

Fort Worth Housing Trust Fund Housing Developer Fund Notice of Funding Availability and Application

Dear Prospective Partners:

The Fort Worth Housing Finance Corporation (FWHFC), administers the Fort Worth Housing Trust Fund (FWHTF) and its Housing Developer Fund. This initiative is making loan funds available to encourage housing partners in development and preservation of homes in the Central City and target areas. The FWHFC is announcing the availability of \$3.391 million Housing Developer Fund (HDF) and is calling for applications from prospective partners to help revitalize Central City through innovative and quality housing products for diverse citizens of Fort Worth. The HDF provides predevelopment and interim loans at competitive interest rates to housing partners for the preservation and development of housing in the Central City and target areas. It has the following special features:

- ✓ Promotes mixed-income and mixed-use products
- ✓ Has flexible underwriting criteria
- ✓ Has flexible terms
- ✓ May provide other city incentives

This Notice of Funding Availability (NOFA) and Application Handbook provides you information on the HDF program rules, criteria, and application process. Please read the instructions carefully before completing the application. For questions or more information, please call 817-392-8091.

I look forward to our partnership in making Central City a great place to live!

Jerome C. Walker
Fort Worth Housing Finance Corporation

*Revitalize Central City Fort Worth
Promote innovative housing concepts
Create quality, accessible workforce
housing*

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Submit Applications to:
Attention: Fort Worth Housing
Developer Fund
Housing Department
City of Fort Worth
1000 Throckmorton
Fort Worth, TX 76102

www.fortworthgov.org/housing/



FWHTF Housing Developer Fund

Frequently Asked Questions

Who can apply?

For profit and/or non-profit housing development organizations that meet the eligibility criteria (page 4)

Where can my project be located?

The project must be located in the Central City or one of the target areas designated by the Fort Worth City Council. A map of all target areas is available on page 5.

What type of project can use the fund?

The fund can be used for land development, single family, multifamily or mixed-use new construction or rehabilitation projects. Transitional or permanent housing for special needs population is also eligible.

What is the maximum loan amount?

Depending on the loan type, please see the loan summary chart on page 11 for details. Requests for partial funding can also be accepted.

What are the loan terms and interest rate?

General guidelines on terms and interest rates are established for each loan type. Please see the loan summary chart on page 11 to for details. The specific term and interest rate for a project are determined based on each project's financial needs and development capacity.

Can I apply for a grant?

Grants are considered only under extraordinary circumstances as determined by the FWHFC.

Is there a requirement for my project to include housing units affordable only to low-income individual or families?

No. The Housing Developer Fund can fund housing units that are affordable for households with incomes up to 120% of Area Median Family Income (AMFI). See page 3 for income guidelines.

Are there any requirements on minimum number of units that I should build?

No.

What do I need to submit to apply for funding?

A complete application form and all required attachments (see page 10 for a list of required attachments based on loan types). **Incomplete applications will not be considered until all the required documents must be submitted within 90 days from the date first FWHFC receives the application.**

Is there a deadline for submitting an application?

None. Applications will be accepted year round until the fund is exhausted. The applications are reviewed on the first Tuesday of every month by the Central City Revitalization & Economic Development Committee (CCREDC) of the Fort Worth City Council. An application must be submitted at least three weeks before the CCREDC meeting in order to be scheduled on the Committee agenda for review.

How long does it take to get project approval for funding?

The process can take from 30 to 90 days depending on the complexity of a project.

Whom can I contact if I have questions?

Contact Karen Meunier at 817-392-8091 (Karen.Meunier@fortworthgov.org), or Charlie Price 817-392-7381 (charlie.price@fortworthgov.org). You can also schedule an appointment to meet with a staff person to discuss your project and/or application.



FWHTF Housing Developer Fund

Definitions

Affordable Workforce Housing: housing units for persons or families with incomes at or below 120% of Area Median Family Income (AMFI) that cost no more than 30% of their monthly income to purchase or rent.

Area Median Family Income (AMFI): the median income in Fort Worth adjusted by family size, as published annually by the U.S. Department of Housing and Urban Development (HUD).

2007 Income Guidelines and Affordable Monthly Payment

Family Size	80% of Median Income	Maximum Housing Payment Affordable for Households with Incomes at 80% of AMFI	120% of Median Income	Maximum Housing Payment Affordable for Households with Incomes at 120% of AMFI
1	\$35,500	\$ 888	\$53,300	\$1,333
2	\$40,550	\$1,014	\$60,850	\$1,521
3	\$45,650	\$1,141	\$68,500	\$1,713
4	\$50,700	\$1,268	\$76,100	\$1,903
5	\$54,750	\$1,369	\$65,700	\$1,643
6	\$58,800	\$1,470	\$70,560	\$1,764
7	\$62,850	\$1,571	\$94,300	\$2,358
8	\$66,900	\$1,673	\$100,450	\$2,511

Central City: the area within Loop 820 consisting of all Community Development Block Grant (CDBG) eligible census block groups, all state-designated enterprise zones, and all census block groups which are contiguous by 75% or more of their perimeter to CDBG-eligible block groups or enterprise zones. This definition was adopted by the City Council on August 1, 2000 (M&C G-12976).

Designated Building Areas: target areas approved by the City Council for infill housing activities of the Fort Worth Housing Finance Corporation (FWHFC).

Federal Target Area: defined by the U.S. Department of Treasury in connection with issuance of single family mortgage bonds.

Gross Floor Area: measured by taking the outside dimensions of the building at each floor level, except that portion of the basement used only for utilities or storage, and any areas within the building used for off-street parking.

Mixed-Use Development Project: a mixed residential-commercial development project in which at least 80 percent of the income generated by the project comes from residential uses, and is on property that is (or meets the requirements to be) zoned mixed-use as described by the City of Fort Worth Zoning Ordinance. Commercial uses include office, eating and entertainment, and/or retail sales and service uses.

Model Blocks (MB): a geographic area designated by the City Council as a Model Blocks area which receives \$1.2 million funding for neighborhood improvements.

Neighborhood Empowerment Zone (NEZ): a geographic area designated by the City Council according to Chapter 378 of the Texas Local Government Code to grant development incentives including municipal tax abatements, waivers of development and impact fees and release of City liens.

Special Target Area (STA): an area with unique development opportunities, a strategic plan, and City Council support.

State Enterprise Zone (EZ): a geographic area designated by the City Council according to Chapter 2303 of the Texas Government Code. Developments in these areas are eligible for EZ incentives.

Urban Village: a mixed-use district designated by the City Council along commercial corridors in the Central City Commercial Corridors Revitalization Strategy Report (M&C G-13704).

FWHTF Housing Developer Fund

Eligible Applicants

Eligible applicants include for-profit and/or non-profit housing development organizations that meet all the following criteria:

- ✓ Must demonstrate a track record in housing development for at least two years prior to the date of the application, particularly in residential development as evidenced by actual development or construction of single family, multifamily residential units or mixed-use projects.
- ✓ Have good financial standing as evidenced by acceptable financial statements and acceptable credit record.
- ✓ Are not delinquent in payment of any federal, state or local personal or property taxes.
- ✓ Have no federal, state, or local audit findings that have not been resolved.
- ✓ Have no outstanding liens or other judgments from the City.
- ✓ Have no outstanding financial obligations with the City.
- ✓ Have a designated person duly authorized by its Board of Directors as signatory on behalf of the organization.
- ✓ Submit a Certificate of Good Standing issued by the State of Texas Comptroller Office of Public Accounts.

Eligible Activities

- ✓ **Soft Cost (Predevelopment):** activities to promote housing development projects, including but not limited to: appraisal, survey, feasibility/market study, legal fees, architectural and engineering service.
- ✓ **Single Family Lot Development:** land acquisition and site development for infill single family homes.
- ✓ **Land Development:** land acquisition and site development for single family subdivisions.
- ✓ **Single Family Construction/Rehabilitation:** activities related to construction or rehabilitation (including adaptive reuse) of single family homes.
- ✓ **Multifamily/Mixed-Use Construction:** activities related to acquisition, site development, construction or rehabilitation (including adaptive reuse) of multifamily or mixed-use developments.

In some instances, at the discretion of the FWHTF, permanent finance terms may be available based on available funds and the project's consistency with the City's priorities and housing goals described in its Comprehensive Plan and Consolidated Plan.

Target Areas

FWHTF will be used to fund projects in the Central City and target areas, particularly the following areas (see map on page 5) and other future target areas that may be designated by the City Council:

- ✓ **Urban Villages:** Evans/Rosedale, Hemphill/Berry, Magnolia Village, Mercado, Paddock Bend, Polytechnic/Wesleyan, Ridglea Village/Como, Trinity Park Village, University/West 7th, West Berry, Oakland Corners, Handley,.
- ✓ **Neighborhood Empowerment Zones (NEZs):** Evans/Rosedale, Handley, Hemphill/Berry, Magnolia Village, Polytechnic/ Wesleyan, Ridglea Village/Como, Rolling Hills, Stop Six, Riverside, Woodhaven, Lake Arlington, Berry/University, West 7th/University, Trinity Park, Wedgewood Square, Berryhill Mason Heights.
- ✓ **State Enterprise Zones (EZs):** North, South, Southeast EZs
- ✓ **Special Target Areas:** Polytechnic Heights Educational Corridor, Medical District, Downtown, Samuels Avenue/Rock Island

FWHTF Housing Developer Fund

How to Apply?

- Step 1: Fill out the application form on page 8 to 9 and assemble the required attachments (as shown on page 10) for the loan type for which you are applying.
- Step 2: Submit five (5) copies of the completed application, all required attachments and an application fee of \$50 (cashier's check or money order only) to:

Attn: Fort Worth Housing Trust Fund
c/o Fort Worth Housing Finance Corporation
P. O. Box 17238
Fort Worth, TX 76102-7138

Or deliver in person to City of Fort Worth Housing Department at 908 Monroe Street, 3rd floor.

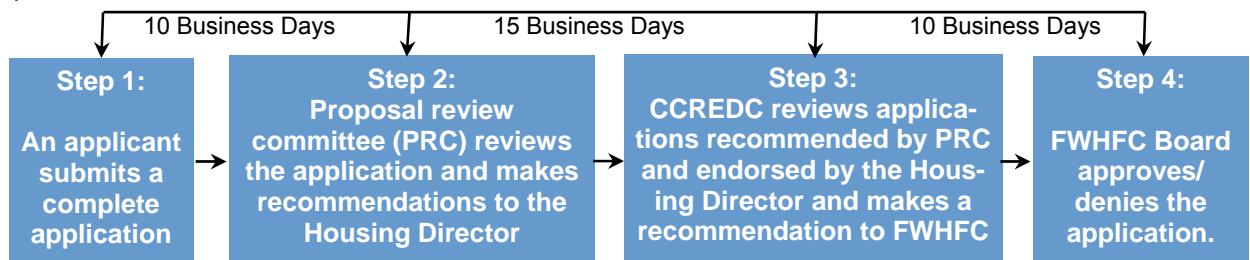
Incomplete application will not be considered until all required documentation must be submitted within 90 days of receipt of the initial application.

Need More Information?

To request a hard copy of the HDF resource manual that includes budget and pro forma forms, applicable Federal and City policies/regulations, complete program guidelines and procedures, income guidelines, and City of Fort Worth Consolidated Plan executive summary, download them from our website at www.fortworthgov.org.

How is a Project Approved for Funding?

- Step 1: A proposal review committee will review and rate completed applications. It will visit the development site and may meet with applicants to request for more information or modifications.
- Step 2: The committee will make funding recommendations, including terms and interest rates to the Housing Director.
- Step 3: Applications recommended by the committee and endorsed by the Housing Director for funding will be reviewed by the Central City Revitalization & Economic Development Committee (CCREDC) of the Fort Worth City Council. CCREDC will make its recommendations to the Fort Worth Housing Finance Corporation (FWHFC) Board.
- Step 4: FWHFC Board makes the final decision.



HDF Application and Proposal Review Process

FWHTF Housing Developer Fund

Project Rating

Categories	Maximum Rating Points*				
	Single Family	Single Family	Multifamily/ Mixed-Use	Multifamily/ Mixed-Use	Category Totals in
Threshold Criteria - All threshold criteria need to be met before a project will be considered for funding	—	—	—	—	—
✓ <i>Consistency with existing City policies</i> including City Council Strategic Goals, Comprehensive Plan and Consolidated Plan	—	—	—	—	—
✓ <i>Meeting needs of workforce housing</i> by providing residential units affordable and set-aside for individuals or households with incomes at or below 120% of area median income adjusted by family size (as defined by the U.S. Department of Housing and Urban Development)	—	—	—	—	—
✓ <i>Located in central city or target areas</i>	—	—	—	—	—
Rating Criteria					
1. Program Goals and Objectives -	10	10	10	10	
✓ <i>Support innovative concepts such as mixed-use and/or mixed-income development</i>	5	5	5	5	
✓ <i>Address unmet needs</i>	5	5	5	5	
2. Management Capability	30	30	30	30	
✓ <i>Capacity of the applicant to implement the proposed project</i>	10	10	10	10	
✓ <i>Track record with similar developments (both development and management)</i>	10	10	10	10	
✓ <i>Adequate financial and accounting system in place</i>	10	10	10	10	
3. Project Feasibility	60	50	50	50	
✓ <i>Financial feasibility (Debt coverage ratio, Loan to value, etc.)</i>	30	30	30	25	
✓ <i>Demonstrated need for gap financing</i>		5		5	
✓ <i>Design and/or Compatibility with neighborhood characteristics of proposed location</i>	10	5	5	5	
✓ <i>Community involvement (notification to City Council and neighborhood or community-based organizations - 2 points, support by neighborhood or community based organizations - 3 points)</i>	10	5	5	5	
✓ <i>Community services available and distance to proposed project</i>	10	5	5	5	
✓ <i>Amenities and services available to residents, cost efficiency, management and security plan, accessibility to transportation</i>			5	5	
4. Extent of Leveraging	0	10	10	10	
✓ <i>Leverage ratio</i>		5		4	
✓ <i>City investment per eligible unit</i>		5		3	
✓ <i>Linkages with other programs</i>			10	3	
Total Maximum Points* (Add totals from shaded boxes)	100	100	100	100	

*Applications rated below 70 points out of 100 will not be recommended for funding.

**Including projects that have multiple types of developments (e.g., single family, multifamily, commercial, etc.)

FWHTF Housing Developer Fund

10. Will the project serve any special needs population? Yes No
If yes, please identify the development type, population, and number of units:
Development Type: Permanent Housing Transitional Housing Single Room Occupancy
Population & Units: Persons with Disabilities _____ Units Homeless _____ Units
Persons with HIV/AIDS _____ Units Seniors _____ Units

11. Amenities. Please identify special amenities in the development.
- Security system Open space/landscaping provided beyond City requirements Appliances that are not required by building codes
- Recreational facilities such as playground, gym, swimming pool Meeting room, community center or club house Business center (on-site computers, internet services, printers, fax machines, etc.)

12. Services. Please identify services available near the proposed site and their distance to the site.
- Bus Services Child Care Grocery/Drug Stores
 Medical Services Public Transportation Schools
 Shopping Center Other, please specify: _____

13. On-Site Supportive Services. Please identify supportive services provided on-site.
- Child Care After School Programs Other Youth Programs
 Health Services Transportation Services Job Training
Other, please specify: _____

III. Type and Amount of Assistance Requested

1. Type of Assistance: Construction Loan Soft Cost (Predevelopment)
2. Total Project Cost: \$
3. Total Amount Requested: \$

IV. Disclosures and Declarations:

Are any of the Board members or employees of the sponsor or affiliate, which will be carrying out this project, or members of their immediate families, or their business associates

1. Employees of or closely related to employees of the Fort Worth Housing Finance Corporation (FWHFC) and/or the City of Fort Worth (the City) Yes No
2. Members of or closely related to FWHFC Board Members and/or Members of the City Council Yes No
3. Beneficiaries of the program for which funds are requested, either as clients or as paid providers of goods or services: Yes No
4. The applicant, its affiliates, subsidiaries, and any related organizations, are not delinquent in payment of any federal, state or local personal or property taxes, have no federal, state or local audit findings that are unresolved, and have no outstanding liens or judgments from the City of Fort Worth. Yes No

V. Certification

I hereby certify that the information contained in this application and its attachments fairly represents the above-named applicant's plans and budget for the project requested for funding. I understand that any misrepresentation shall constitute grounds for rejection of an application or termination of HTF funding at the discretion of the Fort Worth Housing Finance Corporation (FWHFC) and the City of Fort Worth. I agree to provide any additional information for determining eligibility as requested by FWHFC and the City. I acknowledge that I have read and understand the requirements and provisions in this handbook and that the above-named applicant will comply with all applicable rules and regulations relating to the procurement process. I certify that I am authorized to sign this application and to enter into and execute a contract with FWHFC.

Typed Name: _____ Title: _____

Signature: _____ Date: _____

FWHTF Housing Developer Fund

Attachment Check List

Check the following table for required attachments for your project type. All required attachments must be submitted with the completed application form.

	Soft Cost Predevelop- ment	Single Family Lot Development	Land Development	Single Family Construction or Rehab	Multifamily/ Mixed-use Construction
Complete Application and Application Fee	X	X	X	X	X
Borrower Structure Diagram or Description Showing General Partner & Limited Partners with % Interest & Description of Control	X	X	X	X	X
Resumes and Bank References	X	X	X	X	X
Financial Statements, Credit Reports, and Tax Returns.	X	X	X	X	X
Organizational Documents	X	X	X	X	X
Certificate of Good Standing	X	X	X	X	X
Opinion Letter Regarding Formation and Enforceability	*	X	X	X	X
Construction Sources and Uses [#]	*	X	X	X	X
Development Budget [#]					
Income, Expense & Cash Flow Proformas [#]	*	X	X	X	X
Other Sources: Grants, TIF, etc...			X	*	X
Appraisal (no more than 12 mos.)		X	X	X	X
Market Study			X	*	X
Title Policy or Option to Buy		X	X	X	X
ALTA Survey		X	X	X	X
Soil & Geotechnical Report			X	*	X
Phase I and/or II Environmental			X	*	X
Evidence of Zoning Compliance			X	*	X
Real Estate Tax Information		*	X	*	X
Land Sales Agreement		X	X	X	X
Home Sales Agreement			X	X	
Utility Letters: Water, Gas, Sewer, Telephone, Cable		*	X	*	X
Site Plan		*	X	*	X
Plans & Specifications			X	X	X
Insurance: Builders' Risk, General Liability, Workers Compensation			X	X	X
Permits, Contractor Registration		*	X	X	X
Construction Contract		*	X	X	X
Contractors' Resume, Financials, License, and Tax Returns		*	X	X	X
Payment & Performance Bond		*	X	*	X
Development Agreement			*		X
Management Agreement					X
Architect's Contract			X		X
Architect's Resume and License			X		X
Civil Engineer's Contract		*	X	*	X
Soil Engineer's Contract		*	X	*	X
Permanent Loan Commitment					X
Board minutes or resolution authorizing the submission of the application and the person to sign the contract for the Board (Non-Profit Only)	X	X	X	X	X
The organization's latest strategic, development or business plan (Non-Profit Only)	X	X	X	X	X

X = Required

* = Document may be required based on circumstances.

[#]= Download sample forms from www.fortworthgov.org/housing/ or request a hard copy at 817-392-8091.

FWHTF Housing Developer Fund

Summary of Loan Terms

	Predevelop-ment	Single Family Lot Develop-ment	Land Develop-ment	Single Family Construction or Rehab	Multifamily/Mixed-use Construction
Term	6 months with 1-6 month extension	6 or 12 month option. Loan can be set up as a revolving line of credit to purchase land/lots under parameters agreed upon by borrower and FWHFC.	12-24 month loan.	6 or 12 months. Can be an individual loan on a particular house or set up as a revolving line of credit to rehab or construct homes under parameters agreed upon by borrower and FWHFC.	Up to 24 months
Maximum Loan Size	\$300,000	\$50,000	\$1,000,000	\$500,000	\$2,000,000
Fee	1%	1% with \$50 fee on each lot under revolving line of credit	1%	1% with \$150 fee on each house under revolving line of credit	1%
Interest Rate	No more than Prime + 1.5%	No more than Prime + 1%	Prime + 1%	No more than Prime + 1%	No more than Prime + 1%
Max Loan-to-Value (LTV)	Valuation adjustments are determined based on circumstances supportable by underwriting.	Lower of 65% LTV or 100% of cost	Up to 75% LTV	Pre-Sold Homes: Lower of 90% LTV or 100% of cost. Speculative Homes: Lower of 50% LTV or 100% cost	Up to 80% of LTV, but not exceeding permanent loan takeout
Minimum Debt Service Coverage	N/A	N/A	N/A	N/A	1.15x Debt Service Coverage
Repayment	Loan to be repaid out of construction/ permanent loan proceeds, project income or at loan maturity, whichever is first.	Loan to be repaid upon construction of single family house or loan maturity, whichever is first	Loan to be repaid upon sale of lot to builder	Loan to be repaid upon sale of house or loan maturity, whichever is first	Loan to be repaid by permanent loan proceeds, income or loan maturity, whichever is first
Collateral	If applicable, 1st lien deed of trust or any other form of collateral as relevant to loan use	1st lien deed of trust on property. Deed restriction may be recorded to certify property as workforce housing.	1st lien deed of trust on property	1st lien deed of trust on property. Deed restriction may be recorded to certify property as workforce housing.	1st lien or 2nd lien deed of trust on property. A covenant may be recorded to certify property as workforce housing.
Guaranty	yes	yes	yes	yes	yes

FWHTF Housing Developer Fund

Mail completed application, attachments and application fee to:

Fort Worth Housing Trust Fund
c/o Fort Worth Housing Finance Corporation
P. O. Box 17238 Fort Worth TX 76102-7238

OR

Bring completed applications, attachments, and application fee in person to

Fort Worth Housing Trust Fund
c/o City of Fort Worth Housing Trust Fund
908 Monroe Street—3rd floor

If you have any questions or need additional information, contact:

Karen Meunier, 817- 392-8091
karen.meunier@fortworthgov.org

or

Charlie Price, 817-392-7381
charlie.price@fortworthgov.org

FORT WORTH HOUSING TRUST FUND
C/O FORT WORTH HOUSING FINANCE CORPORATION
P. O. BOX 17238
FORT WORTH TX 76102-7238

RETURN SERVICE REQUESTED