



# **AFFORDABLE HOUSING FUND (AHF)**

## **Program Guide**



*The West Virginia Housing Development Fund is an Equal Housing Opportunity Lender*

# Affordable Housing Fund Program (AHFP)

The Affordable Housing Fund Program (AHFP) is designed to provide financial assistance to organizations which focus on providing and preserving affordable housing in West Virginia.

## Eligible Borrowers

- Local governments and local government housing authorities,
- Nonprofit organizations recognized as exempt from federal income tax under Section 501(c)(3) of the Internal Revenue Code and that provide assistance to low- and moderate-income citizens of this State, and
- Regional or statewide housing assistance organizations that have been recognized as exempt under Section 501(c)(3) of the Internal Revenue Code and that provide assistance to low- and moderate-income citizens of this State.

## Ineligible Borrowers

The West Virginia Housing Development Fund (“WVHDF”) reserves the right to disqualify any applicant based on a variety of factors, including, but not limited to, the following:

- HUD’s Excluded Parties list
- Delinquencies of 30 days on two or more occasions during the previous 12 months, or delinquencies of 60 days on one or more occasion(s) during the previous 12 months on any WVHDF loan
- Uncured default on any WVHDF loan
- Foreclosure within the past 10 years on any WVHDF loan
- Unresolved material audit findings, particularly related to funds management or compliance with federal program requirements, during the most recent three-year period
- Issues of non-compliance with the WVHDF that continue to be unresolved after the end of the correction period, and continue to be unresolved at the time any such proposed loan is under consideration, or a history of repeated compliance issues
- Adverse public findings

## Loan Products and Eligible Activities

The AHFP offers either repayable or forgivable loan products related to activities associated with providing and preserving affordable housing in West Virginia. Eligible activities, purposes, product types, application availability, funding limits and terms for offered products are outlined in the attached Annual Loan Term Sheet (ALTS).

## **Application Process**

Applications and proposals for repayable loan products that are not subject to a Request for Proposal (RFP) will be accepted on a continual basis in accordance with the ALTS.

Applications and proposals for forgivable loan products and certain repayable loan products will be available in accordance with the ALTS subject to the application periods, evaluation criteria, and requirements for submission set forth in Requests for Proposals (RFPs). It is anticipated that RFPs will be issued periodically, and not less than annually.

## **Review Process**

All proposals will be reviewed to ensure that they are consistent with the objectives of the AHFP and that the feasibility and capacity of the applicant and proposed project are sufficient. Proposals received through an RFP will also be reviewed and scored on a competitive basis based on the criteria set forth in the RFP.

The WVHDF's Executive Director has the authority to approve loan and funding requests up to \$300,000 on a cumulative basis of all awards from the WVHDF to a project. Generally, applicants will be notified of an award decision within ninety (90) days of the receipt of a complete application or as outlined in the RFP associated with the proposal.

## **Program Limitations**

1. No single project can receive more than \$250,000 in AHF forgivable funding.
2. No applicant shall have more than a total of \$300,000 in undisbursed AHF funds at any one time
3. Applicants must be actively drawing project funds within time frames specified in loan agreements or be demonstrating diligent efforts in the development of projects in order to be eligible for additional funding consideration.

## **Project Income Requirements**

AHF rental projects must target residents that are at or below 115% of the Area Median Income as published by HUD and as adjusted for household size ("AMI"). If AHF projects are subject to affordability restrictions of other funding sources (i.e. HOME and National Housing Trust Fund), the AHF will not impose additional monitoring requirements. AHF projects that are not subject to affordability restrictions of other funding sources will be required to verify occupants' income as agreed upon between the Borrower and the WVHDF.

Homeownership units developed with AHF funds must be sold to buyers earning at or below 115% of AMI, and whose total housing obligation (principal and interest repayments, taxes, insurance, and mortgage insurance) does not exceed 30% of the buyer's household income.

The income restrictions for homeownership units will be verified on or before the sale of the unit. No ongoing monitoring will be required for homeownership units.

### **Conflict of Interest**

No member of the governing body of an applicant and no other official, employee, or agent of the applicant who exercises policy or decision-making functions shall directly or indirectly personally benefit from the program loan. Failure to comply with this provision will be considered a loan default and will require immediate loan repayment. Any questions regarding conflict of interest should be directed to the Fund.

### **Disclaimers**

Deviations from program requirements are subject to Board approval.

**AHF projects that also receive HOME or Housing Trust Fund funding will be required to enter into a HOME Match Agreement.** The Fund reserves the right to share program loan information with other entities providing funding to the same project and reserves the right to accept or reject any application. Generally, proposals for projects located in a flood zone will not be considered unless acceptable flood mitigation measures are included in the project proposal.

The applicant shall not discriminate on the basis of race, religion, color, national origin, sex, disability, familial status or any other basis prohibited by law in the sale or lease or other use or disposition of the property or related facilities covered by funding provided by or through the WVHDF. In addition, discrimination against any employee or applicant for employment on the basis of race, religion, color, national origin, sex, disability, age (40 and above) or any other basis prohibited by law will not be permitted by a contractor or subcontractor engaged to perform any work on any project financed by or through the Fund.

### **Refer all questions concerning AHFP applications to:**

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**Affordable Housing Fund Program Annual Loan Term Sheet**

Forgivable Loan Products - Funded by 90% of revenue collected				
Activity	Purpose	Availability	Funding Limits*	Terms
Predevelopment	to provide funds for predevelopment costs related to the development of affordable housing (e.g. , market studies, architectural and engineering costs, surveys, environmental studies, etc.) If the project is selected to receive Low-Income Housing Tax Credits (or other tax incentive credits/funds) the loan must be repaid (see terms section)	RFP	not to exceed \$25,000. Disbursed on a monthly basis (36-month draw period)	\$200 nonrefundable application fee. Repayable only if selected to receive LIHTC (or other tax incentive programs) - 2% interest from the final disbursement; maximum 3-year term; the loan will be deferred until the borrower obtains construction loan financing or the property is sold, or 3 years after closing the loan, whichever occurs first; Loan renewal applications must be accompanied by a \$100 nonrefundable application fee and will only be considered for projects that are actively drawing funds.
Permanent Gap Financing Loans - homeownership or rental	to provide permanent gap financing for new or rehabilitation projects - homeownership or rental (may include expenses such as acquisition and demolition)	RFP	<b>Homeownership</b> - \$120,000 not to exceed \$40,000 per unit. <b>Rental</b> - not to exceed the lesser of \$150,000 or 33% of total project costs (24-month draw period)	<b>Homeownership:</b> 0% interest; 2-year term; loan forgiven if funds used for the purpose defined in the loan agreement. \$200 nonrefundable application fee. May be paired with an AHF Repayable Development loan. <b>Rental:</b> 0% interest; up to 10-year term; loan forgiven if project remains in compliance during the loan term. \$200 nonrefundable application fee. Loan renewal applications must be accompanied by a \$100 nonrefundable application fee.
Organizational Technical Assistance Loans	to provide funds to assist with organizational technical assistance matters (e.g. , professional development, training, CNAs, short-term contract employee costs and consultant costs)	RFP	not to exceed \$10,000 to be reimbursed for substantiated costs on a monthly basis (24-month draw period)	A \$200 nonrefundable application fee.
Housing Counseling Loans	to provide funds for housing counseling to be provided by certified housing counselors and for training costs associated with housing counseling certifications	RFP	not to exceed \$15,000 to be reimbursed at a rate not to exceed \$200 per client; disbursed on a monthly basis (24-month draw period)	A \$200 nonrefundable application fee.
Repayable Loan Products - Funded by 10% of revenue collected				
Activity	Purpose	Availability	Funding Limits	Terms
Development Loans	to provide financing for activities associated with the development and/or preservation of affordable housing. Funds may be used for demolition only when associated with plans to move forward on an eligible housing project; may include Tax Incentive Programs for Acquisition only (e.g. , LIHTC Projects)	Ongoing basis	Loan amounts based on funding availability. Disbursed on a monthly basis (24-month draw period)	Up to 5% interest. LTV not to exceed 100%. The repayment structure will be based on the type of project being financed and the associated risk. The loan term shall not exceed 30 years. \$200 nonrefundable application fee. Loan renewal applications must be accompanied by a \$100 nonrefundable application fee.

\*Up to 5% of each award may be used for administrative costs  
Annual Loan Term Sheet AHFP