



# **A Sponsor's Guide to Documenting Scoring Commitments**



Updated: April 26, 2019



## General Information

This guide is intended to help sponsors document scoring commitments once an application is approved as a project. For information on providing documentation for scoring commitments at application, see the AHP Online Application User Guide located on FHLBank's website.

### WHERE TO FIND YOUR SCORING COMMITMENTS

- 1) In the Project Scoring Commitments section of the Affordable Housing Program Agreement – **OR** –
- 2) On the project's Scoring Information screen in AHP Online in the Disbursement or Project Completion Report (PCR) modules.

### WHEN TO DOCUMENT SCORING COMMITMENTS

**Owner-occupied:** With each disbursement request and/or at PCR.

**Rental:** Generally, after project completion during PCR, although some commitments may be documented during a disbursement request.

Some scoring commitments must be documented at application.

### TECHNICAL ASSISTANCE HOURS

Housing and Community Development (HCD) will be available to provide technical assistance from 8:00 a.m. to 5:00 p.m. (Central Time) Monday through Friday, excluding bank holidays.

HCD's toll-free number is: 1.866.571.8155.

## Documenting Scoring Commitments

Following is guidance for documenting scoring commitments. The requirements for commitments may vary based on the year the application was approved and/or the project type. These differences are noted in the applicable definitions.

### ABATEMENT OF HAZARDOUS ENVIRONMENTAL CONDITIONS:

#### ▪ **Owner-occupied Projects** (*only one unit required*)

Provide proof the hazardous environmental condition existed. (Examples of acceptable documentation include but are not limited to: Phase 1 environmental study verifying the presence of hazardous substance[s] or a third-party, executed letter from a contractor or entity experienced in the identification or abatement of hazardous environmental conditions verifying the presence of the hazardous substance[s]).

- Removal of hazardous materials/conditions as required by a lender. Remediation should be documented by proof of payment to a third-party contractor to verify abatement (not encapsulation) of the hazardous environmental conditions is complete (i.e. lien waiver, cashed check, zero-balance invoice, invoice marked “paid” and signed and dated by the contractor). – OR –
- Existence of hazardous material/condition verified by the contractor responsible for the remediation and documented by proof of payment to a third-party contractor to verify abatement (not encapsulation) of the hazardous environmental conditions is complete (i.e. lien waiver, cashed check, zero-balance invoice, invoice marked “paid” and signed and dated by the contractor). – OR –
- Executed compliance letter or document from third-party qualified environmental contractor or government agency verifying hazardous environmental condition has been removed (not encapsulated) – AND –
- Proof of payment from third-party contractor demonstrating abatement (not encapsulation) of hazardous environmental conditions is complete (i.e. lien waiver, cashed check, zero-balance invoice, invoice marked “paid” and signed and dated by the contractor).

#### ▪ **Rental Projects**

Proof of its existence should have been provided at application. (Examples of documentation that would have been provided at application are: Phase 1 environmental study verifying the presence of hazardous substance[s] or a third-party, executed letter from a qualified environmental contractor verifying the presence of the hazardous substance[s]).

- Executed compliance letter or document from third-party qualified environmental contractor or government agency verifying hazardous environmental condition has been removed (not encapsulated) – OR –
- Proof of payment from third-party contractor demonstrating abatement (not encapsulation) of hazardous environmental conditions is complete (i.e. lien waiver, cashed check, zero-balance invoice, invoice marked “paid” and signed and dated by the contractor).
- The costs of removal should be included in the development budget.

### ADAPTIVE REUSE:

*(Projects approved in 2014 and prior – 100% of units. Projects approved in 2015 and after – 80% of units.)*

Certificate of Completion, Certificate of Substantial Completion, or other documentation that verifies project is complete

### AFFIRMATIVE FAIR HOUSING: *(SUBMITTED DURING PCR FOR ALL PROJECT TYPES)*

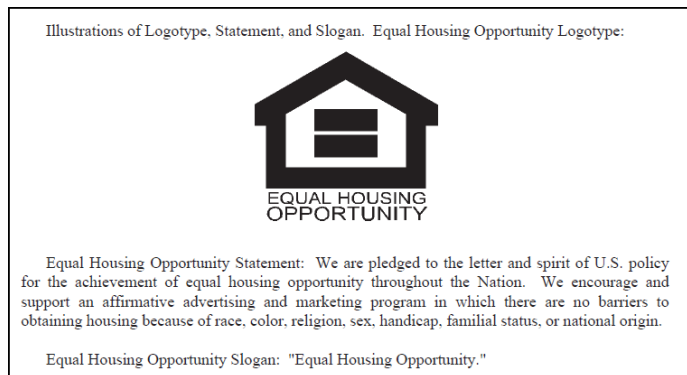
Marketing actions to provide information about the project to the broadest number of the targeted population to attract eligible persons in the housing market area to the available housing without regard to race, color, national origin, gender, religion, familial status, or disability. Supporting documentation includes:

- Copies of advertisements from newspapers or other print media sources – **OR** -
- Copies of letters sent to social service agencies advertising the program.

*Advertisements, letters, etc., should include the fair housing logo, equal opportunity statement, or slogan as illustrated below.*

– **OR** –

- If the project did not advertise because it has/had a waiting list, provide a signed letter that includes this explanation and verifies the project complied with all federal and state laws on fair housing and housing accessibility and its tenant/homebuyer/homeowner selection process.



### ASSISTANCE TO FIND OR SUSTAIN EMPLOYMENT AND/OR JOB TRAINING:

Career counseling that leads to the development of skills that enhance employability; assistance with professional resume preparation; transportation to job interviews and employment placement services.  
*(The program must be offered to ALL units.)*

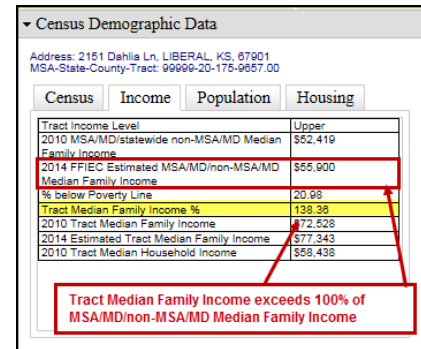
- The project's application for tenancy, intake form, or application to participate in the program that includes an offer to provide assistance to find or sustain employment and/or job training (offer must include name of provider) – **AND** –
- A letter stating that every applicant is required to complete the form submitted. – **OR** –
- Sign-in sheets of project residents, or letter from offering entity (may be project sponsor) and signed by project resident, demonstrating residents either participated in or were offered and refused to participate in the program and course curriculum/outline. (Blank sign-in sheets are not acceptable.) – **OR** –
- Letter from provider verifying the course was offered to or attended by project residents and course curriculum/outline. (The letter should include how the course was offered (i.e. flyer, via mail, or other delivery method. A copy of the flyer, letter, or other communication should be included with the letter.) – **OR** –

- A course completion certificate from the provider stating the resident/homebuyer/owner completed the course (the certificate must include the name of the provider) – **OR** –
- Sign-in sheet of residents to whom the transportation service was provided and verification the transportation was provided to job interviews or employment placement services. – **OR** –
- Letter from transportation provider verifying the transportation was provided to project residents to job interviews or employment placement services.

### ECONOMIC DIVERSITY:

Commitment to provide housing units to very –low, low or moderate-income households in Census tracts in which the median income is equal to or greater than the median income for the county or Metropolitan Statistical Area in which the Census tract is located.

- Owner-occupied Projects: FFIEC Census Demographic print out that demonstrates the unit is located in a Census tract where the median income is equal to or in excess of the median income for the county or MSA in which the Census tract is located. This should be provided with each disbursement that meets this criterion. *(minimum 50% of units must meet this criterion)*
- Rental Projects: No additional documentation is required if the project location remains the same as at application. FFIEC Census Demographic print out that demonstrates the project (or at least 50% of the project units) are located in a Census tract where the median income is equal to or in excess of the median income for the county or MSA in which the Census tract is located. This documentation should have been submitted with the application.



Census	Income	Population	Housing
Tract Income Level			Upper
2010 MSA/MD/statewide non-MSA/MD Median Family Income	\$52,419		
2014 FFIEC Estimated MSA/MD/non-MSA/MD Median Family Income	\$55,900		
% below Poverty Line	20.98		
Tract Median Family Income %	138.36		
2010 Tract Median Family Income	\$72,528		
2014 Estimated Tract Median Family Income	\$77,343		
2010 Tract Median Household Income	\$58,438		

Tract Median Family Income exceeds 100% of MSA/MD/non-MSA/MD Median Family Income

Example of FFIEC print out to verify the property meets the criteria.

<https://geomap.ffiec.gov/FFIECGeocMap/GeocodeMap1.aspx>

### FEDERALLY DECLARED DISASTER AREA (FDDA):

Rental Projects: No additional documentation is required if the project location remains the same as at application.

Project units located in an FDDA.

- The Federal Emergency Management Agency declaration or map describing the major disaster declaration;
- Documentation of the property’s location in an FDDA county;
- The declaration must be no more than 24 months prior to the AHP application period opening date for the round in which the project was approved.

### FINANCIAL EDUCATION AND/OR CREDIT COUNSELING:

A program that educates consumers about how to avoid recurring debts that cannot be repaid through establishing an effective debt management plan or budget. The education is provided to help people achieve their personal housing and financial goals. *If the program curriculum/outline was submitted at application and the provider of the training is the same provider submitted with the application, it is not necessary to provide the curriculum.*

- The project's application for tenancy, intake form, or application to participate in the program that includes an offer to provide Financial Education and/or Credit Counseling (offer must include name of provider) – **AND** –
- A letter stating that every applicant is required to complete the form submitted. – **OR** –
- Sign-in sheet(s) of project resident(s) that include(s) the name of the program provider, – **OR** –
- Letter from the provider verifying the course was offered to or attended by project residents and the course curriculum/outline. The letter should include how the course was offered (i.e. flyer, via mail, or other delivery method). Include a copy of the flyer, letter, or other communication with the letter. – **OR** –
- A course completion certificate from the provider stating the resident/homebuyer/owner completed the course. *(The certificate must include the name of the provider.)*

### FORMAL EDUCATION COURSES:

Programs that are academic in nature such as GED preparation, English as a Second Language (ESL), adult high school completion programs, literacy programs and college preparation. *If the program curriculum/outline was submitted at application and the provider of the program is the same provider submitted with the application, it is not necessary to provide the curriculum. The program must be offered to ALL units.)*

- The project's application for tenancy, intake form, or application to participate in the program that includes an offer to provide the education course(s) (offer must include name of provider) – **AND** –
- A letter stating that every applicant is required to complete the form submitted. – **OR** –
- Sign-in sheet(s) of project resident(s) that include(s) the name of the program provider, – **OR** –
- Letter from the provider verifying the course was offered to or attended by project residents and the course curriculum/outline. The letter should include how the course was offered (i.e. flyer, via mail, or other delivery method). A copy of the flyer, letter, or other communication should be included with the letter. – **OR** –
- A course completion certificate from the provider stating the resident/homebuyer/owner completed the course. *(The certificate must include the name of the provider.)*

### HOMEBUYER/HOMEOWNERSHIP COUNSELING:

A program provided by, or based on one provided by, an organization recognized as experienced in homebuyer education. FHLBank designates organizations to approve homebuyer education providers.

- Verify homebuyer education provider is acceptable to FHLBank Topeka by checking FHLBank's website. The website includes links to organizations designated by FHLBank to approve homebuyer/homeownership counseling providers. All Habitat for Humanity affiliates are designated as FHLBank approved providers.
- Verify the course was taken within the current or previous calendar year from the closing date for the purchase of the property or the rehabilitation completion date.

- The Homebuyer Education certificate must be signed or initialed by the provider – **OR** –
- If the course was taken online, the Homebuyer Education certificate must be signed by the homebuyer.

### HOUSING FOR HOMELESS HOUSEHOLDS (DEFINITION):

As defined by the McKinney-Vento Homeless Assistance Act as amended by S. 896 The Homeless Emergency Assistance and Rapid Transition to Housing (HEARTH) Act of 2009:

- 1) An individual or family who lacks a fixed, regular and adequate nighttime residence;
- 2) An individual or family with a primary nighttime residence that is a public or private place not designed for or ordinarily used as a regular sleeping accommodation for human beings, including a car, park, abandoned building, bus or train station, airport, or camping ground;
- 3) An individual or family living in a supervised publicly or privately-operated shelter designated to provide temporary living arrangements (including hotels and motels paid for by Federal, State or local government programs for low-income individuals or by charitable organizations, congregate shelters, and transitional housing;
- 4) An individual who resided in a shelter or place not meant for human habitation and who is exiting an institution where he or she temporarily resided;
- 5) An individual or family who:
  - a. Will imminently lose their housing, including housing they own, rent, or lie in without paying rent, are sharing with others, and rooms in hotels or motels not paid for by Federal, State, or local government programs for low-income individuals or by charitable organizations,
    - o A court order resulting from an eviction action that notifies the individual or family that they must leave in 14 days;
    - o The individual or family having a primary nighttime residence that is a room in a hotel or motel and where they lack the resources necessary to reside there for more than 14 days; or
    - o Credible evidence indicating that the owner or renter of the housing will now allow the individual or family to stay for more than 14 days, and any oral statement from an individual or family seeking homeless assistance that is found to be credible shall be considered credible evidence for purposes of this clause;
  - b. Has no subsequent residence identified; and
  - c. Lacks the resources or support networks needed to obtain permanent housing; and
- 6) Unaccompanied youth (***not applicable for projects approved in 2014 and newer***) and homeless families with children and youth defined as homeless under other Federal statutes who:
  - a. Have experienced a long-term period without living independently in permanent housing,
  - b. Have experienced persistent instability as measured by frequent moves over such period, and
  - c. Can be expected to continue in such status for an extended period of time because of chronic disabilities, chronic physical health or mental health conditions, substance addiction, histories of domestic violence or childhood abuse, the presence of a child or youth with a disability, or multiple barriers to employment.
- 7) Any individual or family who is fleeing, or is attempting to flee, domestic violence, dating violence, sexual assault, stalking, or other dangerous or life-threatening conditions in the individual's or family's current housing situation, including where the health and safety of children are jeopardized, and who have no other residence and lack the resources or support networks to obtain other permanent housing.

### HOUSING FOR HOMELESS HOUSEHOLDS (ACCEPTABLE DOCUMENTATION):

- If the project has concerns regarding the privacy rights of its residents, documentation may be submitted with the names of the residents concealed, referred to by initials, first or last name only, or other methods acceptable to FHLBank.
- Document the project offers residency of at least six months.
- Examples of acceptable documentation include:
  - A letter from the referring social service agency confirming the homeless status of the household – OR -
  - A copy of the project’s intake form or like documentation that includes a verification of the project resident’s homeless status (that meets the FHLBank definition of homeless). The documentation must be signed by the resident.

### IN-DISTRICT:

Projects with at least 50% of the units located in Colorado, Kansas, Nebraska, or Oklahoma.

### INTEGRAL PART OF A NEIGHBORHOOD STABILIZATION/REVITALIZATION PLAN

A formal housing or community development plan adopted by a unit of government that includes a defined geographic area. approved by a Unit of State or Local Government and is a target area for the receipt of state or local government funding or support services in the stabilization of the neighborhood:

- If project/property location is in the area covered by the plan submitted and approved at application:
  - Rental projects only – no additional documentation required if the project location has not changed.
  - Owner-occupied projects – A map showing the property’s location within the plan – **OR** – a document from a government entity verifying the property’s location is within the active Plan is required with each disbursement request.
- If the project/property location is in an area not covered by a previously submitted plan (*both rental and owner-occupied projects*):
  - A copy of Neighborhood Stabilization/Revitalization Plan and map, description of area or census tracts included in Plan. Plan needs to be active at time of application or at time of disbursement – **AND** –
  - Documentation verifying the Plan area is a target area for the receipt of state or local government funding or support services in the stabilization of the neighborhood. (Examples of this funding include, but are not limited to: tax rebates, tax abatement, CDBG funds, HOME funds, TIF funds.) This may be included in the Plan. In this case, highlight this section of the Plan. – **AND** –
  - A map showing the property’s location within the plan.  
– **OR** –
  - Signed letter from government entity verifying the property’s location within the active Plan and is also within an area targeted for the receipt of state or local government funding or support services in the stabilization of the neighborhood. (Examples of this funding include, but are not limited to: tax rebates, tax abatement, CDBG funds, HOME funds, TIF funds.)



### LARGE UNITS:

A unit with three or more bedrooms.

- Floor plan of unit/home that clearly demonstrates the existence of three bedrooms – **OR** –
- Signed document from the architect/contractor verifying the unit/home has three bedrooms – **OR** –
- Copy of the appraisal that verifies the unit/home has three bedrooms – **OR** –
- Print out from county appraiser/assessor that includes the number of bedrooms.

### MEMBER FINANCIAL PARTICIPATION:

- Owner-occupied Projects – Member financing greater than or equal to \$1,000 or donation of greater than or equal to \$500.00 for at least 20 percent of the project’s total units.
  - Settlement statement/closing disclosure in which the lender is a member of any FHLBank. *(2014 and after unless otherwise specified)* – **OR** –
  - Documentation of loan between project and member *(2014 only)*. – **OR** –
  - Documentation of loan between member and homebuyer/owner *(2015 and after)*. – **OR** –
  - Documentation (homebuyer/owner name and/or address and verification no repayment is required) of member donation toward purchase transaction/rehabilitation costs. – **OR** –
  - Member-purchased loan on the secondary market *(2016 and after)*: Documentation from the member verifying the member purchased the mortgage(s) and a member-provided list of the borrowers.
- Rental Projects - Loan must be greater than or equal to five [5] percent of the project’s total development costs.)
  - Executed loan documents (note, mortgage, etc.) from any FHLBank member – **OR** –
  - Settlement statement/closing disclosure in which the lender is a member of any FHLBank – **OR** –
  - If financing was a construction line of credit provide documentation of the financing and documentation the financing was utilized.

### MILITARY VETERANS:

Housing units provided to military veterans, or their widows or widowers, whose discharge from the military was by any means other than dishonorable or bad conduct.

- Military Veteran’s DD Form 214, Certificate of Release or Discharge from Active Duty – **OR** –
- Other documentation, acceptable to HCD that verifies a household member is a veteran, or a widow or widower of a veteran, whose discharge from the military was by any means other than dishonorable or bad conduct.

## NEW CONSTRUCTION IN AN AREA DESIGNATED BY HUD AS A QUALIFIED CENSUS TRACT, DISTRESSED AREA, OR HARD-TO-DEVELOP URBAN AREA

Rental Projects: Unless the project has changed locations or project scope, this should have been verified at application and will not require additional verification.

Owner-occupied Projects: Provide with each disbursement request.

- Provide documentation the project/unit is new construction. – **AND** –
- Provide documentation the project/unit is in a Qualified Census Tract (QCT) using the IRS Section 42(d)(5)(B) Qualified Census Tracts or other site that provides verification. This can be found at <https://www.huduser.gov/portal/datasets/qct.html>.

Owner-occupied projects (2015 and prior). Provide documentation the property is not rural as follows:

- 1) Verify the property is NOT rural by obtaining the RUCA Code form the “Am I Rural” website.
- 2) Print the results.
- 3) Include with the commitment documentation.

## OWNER-OCCUPIED REHABILITATION:

Repair or rehabilitation of housing units owned and occupied by very low-, low, and moderate-income residents. Rehabilitation must be performed on a home already occupied by the owner and not in conjunction with the purchase of the home.

- Rehabilitation Feasibility Workbook – **AND** –
- Final Cost Certification signed by the homeowner, sponsor, and contractors verifying work is complete, and all contractors have been paid. If the contractor does not sign the document, confirmation payment in full was received by the contractor will also suffice (i.e. invoice showing a \$0.00 balance or a cashed check). – **AND** –
- Third-party inspection and inspector credentials.

## PRESERVATION OF FEDERALLY ASSISTED HOUSING:

Rehabilitation of federally-subsidized units that would otherwise be lost as affordable housing stock and/or converted to market-rate units or are Public Housing Authority (PHA) owned units. *If the project address has not changed, no additional documentation is required. If the address has changed, verify below:*

- Documentation that verifies the project’s federal subsidy is within two years of expiration of the opening date of the AHP competitive application round in which the project was approved; – **OR** –
- Documentation that verifies the project continues to be owned by a PHA.

## RESIDENT INVOLVEMENT IN DECISION MAKING AFFECTING THE CREATION OR OPERATION OF THE AHP PROJECT:

The opportunity for project residents to influence, change and improve the residents' neighborhood and community by becoming members or board members of a formal Homeowner Association, Tenant Association or Resident Council or by participating in the decision making affecting the creation or the operation of the project. *(Provide verification that participation was offered to ALL units.)*

- The project's application for tenancy, intake form, or application to participate in the program that includes an offer for the resident(s) to participate in Resident Involvement (offer must include name of organization) – **AND** –
- A letter stating that every applicant is required to complete the form submitted. – **OR** –
- Formal organizational documents of the association (by-laws, election of officer, etc.) – **OR** –
- Resident involvement plan provided by sponsor/organizer – **OR** –
- Meeting minutes – **OR** –
- Announcement of meeting or other participation opportunity and description of announcement method – **OR** –
- Documentation of resident's participation in the creation or the operation of the project (signed by the resident).
  - Examples of participation for an owner-occupied project include, but are not limited to:
    - A letter signed by the sponsor and the homeowner verifying the homeowner:
      - ✓ Obtained bids for the rehabilitation of an owner-occupied unit – **OR** –
      - ✓ Actively participated in the development of the project.
  - Examples of participation for a rental project include, but are not limited to:
    - Suggestion boxes at the project site with demonstrated follow-up by the project (such as published responses as to whether the suggestions can or will be implemented.)
    - Minutes or notes from tenant meetings where tenants can voice concerns or provide suggestions regarding the operation of the project.

## RURAL (2014 - 2016):

Properties are considered to be in a rural location if the property is located in a Census tract (or ZIP code only if Census tract is unavailable) with a Rural Urban Commuting Area (RUCA) code of "micropolitan, small town or rural" (**RUCA primary codes 4-10**) as identified using the "Am I Rural" tool located at: <https://www.ruralhealthinfo.org/am-i-rural>. Should the tool malfunction or become unavailable, determine rural designation using the Rural Urban Commuting Area (RUCA) codes. Instructions for using the tool are as follows:

- In the report, locate "Common Rural Definitions."
- Locate "RUCA (Rural urban Commuting Areas) – Census Tracts." Properties located in a Census tract (or ZIP code only if Census tract is unavailable) with a Rural Urban Commuting Area (RUCA) code of "micropolitan, small town or rural" (**RUCA primary codes 4-10**) are considered rural.

## SPECIAL NEEDS:

Households consisting of one or more residents who are elderly (55 years or older), mentally or physically disabled persons, persons recovering from physical, alcohol or drug abuse, or persons with HIV/AIDS.

- The Special Needs categories and examples of acceptable documentation are as follow:
  - Elderly: Verify resident is age 55 or older.
    - Age listed on rental application, intake form, or Tenant Income Certification (TIC), signed by tenant, - (if rental) – **OR** –
    - Copy of driver’s license or birth certificate – **OR** –
    - Age listed on Household Summary tab of corresponding Income Calculation Workbook (certified by Member – if owner-occupied).
    - Social Security Statement (if it includes the date of birth)
  - Mentally or physically disabled persons: Submit documentation that verifies the resident is disabled.
    - Copy of a disability award letter such as Social Security Disability – **OR** –
    - A letter from the referring social service agency or doctor confirming the resident is disabled.
  - Persons recovering from physical, alcohol or drug abuse:
    - A letter from the referring social service agency confirming the resident is recovering from physical, alcohol or drug abuse – **OR** –
    - An affidavit, signed by the resident, that verifies s/he is in recovery from physical, alcohol or drug abuse – **OR** –
    - A copy of the signed rental application or intake form (for rental projects) that establishes the resident is in recovery from physical, alcohol or drug abuse.
  - Persons with HIV/AIDS:
    - A letter from the referring social service agency or doctor confirming the resident has HIV/AIDS – **OR** –
    - An affidavit signed by the resident that verifies s/he has HIV/AIDS – **OR** –
    - A copy of the signed rental application or intake form (for rental projects) that establishes the resident has HIV/AIDS.

**SPONSORSHIP BY AN ORGANIZATION – (Applicable to ALL projects regardless of whether the project received points for sponsorship by a not-for-profit organization or government entity):**

This documentation must be submitted for all project types at Project Completion Report. All AHP projects must have a sponsor even though the project may or may not request or receive points for Sponsorship by a Not-for-Profit Organization or Government Entity. All project sponsors, including for-profit sponsors, must meet minimum threshold requirements. The minimum requirements are:

- **Owner-occupied Projects:** The project sponsor must submit a signed, dated letter detailing its involvement in the project. The letter should be on the sponsor’s letterhead and should include verification the sponsor provided one or more of the following:
  - Project Sponsor manages the construction or rehabilitation of the property – **OR** –
  - Project Sponsor provides empowerment services directly (see AHP Implementation Plan) – **OR** –
  - Project Sponsor qualifies borrowers or provides or arranges financing for the owners of the units.
- **Rental Projects:** The project sponsor must provide documentation, such as a partnership agreement or documentation from the county showing the sponsor as the owner, verifying the sponsor has an ownership interest in the project that meets one of the following criteria:
  - Project Sponsor must own at least 10% of the ownership entity – **OR** –
  - Project Sponsor must have at least a 10% interest in the general partner (GP) or the limited partner (LP) or the managing partner(s) of the owner.

**SPONSORSHIP BY A NOT-FOR-PROFIT ORGANIZATION OR GOVERNMENT ENTITY (2014 - 2015):**

- **Owner-occupied Projects:** An organization or public entity that is integrally involved in the project. The sponsor will submit a signed, dated letter detailing its involvement in the project. The letter needs to be on letterhead and should include verification the sponsor provided one or more of the following:
  - Exercising control over the planning, development or management of the project; – **OR** –
  - Qualifying borrowers; – **OR** –
  - Providing or arranging financing for the owners of the units.
- **Rental Projects:** Sponsor must provide documentation, such as a partnership agreement or documentation from the county showing the sponsor as the owner, verifying the sponsor has an ownership interest in the project that meets one of the following criteria:
  - Has a controlling interest (>50%) in the ownership entity, for example a limited liability company (LLC) or limited liability partnership (LLP), – **OR** –
  - Has a controlling interest in the general partner (GP) or the managing partner(s) of an LLC or LLP (>50% of GP ownership of the project), – **OR** –
  - Is the sole owner of the project.
    - If the nonprofit has a controlling interest in the ownership entity or the general partner/managing partner, the executed partnership agreement or equivalent documentation will demonstrate the nonprofit’s ownership interest in the project. – **OR** –
    - If the nonprofit is the sole owner, the deed, deed of trust, mortgage or county ownership record listing the nonprofit as the owner is sufficient evidence of ownership.

#### SPONSORSHIP BY A NOT-FOR-PROFIT ORGANIZATION OR GOVERNMENT ENTITY (2016):

- **Owner-occupied Projects:** An organization or public entity that is integrally involved in the project. The sponsor will submit a signed, dated letter detailing its involvement in the project. The letter needs to be on letterhead and should include verification the sponsor provided one or more of the following:
  - Exercising control over the planning, development or management of the project; – OR –
  - Qualifying borrowers; – OR –
  - Providing or arranging financing for the owners of the units.
- **Rental Projects:** Sponsor must provide documentation, such as a partnership agreement or documentation from the county showing the sponsor as the owner, verifying the sponsor has an ownership interest in the project that meets one of the following criteria:
  - **Rental Projects** (awarded 7.5 not-for-profit sponsor points): An organization or public entity that:
    - Has a controlling interest (>50%) in the ownership entity, for example a limited liability company (LLC) or limited liability partnership (LLP), – OR –
    - Has a controlling interest in the general partner (GP) or the managing partner(s) of an LLC or LLP (>50% of GP ownership of the project).
  - **Rental Projects** (awarded 2.5 not-for-profit sponsor points): An organization or public entity that:
    - Has an ownership interest in the ownership entity of at least 10% of the ownership entity, – OR –
    - Has at least a 10% interest in the general partner (GP) or the limited partner (LP) or the managing partner(s) of the owner

#### SPONSORSHIP BY A NOT-FOR-PROFIT ORGANIZATION OR GOVERNMENT ENTITY (2017 AND AFTER):

- **Owner-occupied Projects:** An organization or public entity that is integrally involved in the project. The sponsor will submit a signed, dated letter detailing its involvement in the project. The letter needs to be on letterhead and should include verification the sponsor provided one or more of the following:
  - Exercising control over the planning, development or management of the project; – OR –
  - Qualifying borrowers; – OR –
  - Providing or arranging financing for the owners of the units.
- **Rental Projects** (awarded 7.5 not-for-profit sponsor points): Sponsor must provide documentation, such as a partnership agreement or documentation from the county showing the sponsor as the owner, verifying the sponsor has an ownership interest in the project that meets one of the following criteria:
  - Has a controlling interest (>50%) in the ownership entity, for example a limited liability company (LLC) or limited liability partnership (LLP), – OR –
  - Has a controlling interest in the general partner (GP) or the limited partner (LP) or the managing partner(s) of the owner (>50% ownership of the project).
- **Rental Projects** (awarded 2.5 not-for-profit sponsor points): An organization or public entity that:
  - Has an ownership interest of at least 10% of the ownership entity, – OR –
  - Has an ownership of at least a 10% interest in the general partner (GP) or the limited partner (LP) or the managing partner(s).

### SWEAT EQUITY PROGRAMS (OWNER-OCCUPIED PROJECTS ONLY):

- Copy of a log of hours worked or a certification of sweat equity hours worked by homeowner, signed by the sponsor or sweat equity supervisor
- A copy of the fully-executed sweat equity contract.

### TARGETING:

The extent to which a project provides housing for very-low and low or moderate-income households.

- Owner-Occupied Projects: Verified at each disbursement request utilizing the Income Calculation Worksheet and back-up income documents.
- Rental Projects: Verified at project completion (and long-term monitoring if project is subject to long-term monitoring) using the Tenant Income Worksheet (TIW) and sampling of back-up income documentation.

### TENANT COUNSELING (RENTAL PROJECTS ONLY):

Counseling provided to tenants to help them understand their rights and responsibilities under state and local laws and ordinances. Examples of curriculum include: the nature of leases and rental agreements, landlord repair and maintenance responsibilities, landlord/tenant rights, termination of rental agreements, security deposits and dispute resolution. *If the program curriculum/outline was submitted at application and the provider of the program is the same provider submitted with the application, it is not necessary to request the curriculum. (Requires participation in the service of a minimum of 20% of project units.)*

- Sign-in sheets of project residents participating in the program and copy of program curriculum. (Sign-in sheet must show project residents participated in the program. Blank sign-in sheets are not acceptable.) – OR –
- Letter from provider verifying the number of project residents that participated in the program (If the program provider is the project sponsor and/or owner, acknowledgements, in writing, from the tenants verifying they participated in tenant counseling is also required.) – OR –
- Attendance certificates for each resident in attendance signed by the program provider.

### USE OF DONATED OR CONVEYED GOVERNMENT-OWNED OR OTHER PROPERTIES:

Land or housing units donated or conveyed with no remuneration to the donor. Projects were awarded points based on when the donation to the project occurred.

Examples of acceptable documentation are:

- a letter of donation specifying the property address and donee. The letter must be signed by the donor, – OR –
  - a real estate transfer statement, – OR –
  - a purchase contract documenting the donation and an executed closing document, – OR –
  - a final closing document (i.e. settlement statement, Closing Disclosure, or other closing documentation) verifying there are no purchase costs in the transaction other than normal closing costs (title insurance, closing fee, etc.), – OR –
- a signed long-term lease (e.g. 99 years) with the project sponsor/owner at a de minimis cost.

**Rental Projects approved in 2014 and 2015:** 100% of land or units must be fully donated.

**Owner-occupied Projects approved in 2014 and 2015:** A minimum of 20% of land or units must be fully donated.

**All Projects approved in 2016 and after:** A minimum of 20% of land or units must be fully donated.