structures to be retained for housing).
  - BLI 1450: Site Improvement includes streets and public improvements, and site improvements other than on-site utilities & finish landscaping.
- Dwelling Structure costs must be categorized as Rehabilitation, New Construction, or Acquisition:
  - BLI 1460: "Dwelling Structures, Rehabilitation" includes only those "hard" (construction) costs of rehabilitating existing public housing units.



- BLI 1460: "Dwelling Structures, New Construction" includes only hard costs for the building, utilities from the street and finish landscaping.
- BLI 1460: "Dwelling Structures, Acquisition" includes all acquisition costs for existing housing units, including the site and associated rehab.

**Step 10. Confirm that Sources are Equal to Uses**



- > Confirm that all Grant Funds and Public Housing Capital Assistance (GFPH) sources are included.
- > Confirm that sources of GFPH are equal to uses of GFPH

**Step 11. Enter any Extraordinary Site Cost (a component of Additional Project Costs -- not subject to TDC limit)**

- > Enter any Extraordinary Site Cost in the cell provided. This may be some or all of the funds entered in BLI 1450 (**Step 8**).
  - Extraordinary Site Costs must be verified by an independent registered engineer, and approved by HUD.

**Step 12. Review TDC and HCC Limit Calculation Results**

- > Review the results of the TDC and HCC limit calculations, and print the worksheet.
  - The TDC and HCC limit analysis results are shown on the lower right of the "TDC & HCC Limit calculations" worksheet.
  - All worksheets are pre-formatted for printing. To print the current worksheet or all worksheets, select "Print..." from the "File" menu.
  - Direct project questions to the Project Manager at the HUD Office of Public Housing Investments.

**Disclaimer:** This workbook does not replace applicable statutes, regulations, notices or other HUD guidance. Use of this form is not required by HUD.

**Step 5. Using the Drop-down Lists Provided Below, Select the City (or Region) and State where the PROJECT will be located**

Note that this worksheet cannot be protected. Please take care to enter information into the blue bordered cells only.

City	BRIDGEPORT	<-- Select your City from list here
StateName	CONNECTICUT	<-- Select your State from list here

This workbook uses the TDCs and HCCs in accordance with HUD Notice PIH-2011-38 (HA), as updated to include HUD's most recent TDC and HCC limits, which can be found on the Capital Fund Program website.

**Note 1:** When you select a valid City/State combination, this table will show the TDC and HCC limits from the above-referenced HUD Notice. Use the TDC and HCC limits in effect at the time of project closing.

**Note 2:** If the desired City/State combination is not included in the list here, contact the local HUD Field Office. They will assist in determining the most appropriate City/State combination.

**Note 3:** Total Development Cost limits and Housing Construction Cost limits from this table will be transferred automatically to the "TDC & HCC Limit calculations" worksheet.

(There is no need to print this worksheet)

Type	Data	Total
Detached/Semi-Detached	Sum of 0 Bedrooms, TDC	\$198,826.26
	Sum of 1 Bedrooms, TDC	\$257,382.57
	Sum of 2 Bedrooms, TDC	\$308,046.41
	Sum of 3 Bedrooms, TDC	\$367,421.16
	Sum of 4 Bedrooms, TDC	\$433,072.45
	Sum of 5 Bedrooms, TDC	\$474,819.96
	Sum of 6 Bedrooms, TDC	\$514,085.30
	Sum of 0 Bedrooms, HCC	\$113,615.00
	Sum of 1 Bedrooms, HCC	\$147,075.76
	Sum of 2 Bedrooms, HCC	\$176,026.52
	Sum of 3 Bedrooms, HCC	\$209,954.95
	Sum of 4 Bedrooms, HCC	\$247,469.97
	Sum of 5 Bedrooms, HCC	\$271,325.69
	Sum of 6 Bedrooms, HCC	\$293,763.03
Elevator	Sum of 0 Bedrooms, TDC	\$154,928.72
	Sum of 1 Bedrooms, TDC	\$216,900.20
	Sum of 2 Bedrooms, TDC	\$278,871.69
	Sum of 3 Bedrooms, TDC	\$371,828.92
	Sum of 4 Bedrooms, TDC	\$464,786.15
	Sum of 5 Bedrooms, TDC	\$526,757.64
	Sum of 6 Bedrooms, TDC	\$588,729.13
	Sum of 0 Bedrooms, HCC	\$96,830.45
	Sum of 1 Bedrooms, HCC	\$135,562.63
	Sum of 2 Bedrooms, HCC	\$174,294.80
	Sum of 3 Bedrooms, HCC	\$232,393.07
	Sum of 4 Bedrooms, HCC	\$290,491.34
	Sum of 5 Bedrooms, HCC	\$329,223.52
	Sum of 6 Bedrooms, HCC	\$367,955.70
Row House	Sum of 0 Bedrooms, TDC	\$170,333.25
	Sum of 1 Bedrooms, TDC	\$222,642.50
	Sum of 2 Bedrooms, TDC	\$270,002.22
	Sum of 3 Bedrooms, TDC	\$329,944.98
	Sum of 4 Bedrooms, TDC	\$391,205.01
	Sum of 5 Bedrooms, TDC	\$430,903.78
	Sum of 6 Bedrooms, TDC	\$467,788.53
	Sum of 0 Bedrooms, HCC	\$97,333.28
	Sum of 1 Bedrooms, HCC	\$127,224.29
	Sum of 2 Bedrooms, HCC	\$154,286.98
	Sum of 3 Bedrooms, HCC	\$188,539.99
	Sum of 4 Bedrooms, HCC	\$223,545.72
	Sum of 5 Bedrooms, HCC	\$246,230.73
	Sum of 6 Bedrooms, HCC	\$267,307.73
Walkup	Sum of 0 Bedrooms, TDC	\$151,859.45
	Sum of 1 Bedrooms, TDC	\$206,732.79
	Sum of 2 Bedrooms, TDC	\$261,409.59
	Sum of 3 Bedrooms, TDC	\$344,100.84
	Sum of 4 Bedrooms, TDC	\$425,958.59
	Sum of 5 Bedrooms, TDC	\$479,604.33
	Sum of 6 Bedrooms, TDC	\$532,509.19
	Sum of 0 Bedrooms, HCC	\$86,776.83
	Sum of 1 Bedrooms, HCC	\$118,133.02
	Sum of 2 Bedrooms, HCC	\$149,376.91
	Sum of 3 Bedrooms, HCC	\$196,629.05
	Sum of 4 Bedrooms, HCC	\$243,404.91
	Sum of 5 Bedrooms, HCC	\$274,059.62
	Sum of 6 Bedrooms, HCC	\$304,290.97

# Unit Mix and Accessibility Summary, Post-Revitalization

Step 1: Enter the PHA Name, the Development Name, and Phase Number or Description

Applicant PHA/Grantee:

Grant Name, if applicable:

Phase/Project/Development Name:

PIC Development Number:

Step 2: Enter the Number of Units (by Structure Type and Unit Size, according to Unit Category and Development Method)

Structure Type	Number of Bedrooms	Rental Unit Categories						Homeownership Unit Categories					
		Public Housing or Replacement Units			Non-Public Housing or Non-Replacement			Developed with Pub. Housing Capital Assistance			Developed without Pub. Housing Capital Assistance		
		Rehab of Existing Public Housing	New Construction	Acquisition with or without Rehabilitation	Rehab of Existing Public Housing	New Construction	Acquisition with or without Rehabilitation	Rehab of Existing Public Housing	New Construction	Acquisition with or without Rehabilitation	Rehab of Existing Public Housing	New Construction	Acquisition with or without Rehabilitation
Detached	0	-	-	-	-	-	-	-	-	-	-	-	-
	1	-	-	-	-	-	-	-	-	-	-	-	-
	2	-	-	-	-	-	-	-	-	-	-	-	-
	3	-	-	-	-	-	-	-	-	-	-	-	-
	4	-	-	-	-	-	-	-	-	-	-	-	-
	5	-	-	-	-	-	-	-	-	-	-	-	-
	6	-	-	-	-	-	-	-	-	-	-	-	-
Semi-Detached	0	-	-	-	-	-	-	-	-	-	-	-	-
	1	-	-	-	-	-	-	-	-	-	-	-	-
	2	-	-	-	-	-	-	-	-	-	-	-	-
	3	-	-	-	-	-	-	-	-	-	-	-	-
	4	-	-	-	-	-	-	-	-	-	-	-	-
	5	-	-	-	-	-	-	-	-	-	-	-	-
	6	-	-	-	-	-	-	-	-	-	-	-	-
Row House	0	-	-	-	-	-	-	-	-	-	-	-	-
	1	-	-	-	-	-	-	-	-	-	-	-	-
	2	-	-	-	-	-	-	-	-	-	-	-	-
	3	-	-	-	-	-	-	-	-	-	-	-	-
	4	-	-	-	-	-	-	-	-	-	-	-	-
	5	-	-	-	-	-	-	-	-	-	-	-	-
	6	-	-	-	-	-	-	-	-	-	-	-	-
Walk-Up	0	-	-	-	-	-	-	-	-	-	-	-	-
	1	-	-	-	-	-	-	-	-	-	-	-	-
	2	-	-	-	-	-	-	-	-	-	-	-	-
	3	-	-	-	-	-	-	-	-	-	-	-	-
	4	-	-	-	-	-	-	-	-	-	-	-	-
	5	-	-	-	-	-	-	-	-	-	-	-	-
	6	-	-	-	-	-	-	-	-	-	-	-	-
Elevator	0	-	-	-	-	-	-	-	-	-	-	-	-
	1	-	-	-	-	-	-	-	-	-	-	-	-
	2	-	-	-	-	-	-	-	-	-	-	-	-
	3	-	-	-	-	-	-	-	-	-	-	-	-
	4	-	-	-	-	-	-	-	-	-	-	-	-
	5	-	-	-	-	-	-	-	-	-	-	-	-
	6	-	-	-	-	-	-	-	-	-	-	-	-
Totals:		-	-	-	-	-	-	-	-	-	-	-	-

Step 3: Enter Number of Tax Credit, Market-Rate Rental, and Market-Rate For-Sale Units

Unit Summary	Rehab (of existing PH) Units:	<input type="text" value="-"/>	Affordable:	<input type="text" value="-"/>	PH Rental, + HO w/PHCA (subject to TDC limit):	<input type="text" value="-"/>
	New Construction Units:	<input type="text" value="-"/>	Market Rate:	<input type="text" value="-"/>	Non-PH Rental, + HO w/o PHCA (no TDC limit):	<input type="text" value="-"/>
	Acquisition Units:	<input type="text" value="-"/>	Total Units:	<input type="text" value="-"/>	Total Units:	<input type="text" value="-"/>
	Total Units:	<input type="text" value="-"/>				

Step 4: Enter number of Special-Needs Units and describe Accessibility Design Features

Planned Accessibility: Units for Mobility-Impaired and Hearing/Sight-Impaired													
	Minimum Required units project-wide	Rental Unit Categories						Homeownership Unit Categories					
		Public Housing (on ACC, including Op-sub-only)			Non-Public Housing (not on ACC, no PHCA)			Developed with Pub. Housing Capital Assistance			Developed without Pub. Housing Capital Assistance		
		Rehab of Existing Pub Hsg	New Const	Acq with or w/o Rehab	Rehab of Existing Pub Hsg	New Const	Acq with or w/o Rehab	Rehab of Existing Pub Hsg	New Const	Acq with or w/o Rehab	Rehab of Existing Pub Hsg	New Const	Acq with or w/o Rehab
Units for Mobility-Impaired	0												
Units, Hearing-or Sight-Impaired	0												
Visitability Features:													

Note: Minimum required units are estimates. Consult with HUD and applicable program regulations for actual requirements regarding accessible units.

## Total Development Cost (TDC) Limit and Housing Construction Cost (HCC) Limit Calculations

DEVELOPMENT NAME AND PHASE: **Sample Mixed-Finance Development or Sample Phase**

This workbook uses the TDCs and HCCs in accordance with HUD Notice PIH-2011-38 (HA), as updated to include HUD's most recent TDC and HCC limits, which can be found on the [Capital Fund Program website](#).

Capital Fund Program website for BRIDGEPORT, CONNECTICUT

Step 3. Unit Mix (Note: enter info on the "Unit Mix" worksheet)					HCC Limits		TDC Limits	
Structure Type	BRs	Rehab of Existing Pub. Hsg.	New Const.	Acq. with or w/o Rehab	(new const. only) Per Unit	(new const. only) Phase Totals	Per Unit	Phase Totals
Detached/Semi-Detached	1	-	-	-	\$ 147,076	\$ -	\$ 257,383	\$ -
	2	-	-	-	\$ 176,027	\$ -	\$ 308,046	\$ -
	3	-	-	-	\$ 209,955	\$ -	\$ 367,421	\$ -
	4	-	-	-	\$ 247,470	\$ -	\$ 433,072	\$ -
	5	-	-	-	\$ 271,326	\$ -	\$ 474,820	\$ -
	6	-	-	-	\$ 293,763	\$ -	\$ 514,085	\$ -
Row House	1	-	-	-	\$ 127,224	\$ -	\$ 222,643	\$ -
	2	-	-	-	\$ 154,287	\$ -	\$ 270,002	\$ -
	3	-	-	-	\$ 188,540	\$ -	\$ 329,945	\$ -
	4	-	-	-	\$ 223,546	\$ -	\$ 391,205	\$ -
	5	-	-	-	\$ 246,231	\$ -	\$ 430,904	\$ -
	6	-	-	-	\$ 267,308	\$ -	\$ 467,789	\$ -
Walkup	0	-	-	-	\$ 86,777	\$ -	\$ 151,859	\$ -
	1	-	-	-	\$ 118,133	\$ -	\$ 206,733	\$ -
	2	-	-	-	\$ 149,377	\$ -	\$ 261,410	\$ -
	3	-	-	-	\$ 196,629	\$ -	\$ 344,101	\$ -
	4	-	-	-	\$ 243,405	\$ -	\$ 425,959	\$ -
	5	-	-	-	\$ 274,060	\$ -	\$ 479,604	\$ -
Elevator	0	-	-	-	\$ 96,830	\$ -	\$ 154,929	\$ -
	1	-	-	-	\$ 135,563	\$ -	\$ 216,900	\$ -
	2	-	-	-	\$ 174,295	\$ -	\$ 278,872	\$ -
	3	-	-	-	\$ 232,393	\$ -	\$ 371,829	\$ -
	4	-	-	-	\$ 290,491	\$ -	\$ 464,786	\$ -
	5	-	-	-	\$ 329,224	\$ -	\$ 526,758	\$ -
	6	-	-	-	\$ 367,956	\$ -	\$ 588,729	\$ -
		-	-	-		\$ -		\$ -

### Step 7. Enter Demo & Replacement Units (total, all phases)

Number of public housing units to be demolished or lost to conversion (total, all phases)

\$ -

(Minus) the number of replacement PH units to be built back on the original site (total, all phases)

( \$ - )

Equals PH units demolished and not replaced on the original PH site (total, all phases)

-

% of units:

0%

(This portion of demolition cost is excluded from TDC limit)

### Step 8. Enter all Sources of Public Housing Capital Assistance

PH Capital Assistance incl. CFP, HOPE VI, Choice Neighborhoods

\$ -

Borrowed Funds to be Repaid with Public Housing Capital Assistance

\$ -

Total Sources of Public Housing Capital Assistance

\$ -

### Step 9. Enter All Uses of Public Housing Capital Assistance

HUD Bdgt

Line Item	
Choice Neighborhoods Supportive Services	1405
HOPE VI Community & Supportive Services	1408
Management Improvements, PHA	1408
Administration, PHA	1410
Fees and Costs (planning, prog mgmt, insurance, initial oper deficit, etc.)	1430
Site Acquisition (cost of sites w/o structures to be retained as housing)	1440
Site Improvement (streets, site improvements and public improvements)	1450
Dwelling Structures, <b>Rehab</b> (cost to rehab existing PH units only)	1460
Dwelling Structures, <b>New Const</b> (w/OH+P, finish landscape + on-site util's)	1460
Dwelling Structures, <b>Acquisition</b> (acq. of existing units, + rehab cost)	1460
Dwelling Equip, <b>New Const</b> (for new construction units only)	1465
Dwelling Equip, <b>Rehab or Acq.</b> Units (for existing PH and Acq. units)	1465
Nondwelling Structures (community facilities, social service space, etc.)	1470
Nondwelling Equipment (e.g., vehicles)	1475
Demolition (enter total of all demo & environmental remediation costs)	1485
Relocation (moving expenses, & PHA cost of full-time relo staff)	1495
Relocation - Non-Residents	1496

Total Uses of Public Housing Capital Assistance

\$ -

### Excluded Demolition and Abatement Cost Calculation

Total Cost of Public Housing Unit Demo & Associated Env. Abatement (BLI 1485)

\$ -

Times % of Demo Costs Excluded as "Additional Project Costs" (% from Step 7)

x 0%

Equals Amount of Demo Costs Excluded from TDC Limit as "Additional Project Costs"

\$ -

### Step 11. Enter Extraordinary Site Cost (must be approved by HUD)

\$ -

Community & Supportive Services ("CSS" -- for HOPE VI projects only)

-

(Minus) Total of "Extraordinary Site Costs" and CSS (excluded from TDC limit)

-

Total Uses of Public Housing Capital Assistance (amount subject to TDC Limit)

\$ -

Total Development Cost Limit (from Step 5)

No PH units (Step 2)

Public Housing Capital Assistance for Housing Construction Costs

Dwelling Structures, New Const (w/OH+P, finish landscape + on-site util's)

1460

\$ -

Dwelling Equipment, New Const (if not already included in 1460)

1465

\$ -

Total Housing Construction Cost

\$ -

Housing Construction Cost Limit (if any, from Step 5)

No PH units (Step 2)

**HCC Limit Analysis:**  
Housing Construction Cost  
(PH Capital Assistance only)  
as Percentage of HCC Limit

## Instructions for Completing Project Sources and Uses

1) Information/amounts on the project budgets must be consistent with information in the Mixed-Finance Development Proposal, form HUD-50157
2) The Construction Budget should only include sources & uses of funds through the end of the construction period.
3) The Permanent Budget should include sources of funds that will remain with the project after closing and construction are completed.
4) Part A costs in the Budgets are those costs included in the developer's project budget.
5) Part B costs in the Budgets are those costs paid for by the PHA directly, which will not be reimbursed at closing.
6) When labeling sources of funds, clearly identify the specific source of funds, e.g. specific lenders, type of public housing funding
7) All fees must be within the HUD Cost Control and Safe Harbor Standards
8) No public housing funds may be used to pay developer fees.
9) If a PHA is receiving a portion of the developer fee, this amount should be reflected on a separate line from the amount received by the developer.
10) No public housing funds may be used to initially fund reserve accounts, except the initial operating reserve for public housing units
11) LIHTC equity is considered "Private Funds"
12) Federal funds, except for HUD public housing funds, are considered "Other Public Funds"
13) Program income is considered "Other Public Funds"

**CONSTRUCTION PERIOD SOURCES AND USES**  
**EXHIBIT F TO THE MIXED-FINANCE ACC AMENDMENT**

Applicant PHA/Grantee:	Housing Authority of Sample City
Grant Name, if applicable:	Sample Grant Name
Phase/Project Name:	Sample Mixed-Finance Development or Sample Phase
PIC Development Number:	[enter the new AMP-format development number]

Part A: Development Sources	Loan/Grant/Equity	PH Capital Assist.	Private Funds	Other Public Funds	Total
Public Housing Capital Funds (CFP)	\$	-			\$ -
RHF or DDTF	\$	-			\$ -
HOPE VI Funds	\$	-			\$ -
Choice Neighborhoods (CN) Funds	\$	-			\$ -
MTW Funds	\$	-			\$ -
Low Income Housing Tax Credit Equity			\$	\$	\$ -
Construction Loan: bonds			\$	\$	\$ -
Permanent Mortgage #1: identify lender			\$	\$	\$ -
Permanent Mortgage #2: identify lender			\$	\$	\$ -
Other: Federal Historic Tax Credits			\$	\$	\$ -
Other: State Historic Tax Credits			\$	\$	\$ -
Other: CDBG			\$	\$	\$ -
Other: PHA Seller Note			\$	\$	\$ -
Other: HOME Funds			\$	\$	\$ -
<b>Total Development Sources (Part A)</b>	\$	-	\$	\$	\$ -

Part B: Additional Sources	PH Capital Assist.	Private Funds	Other Public Funds	Total
Public Housing Capital Funds (CFP)	\$	-	\$	\$ -
RHF or DDTF	\$	-	\$	\$ -
HOPE VI Funds	\$	-	\$	\$ -
Choice Neighborhoods Funds	\$	-	\$	\$ -
Other: Describe	\$	-	\$	\$ -
Other: Describe	\$	-	\$	\$ -
<b>Total Additional Sources (Part B)</b>	\$	-	\$	\$ -

<b>Total Sources (Parts A and B)</b>	\$	-	\$	\$	\$ -
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Part A: Development Uses	HUD BLI	PH Capital Assist.	Private Funds	Other Public Funds	Total
Residential New Construction	1460	\$	-	\$	\$ -
Residential Rehabilitation	1460	\$	-	\$	\$ -
Builder's General Requirements	1460	\$	-	\$	\$ -
Builder's Overhead	1460	\$	-	\$	\$ -
Builder's Profit	1460	\$	-	\$	\$ -
Construction Contingency	1460	\$	-	\$	\$ -
Other: Describe	1460	\$	-	\$	\$ -
Site/Infrastructure	1450	\$	-	\$	\$ -
Dwelling Equipment-Non-Expendable	1465	\$	-	\$	\$ -
Non-Residential Construction: identify	1470	\$	-	\$	\$ -
Non-Residential Construction: identify	1470	\$	-	\$	\$ -
Non-Dwelling Equipment: identify	1475	\$	-	\$	\$ -
Demolition	1485	\$	-	\$	\$ -
Relocation Costs	1495	\$	-	\$	\$ -
Relocation - Non Residents	1496	\$	-	\$	\$ -
Other: Bond Collateral		\$	-	\$	\$ -
Other: Describe		\$	-	\$	\$ -
Other: Describe		\$	-	\$	\$ -
<b>Subtotal: Development Construction Costs</b>		\$	-	\$	\$ -

Development Soft Costs	HUD BLI	PH Capital Assist.	Private Funds	Other Public Funds	Total
Acquisition of Site(s)	1440	\$	-	\$	\$ -
Accounting and Cost Certification	1430	\$	-	\$	\$ -
Appraisal Expense	1430	\$	-	\$	\$ -
Architect & Engineer Fees	1430	\$	-	\$	\$ -
Environmental Assessment, Testing & Cleanup	1430	\$	-	\$	\$ -
Financing & Application Expense, Lender	1430	\$	-	\$	\$ -
Financing & Application Expense, Tax Credit	1430	\$	-	\$	\$ -
Insurance, Construction Period	1430	\$	-	\$	\$ -
Interest, Construction & Bridge Loan(s)	1430	\$	-	\$	\$ -
Legal Expense, Developer & Lender(s)	1430	\$	-	\$	\$ -
Marketing & Lease-up Expense	1430	\$	-	\$	\$ -
Permits, Construction & Utility Hookup	1430	\$	-	\$	\$ -
PILOT & Taxes, Construction Period	1430	\$	-	\$	\$ -
Survey	1430	\$	-	\$	\$ -
Title & Recording Fees	1430	\$	-	\$	\$ -
Lease-up Reserve (Public Housing)	1430	\$	-	\$	\$ -
Other: FF&E		\$	-	\$	\$ -
Other: Professional Services		\$	-	\$	\$ -
Operating Subsidy Reserve (Public Housing)			\$	\$	\$ -
Operating Reserve			\$	\$	\$ -
Replacement Reserve			\$	\$	\$ -
Supportive Service Reserve			\$	\$	\$ -
Developer Fee: Developer			\$	\$	\$ -
Developer Fee: Housing Authority			\$	\$	\$ -
Other: Interior Design Fee		\$	-	\$	\$ -
Other: Plans, Reproductions, Media		\$	-	\$	\$ -
Other: Describe		\$	-	\$	\$ -
Other: Describe		\$	-	\$	\$ -
Other: Describe		\$	-	\$	\$ -
Other: Describe		\$	-	\$	\$ -
Other: Describe		\$	-	\$	\$ -
<b>Subtotal: Development Soft Cost</b>		\$	-	\$	\$ -

<b>Total Uses for Development (Part A)</b>	\$	-	\$	\$	\$ -
--	----	---	----	----	------

Part B: Additional Uses	HUD BLI	PH Capital Assist.	Private Funds	Other Public Funds	Total
CN Supportive Services	1405	\$	-	\$	\$ -
HOPE VI Community & Supportive Services	1408	\$	-	\$	\$ -
Management Improvements, PHA	1408	\$	-	\$	\$ -
Administration	1410	\$	-	\$	\$ -
Fees & Costs	1430	\$	-	\$	\$ -
Site Acquisition	1440	\$	-	\$	\$ -
Site Improvement	1450	\$	-	\$	\$ -
Demolition (and associated remediation)	1485	\$	-	\$	\$ -
Relocation Expense	1495	\$	-	\$	\$ -
Relocation - Non Residents	1496	\$	-	\$	\$ -
<b>Total Additional Uses (Part B)</b>		\$	-	\$	\$ -

<b>Total Uses (Parts A and B)</b>	\$	-	\$	\$	\$ -
-----------------------------------	----	---	----	----	------

**PERMANENT SOURCES AND USES**  
**EXHIBIT F TO THE MIXED-FINANCE ACC AMENDMENT**

Applicant PHA/Grantee:	Housing Authority of Sample City
Grant Name, if applicable:	Sample Grant Name
Phase/Project Name:	Sample Mixed-Finance Development or Sample Phase
PIC Development Number:	[enter the new AMP-format development number]

Part A: Development Sources	Loan/Grant/Equity	PH Capital Assist.	Private Funds	Other Public Funds	Total
Public Housing Capital Funds (CFP)	\$ -	\$ -			\$ -
RHF/DDTF	\$ -	\$ -			\$ -
HOPE VI Funds	\$ -	\$ -			\$ -
Choice Neighborhoods Funds	\$ -	\$ -			\$ -
MTW Funds	\$ -	\$ -			\$ -
Low Income Housing Tax Credit Equity			\$ -	\$ -	\$ -
Permanent Mortgage #1: <i>identify lender</i>			\$ -	\$ -	\$ -
Permanent Mortgage #2: <i>identify lender</i>			\$ -	\$ -	\$ -
Other: Federal Historic Tax Credits			\$ -	\$ -	\$ -
Other: State Historic Tax Credits			\$ -	\$ -	\$ -
Other: CDBG			\$ -	\$ -	\$ -
Other: Seller Note			\$ -	\$ -	\$ -
Other: HOME			\$ -	\$ -	\$ -
<b>Total Development Sources (Part A)</b>	\$ -	\$ -	\$ -	\$ -	\$ -

Part B: Additional Sources	PH Capital Assist.	Private Funds	Other Public Funds	Total
Public Housing Capital Funds (CFP)	\$ -			\$ -
RHF/DDTF	\$ -			\$ -
HOPE VI Funds	\$ -			\$ -
Choice Neighborhoods (CN) Funds	\$ -			\$ -
Other:	\$ -	\$ -	\$ -	\$ -
Other:	\$ -	\$ -	\$ -	\$ -
<b>Total Additional Sources (Part B)</b>	\$ -	\$ -	\$ -	\$ -

<b>Total Sources (Parts A and B)</b>	\$ -	\$ -	\$ -	\$ -
--------------------------------------	------	------	------	------

Part A: Development Uses	HUD BLI	PH Capital Assist.	Private Funds	Other Public Funds	Total
Residential New Construction	1460	\$ -	\$ -	\$ -	\$ -
Residential Rehabilitation	1460	\$ -	\$ -	\$ -	\$ -
Builder's General Requirements	1460	\$ -	\$ -	\$ -	\$ -
Builder's Overhead	1460	\$ -	\$ -	\$ -	\$ -
Builder's Profit	1460	\$ -	\$ -	\$ -	\$ -
Construction Contingency	1460	\$ -	\$ -	\$ -	\$ -
Other:	1460	\$ -	\$ -	\$ -	\$ -
Site/Infrastructure	1450	\$ -	\$ -	\$ -	\$ -
Dwelling Equipment-Non-Expendable	1465	\$ -	\$ -	\$ -	\$ -
Non-Residential Construction: <i>identify</i>	1470	\$ -	\$ -	\$ -	\$ -
Non-Residential Construction: <i>identify</i>	1470	\$ -	\$ -	\$ -	\$ -
Non-dwelling Equipment: <i>identify</i>	1475	\$ -	\$ -	\$ -	\$ -
Demolition	1485	\$ -	\$ -	\$ -	\$ -
Relocation Costs	1495	\$ -	\$ -	\$ -	\$ -
Relocation - Non Residents	1496	\$ -	\$ -	\$ -	\$ -
Other: Describe		\$ -	\$ -	\$ -	\$ -
Other: Describe		\$ -	\$ -	\$ -	\$ -
Other: Describe		\$ -	\$ -	\$ -	\$ -
<b>Subtotal: Development Construction Costs</b>		\$ -	\$ -	\$ -	\$ -

Development Soft Costs	HUD BLI	PH Capital Assist.	Private Funds	Other Public Funds	Total
Acquisition of Site(s)	1440	\$ -	\$ -	\$ -	\$ -
Accounting and Cost Certification	1430	\$ -	\$ -	\$ -	\$ -
Appraisal Expense	1430	\$ -	\$ -	\$ -	\$ -
Architect & Engineer Fees	1430	\$ -	\$ -	\$ -	\$ -
Environmental Assessment, Testing & Cleanup	1430	\$ -	\$ -	\$ -	\$ -
Financing & Application Expense, Lender	1430	\$ -	\$ -	\$ -	\$ -
Financing & Application Expense, Tax Credit	1430	\$ -	\$ -	\$ -	\$ -
Insurance, Construction Period	1430	\$ -	\$ -	\$ -	\$ -
Interest, Construction & Bridge Loan(s)	1430	\$ -	\$ -	\$ -	\$ -
Legal Expense, Developer & Lender(s)	1430	\$ -	\$ -	\$ -	\$ -
Marketing & Lease-up Expense	1430	\$ -	\$ -	\$ -	\$ -
Permits, Construction & Utility Hookup	1430	\$ -	\$ -	\$ -	\$ -
PILOT & Taxes, Construction Period	1430	\$ -	\$ -	\$ -	\$ -
Survey	1430	\$ -	\$ -	\$ -	\$ -
Title & Recording Fees	1430	\$ -	\$ -	\$ -	\$ -
Lease Up Reserve (Public Housing)	1430	\$ -	\$ -	\$ -	\$ -
Other: Describe	1430	\$ -	\$ -	\$ -	\$ -
Other: Describe	1430	\$ -	\$ -	\$ -	\$ -
Operating Subsidy Reserve (Public Housing)			\$ -	\$ -	\$ -
Operating Reserve			\$ -	\$ -	\$ -
Replacement Reserve			\$ -	\$ -	\$ -
Supportive Service Reserve			\$ -	\$ -	\$ -
Developer Fee: Developer			\$ -	\$ -	\$ -
Developer Fee: Housing Authority			\$ -	\$ -	\$ -
Other: Describe		\$ -	\$ -	\$ -	\$ -
Other: Describe		\$ -	\$ -	\$ -	\$ -
Other: Describe		\$ -	\$ -	\$ -	\$ -
Other: Describe		\$ -	\$ -	\$ -	\$ -
Other: Describe		\$ -	\$ -	\$ -	\$ -
Other: Describe		\$ -	\$ -	\$ -	\$ -
<b>Subtotal: Development Soft Cost</b>		\$ -	\$ -	\$ -	\$ -

<b>Total Uses for Development (Part A)</b>	\$ -	\$ -	\$ -	\$ -
--	------	------	------	------

Part B: Additional Uses	HUD BLI	PH Capital Assist.	Private Funds	Other Public Funds	Total
CN Supportive Services	1405	\$ -	\$ -	\$ -	\$ -
HOPE VI Community & Supportive Services	1408	\$ -	\$ -	\$ -	\$ -
Management Improvements, PHA	1408	\$ -	\$ -	\$ -	\$ -
Administration	1410	\$ -	\$ -	\$ -	\$ -
Fees & Costs	1430	\$ -	\$ -	\$ -	\$ -
Site Acquisition	1440	\$ -	\$ -	\$ -	\$ -
Site Improvement	1450	\$ -	\$ -	\$ -	\$ -
Demolition (and associated remediation)	1485	\$ -	\$ -	\$ -	\$ -
Relocation Expense	1495	\$ -	\$ -	\$ -	\$ -
Relocation - Non Residents	1496	\$ -	\$ -	\$ -	\$ -
<b>Total Additional Uses (Part B)</b>		\$ -	\$ -	\$ -	\$ -

<b>Total Uses (Parts A and B)</b>	\$ -	\$ -	\$ -	\$ -
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<b>DEVELOPER FEE CALCULATION</b>			<b>CONTRACTOR FEE CALCULATION</b>		
Total Project Cost (Part A Costs Only)	\$	-	Total Construction Hard Costs (Part A Only)	\$	-
Less Developer Fee			Less Contractor Fees		
Developer	\$	-	General Conditions & Bond	\$	-
PHA	\$	-	Overhead	\$	-
TOTAL DEVELOPER FEE	\$	-	Profit	\$	-
Less Reserves			TOTAL CONTRACTOR FEE	\$	-
Lease-Up Reserve (public housing)	\$	-	Less Hard Costs Contingency	\$	-
Operating Subsidy Reserve (public housing)	\$	-	BASIS FOR FEE CALCULATION	\$	-
Operating Reserve	\$	-			
Replacement Reserve	\$	-	<b>CONTRACTOR FEE</b>		<b>0%</b>
Social Service Reserve	\$	-	General Conditions & Bond		<b>0%</b>
Other:			Overhead		<b>0%</b>
TOTAL RESERVES	\$	-	Profit		<b>0%</b>
Less Other Excluded Costs (relocation, CSS)	\$	-			
BASIS FOR FEE CALCULATION	\$	-			
<b>TOTAL DEVELOPER FEE</b>		<b>0.0%</b>	<b>LIHTC EQUITY CALCULATION</b>		
<b>Fee to Developer</b>		<b>0.0%</b>	Placed-in-Service Date		
<b>Fee to PHA</b>		<b>0.0%</b>	Annual Tax Credit Allocation Amount		
			Gross Equity Syndication Proceeds	\$	-
			Equity Proceeds Not Available for Project Use	\$	-
			Net Equity Proceeds as of Placed-in-Service	\$	-
<b>PRO RATA TEST</b>			Net Equity per Dollar		#DIV/0!
Unit Type	Number	Percent			
Public Housing/Replacment	0	0%			
Other Units	0	0%			
Total Units	0	0%			
Source of Funds (Part A Funds Only)	Amount	Percent	<b>PER UNIT PUBLIC HOUSING CASH FLOW CALCULATION</b>		
Public Housing Funds	\$	0%	Total Public Housing Rental Income	\$	-
Other Funds	\$	0%	Per Unit Per Month Public Housing Rental Inc		#DIV/0!
Total Funds	\$	0%	Total Operating Expenses	\$	-
			Per Unit Per Month Operating Expenses		#DIV/0!
<b>Test</b>			Cash Flow per Public Housing Unit		#DIV/0!
<b>% Public Housing/Replacement Units</b>		<b>0%</b>			
<b>% Public Housing Funds</b>		<b>0%</b>			
<b>% of public housing funds cannot exceed percent of public housing/replacement units</b>					



INCOME PROJECTIONS									
All rents should be net of utility allowance									
Unit Type	# Units	# of Bed-rooms	Monthly Tenant Rent (PUM)	Monthly Subsidy (PUM)	Monthly Income (PUM)	Annual Tenant Rent Total	Annual Subsidy Total	Total Annual Income	
Public Housing			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Public Housing Totals	0					\$ -	\$ -	\$ -	
Project Based Voucher (PBV) and Project Based Rental Assistance (PBRA)			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
PBV+PBRA Totals	0					\$ -	\$ -	\$ -	
Other Affordable/Restricted					\$ -			\$ -	
					\$ -			\$ -	
					\$ -			\$ -	
					\$ -			\$ -	
Total Other Affordable/Restricted	0							\$ -	
Unrestricted/Market					\$ -			\$ -	
					\$ -			\$ -	
					\$ -			\$ -	
					\$ -			\$ -	
Total Unrestricted/Market	0				\$ -			\$ -	
Other Income					\$ -			\$ -	

## ASSUMPTIONS: PRO FORMA WORKSHEET

Provide the following assumptions, which should be reflected on the Pro Forma

Rental Income Annual Increase (%)	0%	
Other Income Annual Increase (%)	0%	
Vacancy Rate (%)	0%	
Expense annual increase (%)	0%	
Replacement Reserve Annual Amount (\$)	\$0	\$0 per unit/per year
Replacement Reserve Annual Increase (%)	0%	

Property Management Fee (fixed fee or % of effective gross income)

Fixed Fee per year	\$0	\$0 per unit/per year
Annual Increase (%)	0%	
<b><u>OR</u></b>		
% of Effective Gross Income	0%	



SAMPLE Draw Schedule

This is not a mandatory HUD format. The Grantee may use any format that is acceptable to the HUD Grant Manager. This Tab is not Protected and may be replaced. When replacing the Tab, be sure that the Grantee Name, Phase/Project Name and PIC Development Number are included.

Applicant PHA/Grantee: Housing Authority of Sample City  
Grant Name, if applicable: Sample Grant Name  
Phase/Project Number & Name: Sample Mixed-Finance Development or Sample Phase  
PIC Development Number: [enter the new AMP-format development number]

Date Prepared: 17-Dec-10

	% of Construction Costs Completed												
Flow of Funds Analysis		2.50%	7.50%	7.50%	10.00%	12.50%	12.00%	12.00%	10.00%	7.50%	3.00%	2.50%	2.50%
	Closing Draw	Draw1	Draw2	Draw3	Draw4	Draw5	Draw6	Draw7	Draw8	Draw9	Draw10	Draw11	
	Starting Balance	Dec-10	Jan-11	Feb-11	Mar-11	Apr-11	May-11	Jun-11	Jul-11	Aug-11	Sep-11	Oct-11	Nov-11

Uses of Funds		Closing											
Acquisition Costs													
Land	-	-	-	-	-	-	-	-	-	-	-	-	-
Building	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Acquisition Costs	0	0	0	0	0	0	0	0	0	0	0	0	0
Hard Costs													
Hard Construction Costs	9,075,000	226,875	680,625	680,625	907,500	1,134,375	1,089,000	1,089,000	907,500	680,625	272,250	226,875	226,875
Site Work	1,000,000	25,000	75,000	75,000	100,000	125,000	120,000	120,000	100,000	75,000	30,000	25,000	25,000
General Requirements	544,500	13,613	40,838	40,838	54,450	68,063	65,340	65,340	54,450	40,838	16,335	13,613	13,613
Contractor Overhead	181,500	4,538	13,613	13,613	18,150	22,688	21,780	21,780	18,150	13,613	5,445	4,538	4,538
Contractor Profit	544,500	13,613	40,838	40,838	54,450	68,063	65,340	65,340	54,450	40,838	16,335	13,613	13,613
Contractor Bond Premium			0	0	0	0							
Contingency	725,000	0	0	217,500	0	0	145,000	0	145,000	0	0	0	0
FF&E	250,000	37,500	-	-	25,000	25,000	-	-	-	-	-	25,000	25,000
Retainage		(28,364)	(85,091)	(85,091)	(113,455)	(141,819)	(136,146)	(68,073)	(63,978)	(42,546)	(17,018)	(14,182)	(14,182)
Total Hard Costs	12,320,500	292,774	765,821	983,321	1,046,095	1,301,369	1,370,314	1,293,387	1,215,573	808,367	323,347	294,456	294,456
Soft Construction Costs													
Architecture Design & Engineering	680,000	470,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000	15,000
Survey & As-Built Survey	25,000	25,000											
Environmental	60,000	60,000											
Soils & Materials Testing/Structural Report	20,000	20,000											
Insurance	60,000	30,000	0								0		
Construction Loan Interest Rate Cap	0	0											
Construction Loan Legal, Due Diligence and Appraisal	48,000	48,000											
Permanent Loan Origination	19,625												
Inspection Fees	35,000		2,692	2,692	2,692	2,692	2,692	2,692	2,692	2,692	2,692	2,692	2,692
Title & Recording	34,000	34,000											
Developer Legal	125,000	100,000											
Accountant and Audit	80,000	40,000											
Appraisal & Market Study	15,000	15,000	0										
Marketing	55,000					11,000	5,500	5,500	5,500	5,500	5,500	5,500	5,500
Rent-up Reserve	200,000												
Soft Cost Contingency	48,503												
Operating Reserve	581,500								3,731	3,731	3,731	3,731	3,731
Replacement Reserve	49,452												
Tax Credit Application Fees	4,000	4,000	0										
Tax Credit Fees (Reservation and Monitoring)	171,700	171,700											
Developer Overhead	488,800	391,040	0	0	0	0	0	0	0	0	0	0	0
Developer Fee	1,466,400	0	0	0	0	0	0	0	0	0	0	0	0
AHA Developer Fee	488,800	0	0	0	0	0	0	0	0	0	0	0	0
Total Soft Construction Costs	5,979,797	2,050,757	18,992	20,627	21,859	32,859	27,359	30,014	38,934	44,162	47,714	49,260	50,692
Total Development Costs	18,300,297	2,343,531	784,813	1,003,948	1,067,954	1,334,228	1,397,673	1,323,401	1,254,507	852,528	371,061	343,716	345,148
Loan Repayment	10,925,000									0			
Total Project Uses	29,225,297	2,343,531	784,813	1,003,948	1,067,954	1,334,228	1,397,673	1,323,401	1,254,507	852,528	371,061	343,716	345,148
Constr. Sources of Funds		% Equity pay-in	24%	0%	0%	0%	0%	0%	0%	0%	0%	0%	0%
Investor Disbursement/Draws	8,599,320	1,719,864	-	-	-	-	-	-	-	-	-	-	-
Investor Balance Available	-	-	-	-	-	-	-	-	-	-	-	-	-
Bank Construction Loan Disbursement	# 10,925,000	311,833	392,406	295,760	-	-	637,267	1,245,416	1,254,507	852,528	371,061	343,716	345,148
AHA Disbursement	# 5,170,000	311,833	392,406	708,188	1,067,954	1,334,228	760,406	77,985					
Deferred Developers Fee	605,977												
Permanent Sources													
Interest Earnings													
Deferred Developers Fee		-											
Total Project Sources	29,225,297	2,343,531	784,813	1,003,948	1,067,954	1,334,228	1,397,673	1,323,401	1,254,507	852,528	371,061	343,716	345,148
AHA Potential Eligible Costs	5,170,000	1,544,724	784,813	1,003,948	1,067,954	1,334,228	1,355,391	594,985	517,000	517,000	371,061	343,716	345,148
AHA Loan Disbursement		311,833	392,406	708,188	1,067,954	1,334,228	760,406	77,985	-	-	-	-	-
AHA Loan Balance Start Month	5,170,000	4,858,167	4,465,760	3,757,572	2,689,619	1,355,391	594,985	517,000	517,000	517,000	517,000	517,000	517,000
AHA Disbursements for Eligible Costs Only		Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes
AHA Cumulative Loan Balance		311,833	704,240	1,412,428	2,480,381	3,814,609	4,575,015	4,653,000	4,653,000	4,653,000	4,653,000	4,653,000	4,653,000
Projected Construction Interest Due Based on Draw Schedule			1,299	2,934	4,167	4,167	4,167	5,822	12,011	17,238	20,790	22,337	23,769
Cumulative Bank Construction Loan Balance		311,833	704,240	1,000,000	1,000,000	1,000,000	1,637,267	2,882,683	4,137,190	4,989,719	5,360,779	5,704,495	6,049,643

SAMPLE Draw Schedule

This is not a mandatory HUD format. The Grantee may use any format that is acceptable to the HUD Grant Manager. This Tab is not Protected and may be replaced. When replacing the Tab, be sure that the Grantee Name, Phase/Project Name and PIC Development Number are included.

Applicant PHA/Grantee: Housing Authority of Sample City  
Grant Name, if applicable: Sample Grant Name  
Phase/Project Number & Name: Sample Mixed-Finance Development or Sample Phase  
PIC Development Number: [enter the new AMP-format development number]

Date Prepared: 17-Dec-10

	% of Construction Costs Completed	2.50%	8.00%	0.00%	0.00%							100%
Flow of Funds Analysis		Draw12	Draw13	Draw14	Draw15	Draw16	Draw17	Draw18	Draw20	Draw21	Draw22	
	Starting Balance	Dec-11	Jan-12	Feb-12	Mar-12	Apr-12	May-12	Jun-12	Jul-12	Aug-12	Sep-12	Ending Balance
		2nd Installment - Construction Completion				3rd Installment - Conversion			4th Installment - Stabilization/ 8609s			
Uses of Funds												
Acquisition Costs												
Land	-	-	-	-	-	-	-	-	-	-	-	0
Building	-	-	-	-	-	-	-	-	-	-	-	0
Total Acquisition Costs	0	0	0	0	0	0	0	0	0	0	0	0
Hard Costs												
Hard Construction Costs	9,075,000	226,875	726,000	0								0
Site Work	1,000,000	25,000	80,000	0								0
General Requirements	544,500	13,613	43,560	0								0
Contractor Overhead	181,500	4,538	14,520	0								0
Contractor Profit	544,500	13,613	43,560	0								0
Contractor Bond Premium												0
Contingency	725,000	0	0		0	217,500						0
FF&E	250,000	25,000	37,500	50,000	-	0	0					0
Retainage		(14,182)	(45,382)	869,508	0		0					0
Total Hard Costs	12,320,500	294,456	899,758	919,508	0	217,500	0	0	0	0	0	0
Soft Construction Costs												
Architecture Design & Engineering	680,000	15,000	30,000	0	0	0	0	0	0			0
Survey & As-Built Survey	25,000											0
Environmental	60,000											0
Soils & Materials Testing/Structural Report	20,000											0
Insurance	60,000	30,000										0
Construction Loan Interest Rate Cap	0											0
Construction Loan Legal, Due Diligence and Appraisal	48,000											0
Permanent Loan Origination	19,625								19,625			0
Inspection Fees	35,000	2,692	2,692									0
Title & Recording	34,000								0		0	0
Developer Legal	125,000								25,000			0
Accountant and Audit	80,000	0	40,000									0
Appraisal & Market Study	15,000											0
Marketing	55,000	5,500										0
Rent-up Reserve	200,000		33,333	33,333	33,333	33,333	33,333	33,333			0	0
Soft Cost Contingency	48,503	3,731	3,731	3,731	3,731	3,731	3,731	3,731	3,731			0
Operating Reserve	581,500	0					0		581,500	0	0	0
Replacement Reserve	49,452								49,452			0
Tax Credit Application Fees	4,000											0
Tax Credit Fees (Reservation and Monitoring)	171,700			0	0	0	0	0	0	0	0	0
Developer Overhead	488,800	41,396	56,364	0	0	0	0	0	0			0
Developer Fee	1,466,400	0	0	0	0	0	0	0	1,466,400			0
AHA Developer Fee	488,800	0	0	0	0	0	0	0	488,800	0	0	0
Total Soft Construction Costs	5,979,797	154,526	191,327	62,271	62,271	62,271	37,064	37,064	2,939,773	0	0	0
Total Development Costs	18,300,297	448,982	1,091,085	981,779	62,271	279,771	37,064	37,064	2,939,773	0	0	18,300,297
Loan Repayment	10,925,000					10,925,000			0			10,925,000
Total Project Uses	29,225,297	448,982	1,091,085	981,779	62,271	11,204,771	37,064	37,064	2,939,773	-	-	29,225,297
	% Equity pay-in											
Constr. Sources of Funds		36%	0%	0%	0%	42%	0%	0.0%	18.0%	0%	0%	Ending Balance
Investor Disbursement/Draws	8,599,320	448,982	1,091,085	464,779	62,271	2,404,413	37,064	37,064	2,333,796	-	-	8,599,320
Investor Balance Available	-	2,130,814	1,039,729	574,950	512,678	1,118,027	1,080,963	1,043,898	-	-	-	
Bank Construction Loan Disbursement	# 10,925,000	-	-	-	-	4,875,357	-	-	-	-	-	10,925,000
AHA Disbursement	# 5,170,000			517,000								5,170,000
Deferred Developers Fee	605,977	-		(0)				(0)	605,977	-		605,977
Permanent Sources												
Interest Earnings											-	-
Deferred Developers Fee											-	
Total Project Sources	29,225,297	448,982	1,091,085	981,779	62,271	11,204,771	37,064	37,064	2,939,773	-	-	29,225,297
		-	-	0	-	0	-	-	-	-	-	0
AHA Potential Eligible Costs	5,170,000	407,586	517,000	517,000	-	-	-	-	-	-	-	11,221,551
AHA Loan Disbursement		-	-	517,000	-	-	-	-	-	-	-	5,170,000
AHA Loan Balance Start Month		517,000	517,000	517,000	-	-	-	-	-	-	-	-
AHA Disbursements for Eligible Costs Only	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	Yes	
AHA Cumulative Loan Balance	4,653,000	4,653,000	5,170,000	5,170,000	5,170,000	5,170,000	5,170,000	5,170,000	5,170,000	5,170,000	5,170,000	
Projected Construction Interest Due Based on Draw Schedule		25,207	25,207	25,207	25,207	25,207	-	-	-	-	-	245,735
Cumulative Bank Construction Loan Balance		6,049,643	6,049,643	6,049,643	6,049,643		-	-	-	-	-	

## **Exhibit B. HUD Cost Control and Safe Harbors**

(See Attached)

## **Cost Control and Safe Harbor Standards for Rental Mixed-Finance Development**

**Revised: April 9, 2003**

In order to expedite the mixed-finance review process and control costs, HUD is instituting safe harbor and maximum fee ranges for a number of costs. In addition, HUD has provided guidance on several development issues. Unless otherwise noted, the cost controls and safe harbors apply to those phases for which a mixed-finance proposal is submitted after January 1, 2000. Any terms previously approved by HUD through approval of a pre-development agreement, development agreement, or program manager contract will not be reviewed again. This guidance is specific to rental developments, and does not apply to homeownership phases.

These policies were developed in consultation with housing authorities, HUD staff, and industry representatives, over the course of more than a year. Once drafted, they were circulated for public review, and the final cost controls included here reflect the many valuable comments received. HUD will continue to review the policies, based on experiences reported by housing authorities and other program participants, and may make alterations to the standards in the future.

Changes from the revised Cost Control and Safe Harbor Standards (January 2, 2002) are italicized in this alert and include the following:

- HOPE VI or other public housing funds may be used, on a case-by-case basis, to pay for up to 15% of the total developer fee/overhead amount to the developer prior to closing. A loan is not required.
- Operating subsidy and tenant rents used to fund a reserve must be used for eligible operating subsidy expenses.
- The property management fee for the public housing units may be calculated as 6% of imputed tax credit rents.

HUD's cost controls and safe harbors are contained in the following chart. The chart provides a brief definition of each term, lists the safe harbor and maximum allowable fees, and briefly describes the risk factors or circumstances that may result in a fee above the safe harbor standards. These guidelines should be used by housing authorities, developers, and consultants when negotiating terms and drafting documents for HUD review.

HUD will review the project terms when receiving Predevelopment and Development Agreements, Program Manager contracts, mixed-finance proposals, and/or other documents that contain negotiated terms. If a project is at or below a safe harbor standard, no further review will be required by HUD. If a project is above a safe harbor standard, additional review by HUD will be necessary. In order to approve terms above the safe harbor, the housing authority must demonstrate to HUD in writing that the negotiated terms are appropriate for the level of risk involved in the project, the scope of work, any specific circumstances of the development, and the local or national market for the services provided.

## Cost Control and Safe Harbor Standards

Item	Defining Criteria	Safe Harbor	Maximum
<p>Net Developer Fee for Rental Mixed-Finance Developments</p> <p>(Developer Fee and Overhead)</p>	<p>The safe harbor and maximum standards apply to the net developer fee, i.e., the portion of the developer fee received by the developer to cover overhead and profit.*</p> <p>Net developer fee is expressed as a percentage of the project costs. Project costs are defined as all hard and soft costs of constructing a particular component with the <b>exclusion</b> of the following:</p> <ul style="list-style-type: none"> <li>• Third-party costs paid by the PHA under contracts entered into directly by PHA and third parties, which will not be reimbursed to PHA at a mixed-finance closing (e.g., where the PHA contracts separately for demolition services);</li> <li>• The developer fee itself;</li> <li>• All costs related to family self-sufficiency and resident relocation activities; and,</li> <li>• All reserve accounts regardless of how characterized, including start-up reserves, operating deficit reserves, capital improvement reserves, initial operating period reserve, etc.</li> </ul> <p>Payments to developers such as “deferred developer fee” are considered part of the fee/overhead amount.</p> <p>Developers may receive up to a 1% additional fee (with a cap of 12% developer fee) if cost savings are realized. This 1% incentive fee must be paid from non-public housing funds.</p>	<p>9% or less of the project costs (profit and overhead); projects that do not have both LIHTC and public housing financing should have fees well below 9%.</p>	<p>12% of the project costs (profit and overhead).</p> <p>Fees above 12% will be considered only if allowed by the State Housing Finance Agency <b>and</b> with significant justification from the PHA and developer demonstrating the increased risk.</p>

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\* The safe harbor and maximum guidelines assume the net developer fee excludes any portion of the fee received by the developer or co-developer (including a PHA) that is returned to the project to fund operating reserves or to cover project costs.

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## Cost Control and Safe Harbor Standards

Item	Defining Criteria	Safe Harbor	Maximum
	<p>Developers with fees above the safe harbor standard should meet most or all of the following risk factors:</p> <ul style="list-style-type: none"> <li>• Developer guarantees are for large dollar amounts in proportion to project size and/or long terms;</li> <li>• Developer independently obtains financing, including tax credits (fee increases with both amount of financing and number of sources);</li> <li>• Developer obtains site control from an entity other than a PHA or PHA affiliate (fee increases with number of sites);</li> <li>• Project is small (i.e., 50 units or less);</li> <li>• Project is complex (e.g., in financial, legal, environmental, and/or political terms);</li> <li>• Project contains units without operating subsidy (i.e., market-rate or LIHTC-only units);</li> <li>• Developer bears more than 25% of the predevelopment costs (until reimbursement at closing); and/or</li> <li>• The Developer Fee is deferred (paid out of positive cash flow from market-rate units).</li> </ul> <p>All criteria apply to both for-profit and non-profit developers.</p> <p>PHAs or PHA affiliates that act as developer can only receive fees if they are first returned to the project and, to the extent that funds are remaining, subsequently classified as program income and used for low-income housing purposes.</p>		

## Cost Control and Safe Harbor Standards

Item	Defining Criteria	Safe Harbor	Maximum
Pay-Out Schedule for Developer Fee/Overhead	<p>Public housing funds may not be used for payment of developer fee/overhead. HUD recommends the following limit on the pay-out schedule, to the extent that non-public housing funds are available, by phase:</p> <ul style="list-style-type: none"> <li>• Closing: Not to exceed 50% of the fee/overhead amount.</li> <li>• Construction Completion: 25% of the fee/overhead amount.</li> <li>• Stabilized Occupancy: 25% of the fee/overhead amount.</li> </ul> <p>A portion of the fee can be further deferred.</p> <p><i>On a case-by-case basis, HUD will consider advancing the developer funds where there is an extended predevelopment period caused by such external factors as environmental remediation, consent orders, etc. If HUD determines such an advance is warranted, HUD will advance up to 15% of the total developer fee/overhead amount to the developer prior to closing using HOPE VI or other public housing funds.</i></p>	Within recommended pay-out schedule.	Payments of greater than 50% at closing or less than 25% at stabilized occupancy will be closely scrutinized.
Contractor Fee	<ul style="list-style-type: none"> <li>• Percentages are based on hard construction cost.</li> <li>• General Conditions includes the bond premium.</li> </ul>	Overhead: 2% Profit: 6% General Conditions: 6%	14% is the maximum for these combined costs provided that the PHA justifies why the 2/6/6 percentages for the individual costs cannot be met.

## Cost Control and Safe Harbor Standards

Item	Defining Criteria	Safe Harbor	Maximum
PHA Administrative/Consultant Costs	<ul style="list-style-type: none"> <li>Costs should reflect only actual documented expenditure of time and overhead cost (supplies, equipment, telephone, etc.)</li> <li>Such costs include both in-house staff time and outside consultants (program manager, development advisors, relocation specialists, etc.), but <b>exclude</b> outside legal and community and supportive services costs. On the HUD budgets, these costs may be captured under multiple BLIs.</li> <li>This cap applies to HOPE VI grantees awarded funds in 1998 or later, as well as to any non-HOPE VI mixed-finance projects with proposals submitted after January 1, 2000; HUD will evaluate earlier grants on a case-by-case basis. HUD will continue to evaluate whether this cap provides helpful guidance and controls costs without hampering the PHA's ability to implement the grant.</li> </ul>	3% of the total project budget (basis includes all hard and soft development costs <b>excluding</b> CSS expenses).	6% of the total project budget
Sharing of Third-party Pre-development Costs	<p>HUD recommends the following cost-sharing schedule:</p> <ul style="list-style-type: none"> <li>PHA and Developer split third-party costs 75/25.</li> <li>Developer's share of third-party costs (25%) will be reimbursed at closing out of available sources.</li> </ul> <p>Costs to be shared are all third-party costs under the developer's scope of work (e.g., A/E, market study, financing fees, etc.) incurred during the predevelopment period. Public housing funds may not be used to reimburse developer legal counsel prior to closing, and developer legal costs do not contribute to the developer's share of third-party costs.</p> <p>Exceptions to the schedule may be made for small, local, non-profit, and/or minority/disadvantaged firms on a case-by-case basis.</p>	Costs are shared up to 75% by the PHA and at least 25% by the Developer.	N/A
Equity Raise and Pay-In Schedule	HUD will not adopt a safe harbor equity raise or standard pay-in schedule, as these are highly competitive, market-driven numbers.	Current market standard.	N/A

## Cost Control and Safe Harbor Standards

Item	Defining Criteria	Safe Harbor	Maximum
Identity of Interest Parties	<ul style="list-style-type: none"> <li>• Identity of interest parties are those that share an ownership interest. Identity of interest relationships are most common between a developer/owner and construction management, general contractor (GC), private management firm, and/or investor.</li> <li>• PHAs are required to ensure cost competitiveness to the extent possible.</li> <li>• Where a developer and GC have an identity of interest, the PHA needs to show the GC was the lowest bidder in response to a public request for bids or request a waiver from HUD under 24 C.F.R. 941.606(n)(1)(ii)(B).</li> <li>• While the use of related or preferred entities as investors is permitted, HUD encourages PHAs to have their procured developer “shop around” to ensure they are getting a competitive yield.</li> </ul>	N/A	N/A

## Cost Control and Safe Harbor Standards

Item	Defining Criteria	Safe Harbor	Maximum
Property Management Fees	<ul style="list-style-type: none"> <li>• Can be defined on a percentage of gross income or per-unit per month (PUM) basis.</li> <li>• If using the PUM basis for fee, fees should drop for vacant units.</li> <li>• PHAs and PHA Affiliates cannot earn a fee for property management of public housing units, but can cover their associated administrative expenses.</li> <li>• Fees may increase with higher-risk projects.</li> <li>• Different types of risk are associated both with mixed-income and solely public housing projects.</li> </ul>	<p>a) 6% effective gross income or,</p> <p>b) a flat PUM fee for occupied units that is supported by the local project-based Section 8 program in the area (use Field Office guidelines) or,</p> <p>c) <i>6% of imputed tax credit rent for the public housing units (assume public housing units are tax credit units, charge up to maximum tax credit rent, and take 6% of that amount).</i></p>	Proposals above the safe harbor will be closely scrutinized; higher fees will require significant justification and market support.
Price for Program Management Services	<ul style="list-style-type: none"> <li>• Typically a fixed-price contract.</li> <li>• Contracts must be performance-based with payments fixed to milestones (or monthly if tied to milestones).</li> <li>• Size of fee should be related to the specific scope and role PM is expected to play.</li> <li>• Costs for program management (either a full team or independently procured consultants) must be included in the PHA's Administrative Cost Cap.</li> <li>• PHAs must comply with the provision of the procurement regulations that requires a PHA to prepare a cost estimate for procured services prior to receipt of bids.</li> </ul>	N/A; the fee must be contained within the PHA's overall Administrative Cost Cap. Use checklist of responsibilities and clearly defined scope to limit costs.	N/A

## Cost Control and Safe Harbor Standards

Item	Defining Criteria	Safe Harbor	Maximum
Legal Fees	<ul style="list-style-type: none"> <li>• Largely independent of the size of the phase.</li> <li>• Attorneys should be used for legal functions.</li> <li>• Legal fees should be tied to a scope of work, which should be monitored. HUD will review PHA legal costs when reviewing HOPE VI development budgets.</li> <li>• In order to reduce costs and provide an incentive to reach closing, public housing funds may not be used to pay developer legal costs prior to closing.</li> <li>• HUD intends to produce further guidance on how PHAs should utilize their attorneys.</li> <li>• The procurement regulations state that for any RFP, the PHA must undertake a cost or price analysis prior to receipt of proposals.</li> </ul>	No express limit; public housing funds may not be used to reimburse developer legal counsel prior to closing. All legal costs will be reviewed by HUD.	N/A
Operating Deficit Reserve and Operating Subsidy Reserve	<ul style="list-style-type: none"> <li>• HUD is not establishing maximum or minimum levels of reserves to be maintained, as appropriate reserve levels depend upon the specific project and investor requirements.</li> <li>• Both reserves must be established with non-public housing funds, but may be replenished with public housing funds (i.e., operating subsidy or tenant rents from PHA-assisted units).</li> <li>• <i>If public housing funds are contributed to a reserve at any time, those funds in the reserve must be dedicated to the project or returned to the PHA to be used for eligible purposes.</i></li> <li>• <i>The portion of the reserve funded with public housing funds may not be used to pay for partnership exit taxes, debt repayment, or any other expense that is not an eligible use of public housing funds.</i></li> </ul>	N/A	N/A

**Exhibit C. Tiered Voucher Payment Standards and Reasonable  
Accommodation Payment Standards**  
(See Attached)

**APPLIES TO: ALL UNIT TYPES**

MAXIMUM CONTRACT RENT IF OWNER IS PAYING ALL UTILITIES							
TIER	EFF	1	2	3	4	5	6
1	1,488	1,560	1,882	2,394	2,616	3,008	3,401
2	1,395	1,463	1,764	2,244	2,453	2,820	3,188
3	1,302	1,365	1,646	2,094	2,289	2,632	2,976
4	1,209	1,268	1,529	1,945	2,126	2,444	2,763
5	1,116	1,170	1,411	1,795	1,962	2,256	2,551
6	1,023	1,073	1,294	1,646	1,799	2,068	2,338

**How do I Determine the Applicable Tier for My Unit?**

To determine the applicable payment standard tier, visit this payment standard map: <https://alcogis.maps.arcgis.com/apps/webappviewer/index.html?id=531501a0fc54461a8a5ff1ac31bada15>. This map can be searched by the unit address and is linked to the HACP website under Landlord Resources. Search results list the unit's census tract number, payment standard tier, payment standard dollar amounts (if the landlord is paying for all utilities), and if the unit is located in an opportunity zone, which is only applicable to those HCV families participating in the HUD Community Choice Demonstration.



**APPLIES TO: APARTMENTS**

TIER	MAXIMUM CONTRACT RENT IF TENANT PAYS	EFF	1	2	3	4	5	6
TIER 1	GAS & ELECTRIC	1,380	1,436	1,732	2,218	2,414	2,779	3,150
	ALL UTILITIES	1,297	1,347	1,610	2,045	2,192	2,506	2,840
TIER 2	GAS & ELECTRIC	1,287	1,339	1,614	2,068	2,251	2,591	2,937
	ALL UTILITIES	1,204	1,250	1,492	1,895	2,209	2,318	2,627
TIER 3	GAS & ELECTRIC	1,1974	1,241	1,496	1,918	2,087	2,403	2,725
	ALL UTILITIES	1,111	1,152	1,374	1,745	1,865	2,130	2,415
TIER 4	GAS & ELECTRIC	1,101	1,144	1,379	1,769	1,924	2,215	2,512
	ALL UTILITIES	1,018	1,055	1,257	1,596	1,702	1,942	2,202
TIER 5	GAS & ELECTRIC	1,008	1,046	1,261	1,619	1,760	2,027	2,300
	ALL UTILITIES	925	957	1,139	1,446	1,538	1,754	1,990
TIER 6	GAS & ELECTRIC	915	949	1,144	1,470	1,597	1,839	2,087
	ALL UTILITIES	832	860	1,022	1,297	1,375	1,566	1,777

To determine the applicable payment standard tier for a unit, visit this payment standard map: <https://alcogis.maps.arcgis.com/apps/webappviewer/index.html?id=531501a0fc54461a8a5ff1ac31bada15>.

The above table indicates the Gross Payment Standard by bedroom size and includes a quick reference for the most common leasing situations with respect to tenant-paid utilities, indicating the maximum amount of contract rent allowed under the program, depending upon what utilities the tenant will be financially responsible. "Gas & Electric" limits are based upon the tenant paying for gas heat, gas cooking, electric lighting, and gas water heat. "All Utilities" figures represent the "Gas & Electric" limits plus the utility allowances for the tenant paying water and sewage, range/microwave and refrigerator.

**APPLIES TO: TOWNHOUSE/ROWHOUSE/SEMI-DETACHED**

TIER	MAXIMUM CONTRACT RENT IF TENANT PAYS	EFF	1	2	3	4	5	6
TIER 1	GAS & ELECTRIC	1,383	1,439	1,732	2,213	2,406	2,767	3,135
	ALL UTILITIES	1,300	1,350	1,610	2,040	2,184	2,494	2,825
TIER 2	GAS & ELECTRIC	1,290	1,342	1,614	2,063	2,243	2,579	2,922
	ALL UTILITIES	1,207	1,253	1,492	1,890	2,021	2,306	2,612
TIER 3	GAS & ELECTRIC	1,197	1,244	1,496	1,913	2,079	2,391	2,710
	ALL UTILITIES	1,114	1,155	1,374	1,740	1,857	2,118	2,400
TIER 4	GAS & ELECTRIC	1,104	1,147	1,379	1,764	1,916	2,203	2,497
	ALL UTILITIES	1,021	1,058	1,257	1,591	1,694	1,930	2,187
TIER 5	GAS & ELECTRIC	1,011	1,049	1,261	1,614	1,752	2,015	2,285
	ALL UTILITIES	928	960	1,139	1,441	1,530	1,742	1,975
TIER 6	GAS & ELECTRIC	918	952	1,144	1,465	1,589	1,827	2,072
	ALL UTILITIES	835	863	1,022	1,292	1,367	1,554	1,762

To determine the applicable payment standard tier for a unit, visit this payment standard map:  
<https://alcogis.maps.arcgis.com/apps/webappviewer/index.html?id=531501a0fc54461a8a5ff1ac31bada15>.

The above table indicates the Gross Payment Standard by bedroom size and includes a quick reference for the most common leasing situations with respect to tenant-paid utilities, indicating the maximum amount of contract rent allowed under the program, depending upon what utilities the tenant will be financially responsible. "Gas & Electric" limits are based upon the tenant paying for gas heat, gas cooking, electric lighting, and gas water heat. "All Utilities" figures represent the "Gas & Electric" limits plus the utility allowances for the tenant paying water and sewage, range/microwave and refrigerator.

**APPLIES TO: SINGLE FAMILY DETACHED**

TIER	MAXIMUM CONTRACT RENT IF TENANT PAYS	EFF	1	2	3	4	5	6
TIER 1	GAS & ELECTRIC	1,385	1,441	1,733	2,213	2,403	2,762	3,219
	ALL UTILITIES	1,302	1,352	1,611	2,040	2,178	2,489	2,829
TIER 2	GAS & ELECTRIC	1,292	1,344	1,615	2,063	2,240	2,574	2,916
	ALL UTILITIES	1,209	1,255	1,493	1,890	2,015	2,301	2,616
TIER 3	GAS & ELECTRIC	1,199	1,246	1,497	1,913	2,076	2,386	2,704
	ALL UTILITIES	1,116	1,157	1,375	1,740	1,851	2,113	2,404
TIER 4	GAS & ELECTRIC	1,106	1,149	1,380	1,764	1,913	2,198	2,491
	ALL UTILITIES	1,023	1,060	1,258	1,591	1,688	1,925	2,191
TIER 5	GAS & ELECTRIC	1,013	1,051	1,262	1,614	1,749	2,010	2,279
	ALL UTILITIES	930	962	1,140	1,441	1,524	1,737	1,979
TIER 6	GAS & ELECTRIC	920	954	1,145	1,465	1,586	1,822	2,066
	ALL UTILITIES	837	865	1,023	1,292	1,361	1,549	1,766

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## REASONABLE ACCOMMODATIONS

### VOUCHER PAYMENT STANDARDS (VPS)

EFFECTIVE 1/1/2023

Current landlords may qualify for an increased payment standard by offering units with accessible features or modifying existing units to include accessible features.

**Please Note:** The Disability Compliance Office (DCO) evaluates what qualifies as an accessible feature on a case-by-case basis. Features that are specifically tailored to the needs of the individual living in the unit are more likely to count towards the increase in payment standard. Additionally, any features will not be deemed accessible unless they comply with the regulations, guidelines, and parameters set forth by the 2010 Americans with Disabilities Act (ADA) standards, the Uniform Federal Accessibility Standards (UFAS) outlined in the Architectural Barriers Act of 1968, or a combination of both.

Examples of Accessible Features			
Stove with front bearing braille knobs	Tub cut or walk-in shower	Raised toilet or higher toilet seat	Grab bars
Video intercom (for a person who is deaf/hard of hearing or is vision impaired)	Widened hallways	Wheelchair ramp	Limited steps within the unit

*\*This list is not exhaustive; features not listed may be taken into consideration if they are specifically tailored to the individual living in the unit.*

#### Required Verification

Proof of accessible or adaptable improvements must be submitted to and verified by the Disability Compliance Office (DCO). Also, prior to the receipt of the Reasonable Accommodations Payment Standard, confirmation that the tenant with the disability needs at least three (3) of the unit's accessible features must be submitted to and verified by the DCO.

**Any additional questions regarding the Reasonable Accommodations Payment Standards can be directed to the Disability Compliance Administrator or Section 504/ADA Compliance Coordinator in the Disability Compliance Office at 412-456-5282 or [ra@hacp.org](mailto:ra@hacp.org).**

**APPLIES TO: ALL UNIT TYPES**

MAXIMUM CONTRACT RENT IF OWNER IS PAYING ALL UTILITIES							
TIER	EFF	1	2	3	4	5	6
1	2,530	2,652	3,199	4,070	4,447	5,114	5,782
2	2,232	2,341	2,822	3,590	3,925	4,512	5,101
3	1,953	2,048	2,469	3,141	3,434	3,948	4,464
4	1,693	1,775	2,141	2,723	2,976	3,422	3,868
5	1,451	1,521	1,834	2,334	2,551	2,933	3,316
6	1,228	1,288	1,553	1,975	2,159	2,482	2,806

**How do I Determine the Applicable Tier for My Unit?**

To determine the applicable payment standard tier, visit this payment standard map: <https://alcogis.maps.arcgis.com/apps/webappviewer/index.html?id=531501a0fc54461a8a5ff1ac31bada15>. This map can be searched by the unit address and is linked to the HACP website under Landlord Resources. Search results list the unit's census tract number, payment standard tier, payment standard dollar amounts (if the landlord is paying for all utilities), and if the unit is located in an opportunity zone, which is only applicable to those HCV families participating in the HUD Community Choice Demonstration.

# REASONABLE ACCOMMODATIONS

## VOUCHER PAYMENT STANDARDS (VPS)

EFFECTIVE 1/1/2023

### APPLIES TO: APARTMENTS

TIER	MAXIMUM CONTRACT RENT IF TENANT PAYS	EFF	1	2	3	4	5	6
TIER 1	GAS & ELECTRIC	2,422	2,528	3,049	3,894	4,245	4,885	5,531
	ALL UTILITIES	2,339	2,439	2,927	3,721	4,023	4,612	5,221
TIER 2	GAS & ELECTRIC	2,124	2,217	2,672	3,414	3,732	4,283	4,850
	ALL UTILITIES	2,041	2,128	2,550	3,241	3,501	4,010	4,540
TIER 3	GAS & ELECTRIC	1,845	1,924	2,319	2,965	3,232	3,719	4,213
	ALL UTILITIES	1,762	1,835	2,197	2,792	3,010	3,446	3,903
TIER 4	GAS & ELECTRIC	1,585	1,651	1,991	2,547	2,774	3,193	3,617
	ALL UTILITIES	1,502	1,562	1,869	2,374	2,552	2,920	3,307
TIER 5	GAS & ELECTRIC	1,343	1,397	1,684	2,158	2,349	2,704	3,065
	ALL UTILITIES	1,260	1,308	1,562	1,985	2,127	2,431	2,755
TIER 6	GAS & ELECTRIC	1,120	1,164	1,403	1,799	1,957	2,253	2,555
	ALL UTILITIES	1,037	1,075	1,281	1,626	1,735	1,980	2,245

To determine the applicable payment standard tier for a unit, visit this payment standard map:  
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The above table indicates the Gross Payment Standard by bedroom size and includes a quick reference for the most common leasing situations with respect to tenant-paid utilities, indicating the maximum amount of contract rent allowed under the program, depending upon what utilities the tenant will be financially responsible. "Gas & Electric" limits are based upon the tenant paying for gas heat, gas cooking, electric lighting, and gas water heat. "All Utilities" figures represent the "Gas & Electric" limits plus the utility allowances for the tenant paying water and sewage, range/microwave and refrigerator.

# REASONABLE ACCOMMODATIONS

## VOUCHER PAYMENT STANDARDS (VPS)

EFFECTIVE 1/1/2023

APPLIES TO: **TOWNHOUSE/ROWHOUSE/SEMI-DETACHED**

TIER	MAXIMUM CONTRACT RENT IF TENANT PAYS	EFF	1	2	3	4	5	6
TIER 1	GAS & ELECTRIC	2,425	2,531	3,049	3,889	4,237	4,873	5,516
	ALL UTILITIES	2,342	2,442	2,927	3,716	4,015	4,600	5,206
TIER 2	GAS & ELECTRIC	2,127	2,220	2,672	3,409	3,715	4,271	4,835
	ALL UTILITIES	2,044	2,131	2,550	3,236	3,493	3,998	4,525
TIER 3	GAS & ELECTRIC	1,848	1,927	2,319	2,960	3,224	3,707	4,198
	ALL UTILITIES	1,765	1,838	2,197	2,787	3,002	3,434	3,888
TIER 4	GAS & ELECTRIC	1,588	1,654	1,991	2,542	2,766	3,181	3,602
	ALL UTILITIES	1,505	1,565	1,869	2,369	2,544	2,908	3,292
TIER 5	GAS & ELECTRIC	1,346	1,400	1,684	2,153	2,341	2,692	3,050
	ALL UTILITIES	1,263	1,311	1,562	1,980	2,119	2,149	2,740
TIER 6	GAS & ELECTRIC	1,123	1,167	1,403	1,794	1,949	2,241	2,540
	ALL UTILITIES	1,040	1,078	1,281	1,621	1,727	1,968	2,230

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# REASONABLE ACCOMMODATIONS

## VOUCHER PAYMENT STANDARDS (VPS)

EFFECTIVE 1/1/2023

### APPLIES TO: SINGLE FAMILY DETACHED

TIER	MAXIMUM CONTRACT RENT IF TENANT PAYS	EFF	1	2	3	4	5	6
TIER 1	GAS & ELECTRIC	2,427	2,533	3,050	3,889	4,234	4,868	5,510
	ALL UTILITIES	2,344	2,444	2,928	3,716	4,009	4,595	5,210
TIER 2	GAS & ELECTRIC	2,129	2,222	2,673	3,409	3,712	4,266	4,829
	ALL UTILITIES	2,046	1,929	2,320	2,960	3,221	3,702	4,192
TIER 3	GAS & ELECTRIC	1,850	1,929	2,320	2,960	3,221	3,702	4,192
	ALL UTILITIES	1,767	1,840	2,198	2,787	2,996	3,429	3,892
TIER 4	GAS & ELECTRIC	1,590	1,656	1,992	2,542	2,763	3,176	3,596
	ALL UTILITIES	1,507	1,567	1,870	2,369	2,538	2,903	3,296
TIER 5	GAS & ELECTRIC	1,348	1,402	1,685	2,153	2,338	2,687	3,044
	ALL UTILITIES	1,265	1,313	1,563	1,980	2,113	2,414	2,744
TIER 6	GAS & ELECTRIC	1,125	1,169	1,404	1,794	1,946	2,236	2,534
	ALL UTILITIES	1,042	1,080	1,282	1,621	1,721	1,963	2,234

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