

*Attachment 2*

## **Affordable Housing Program Format**

The Affordable Housing Program is a critical element of the nonprofit agency's application. In essence, an Affordable Housing Program is a proposal that describes the activities to be undertaken by an applicant, and the geographic areas to be served. Participation in the HUD Home Sales Discount Program requires that your geographic area be designated by zip code(s).

Unlike the application for approval, a separate **Affordable Housing Program** must be submitted to every HOC with jurisdiction over the geographic areas in which the nonprofit agency wishes to do business. For example, if a nonprofit agency in Georgia wishes to do business in Los Angeles, California and Atlanta, Georgia, the nonprofit must be approved by the Atlanta HOC specifically, although the approval will be recognized by all the HOCs. **However, both** the Atlanta and Santa Ana HOCs must review and approve the Affordable Housing Program for their respective jurisdictions.

**IMPORTANT:** Conflicts of interest: No person who is an employee, officer, or elected or appointed official of the nonprofit agency or who is in a position to participate in a decision making process pursuant to the affordable housing plan or gain inside information with regard to the lease or purchase of the property pursuant to the affordable housing plan may obtain a personal or financial interest or benefit from the purchase of the property, or have an interest in any contract, subcontract, or agreement with respect thereto, or the proceeds thereunder, either for himself or herself, or for those with whom he or she has family or business ties, during his or her tenure or for one year thereafter.

A nonprofit must adhere to its Affordable Housing Program, which will consist of responses to the questions outlined below. If, at some point in the future, a nonprofit wants to engage in activities outside the scope of their Affordable Housing Program, they must first submit, for approval, an updated/revised Affordable Housing Program to the appropriate HOC(s).

An acceptable Affordable Housing Program will address all applicable items below for each geographic area in which a nonprofit will be operating (brief, vague responses to items will not be acceptable and may delay processing of your application). Submit responses to the following items, in the order that they appear in this attachment, and in a format whereby the relevant question appears with its respective answer.

1. Identify the area in which you propose to administer your homeownership program; provide FHA with the names of cities, towns, or counties, and the relevant zip codes of the areas you will cover.

2. What is your nonprofit agency's purpose regarding your participation in FHA programs?
3. Provide documentation of the source of your agency's current funding, and describe the long-term stability of these funding sources (include funding commitments from other organizations if applicable). Also provide information as to how this funding will be utilized to finance the affordable housing program.
4. How will low and moderate-income persons benefit from your program? How do you plan to transition families and individuals into homeownership in the communities you serve?
5. How will your program be designed to pass along to low-income persons any savings your nonprofit agency may receive from the discounted purchase of a HUD-owned property? How will you ensure that payments are affordable to first time homebuyers?
6. How will you locate the low and moderate-income persons who will participate and benefit from your program?
7. What type of homeownership counseling will be provided to prospective homebuyers, if any? Provide a brief description of the administration of this counseling program.
8. List all properties your nonprofit agency currently owns, has previously owned (within the last three years), rehabilitated (include approximate cost of rehabilitation), and properties that your nonprofit agency manages. Indicate which properties were financed directly or indirectly with HUD funds. Include the date purchased and purchase price, the date on which rehabilitation was completed and rehabilitation costs, the date sold and resale price, as well as demographic information on purchasers.
9. What is the expected dollar amount of developer fees or percentage of selling price you intend to charge on a per unit basis?
10. List the number of units your nonprofit agency expects to purchase and the name of the cities and/or counties where you expect to purchase the majority of the properties.
11. Provide a time line for purchasing, rehabilitating, and selling (or placing in operation) properties you wish to purchase from HUD (use number of days for each phase of the development - actual dates are not necessary).

12. If the nonprofit agency intends to provide a lease-purchase program, provide information relative to the manner in which rent is collected and applied, and whether repair reserves will be utilized to minimize repair costs after purchase.
13. How do you plan to administer and market your affordable housing program in areas at the far reaches of the required 200 mile radius from your organization's relevant office?

*On a separate sheet of paper (on the agency's letterhead), please include the following:*

I certify that the information submitted in response to the "Affordable Housing Program-Format for Narrative" is accurate.

Name of Authorized Nonprofit Agency Representative \_\_\_\_\_

Signature \_\_\_\_\_

Date \_\_\_\_\_

**WARNING: HUD will prosecute false claims and statements. Conviction may result in criminal and/or civil penalties. (18 U.S.C. 1001, 1010, 1012; 31 U.S.C. 3729, 3802)**

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