

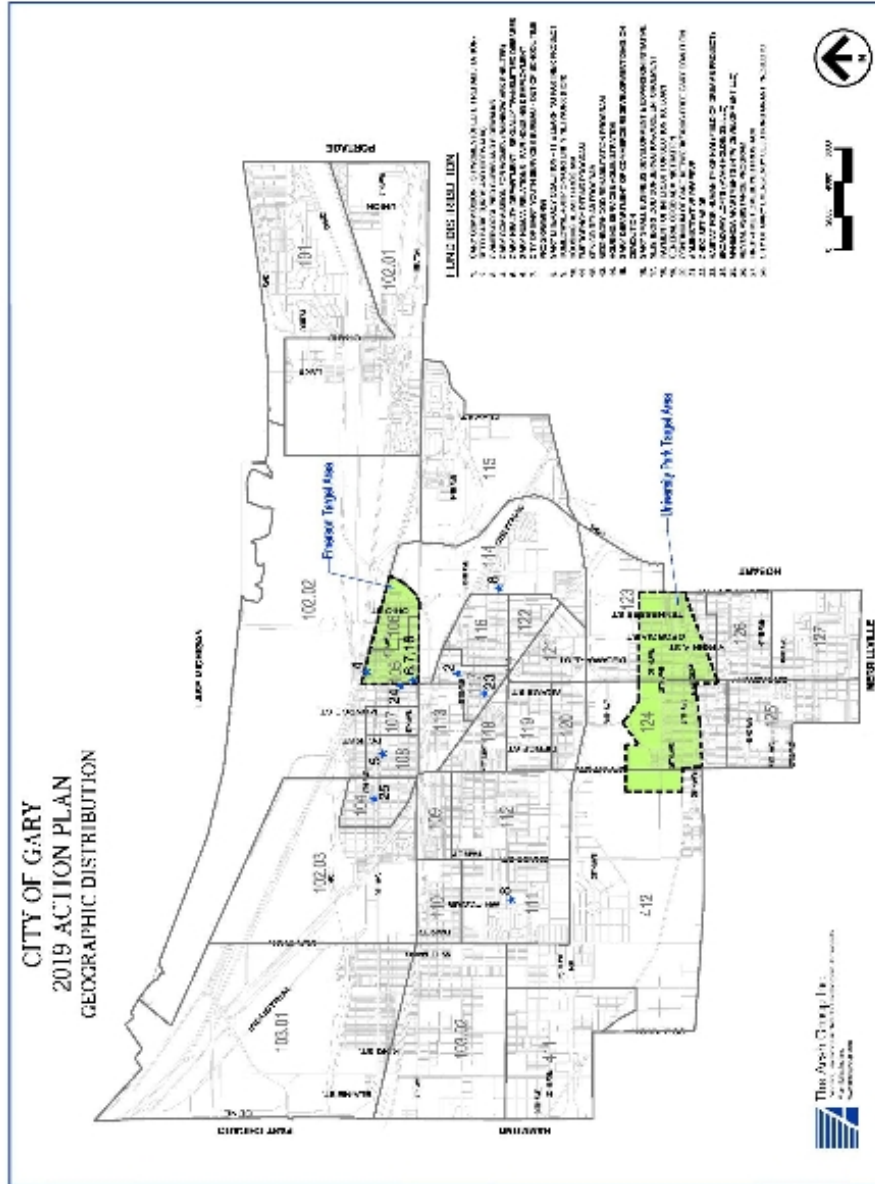
## **Grantee Unique Appendices**

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#### **EXHIBITS**

EXHIBIT 1

Geographic Distribution



**EXHIBIT 2**

**Resale/Recapture Provisions**

The City believes that activities supported by the HUD funds should become long term assets of the community. HOME funds provide purchase or rehab assistance to homebuyers, homeowners, or investors. The resale of all HOME assisted properties during the required affordability period will be governed by the recapture guidelines in accordance to provisions of CFR 24, Section 92.253(a)(5) of HUD. This provision allows participating Jurisdictions to impose either resale or recapture requirements on properties sold that have been assisted with HOME funds. The City of Gary will utilize the recapture method instead of the resale provision.

- A. **Periods of Affordability:** The recapture provision will ensure that each housing unit will remain affordable for a period of time determined by the recapture schedule below, established in accordance with 24 CFR 92.254.

HOME Amount per Unit	Minimum Period of Affordability in Years
Less than \$15,000	5
\$15,000 - \$40,000	10
Over \$40,000	15
New Construction	20

- B. **Net Proceed:** The "net proceeds" for this purpose is defined as the sales price minus superior loan repayment (other than HOME funds) and any closing costs. To the extent that net proceeds are available at closing, all or a portion of the HOME funds are due and may be recaptured.

- C. **Recapture Provisions:** To continue affordability, the City will impose recapture requirements on all HOME funded housing programs. The primary policy of the City is to rely on "Recapture" provisions as a tool to ensure affordability to potential low and moderate-income homebuyers or renters. The "Recapture" provisions are set forth as follows:

1. All homeowner assistance involving HOME funds shall be provided as deferred or amortized loan as evidenced by a note secured by a deed of trust on the property. If the homebuyer does not continue to occupy the property as their principal residence for the duration of the period of affordability, this action shall be treated as an event of default and the homeowner shall become liable for the totality of assistance provided.
2. During the period of affordability, the homebuyer shall not be permitted to refinance the property without the approval and consent of the City.
3. The period of affordability will be based upon the total amount of HOME funds subject to recapture described in Paragraph "A" of this section.

4. Amount Subject to Recapture: The HOME investment that will be subject to recapture will be based on the amount of HOME assistance that enabled the homebuyer to buy a dwelling unit. This includes any HOME assistance that reduced the purchase price from fair market value to an affordable price, but excludes the amount between the cost of producing the unit and the market value of the property (i.e., the development subsidy).
5. Reduction during Affordability Period: The City of Gary will reduce the HOME investment amount to be recaptured, on a prorated basis for each complete month the homeowner has owned and occupied the housing, measured against the required affordability period and based on the following schedule:

Affordability Period	Pro-rated Amount
5 Years	1/60 per month
10 Years	1/120 per month
15 Years	1/180 per month

Ownership terminating on the 16th of a month or any date in the month thereafter shall be rounded up and considered a complete month of occupancy. Ownership terminating on or before the 15th of a month will be rounded down and ownership will be considered to have terminated at the end of the prior month.

If the net proceeds are not sufficient to recapture the full or prorated HOME investment, the City shall retain the totality of all proceeds.

6. Recaptured HOME funds by Community Housing Development Organizations (CHDO), shall be returned to the City of Gary, and shall be used by CHDOs to provide affordable housing in the City of Gary.

For failure to meet these requirements, the City, at its own discretion and subject to other legal requirements, may require immediate repayment of a loan or grant from the homeowner for the prorated portion of the HOME funds.

**EXHIBIT 3**

**HOME Affordability Limits**

**Maximum Property Value**

PJs are required to use the 95% of Area Median Purchase Price Value as the limitation of purchase price for HOME units. As a surrogate for calculating this data locally, HUD provides allowable value limits for maximum purchase price by area. The dataset used for determining this percentage changed as of the 2013 HOME Final Rule; as a result, the new limits are no longer based on 203(b) and are referred to as the HOME Homeownership Value Limits. The new limits provide maximum values by unit size and with regard to whether the unit is new or existing.

In Gary, the sales price of any homebuyer property assisted with HOME funds must not exceed 95 percent of the area median purchase price for that type of single-family housing for the Gary, IN HUD Metro Area. As noted above, HUD allows PJs to use either the HOME Homeownership Value Limits established by HUD or the actual 95 percent of median sales price limits for the area, whichever is higher; the City of Gary opts to utilize the HOME Homeownership Value Limits method. Program documents (including underwriting worksheets) will be updated annually to reflect the updated figures. The 2018 limits are as follows.

<b>Purchase Price Limits, Effective April 15, 2019</b>				
<b>Housing Type</b>	<b>1-Unit</b>	<b>2-unit</b>	<b>3-unit</b>	<b>4-unit</b>
Existing Homes	\$159,000	\$203,000	\$246,000	\$305,000
New Homes	\$242,000	\$309,000	\$375,000	\$464,000

In order to ensure compliance with the maximum property value requirement, the City of Gary shall determine and document the value (or after-rehabilitation value for rehab projects) of the unit prior to HOME assistance being provided. To establish the value of the home, the PJ may use an estimate of value, appraisal or tax assessments; these methods are described in greater detail in the Homeowner Rehabilitation Section XI. For homebuyer projects, City of Gary generally shall require that a copy of the appraisal of the HOME-assisted property, conducted prior to the loan closing, be provided to City of Gary. The appraisal amount, when added to the total dollar amount of rehabilitation (according to the bid), must be less than the HOME Homeownership Value Limit for the unit; for down payment assistance-only projects, the rehabilitation amount would be zero (\$0). City of Gary (or the developer, if applicable) shall utilize the "Calculation of Maximum Property Value" form to document compliance with this requirement for each property. A copy of this form shall be completed and dated prior to the date of purchase and maintained with the project file. If the home value calculated is higher than the HOME Homeownership Value Limit, the project must not move forward.

For all units considered for rehabilitation using HOME funds, to avoid the unnecessary expenditure of funds on a project that may not move forward because of this limit, the rehabilitation inspector shall provide a preliminary estimate of the initial value of the property and an estimate of the cost of rehab work following inspection of the property. When added together on the "Preliminary Calculation of After-Rehabilitation Value" form, those amounts should be under the HOME Homeownership Value Limit, or the project should be abandoned. If applicable, this form shall be completed, signed and dated prior to bidding the project and maintained with the project file.

Exhibit 4

**1. WRITTEN STANDARDS FOR PROVISION OF ESG ASSISTANCE**

The following program standards have been developed by the City of Gary based on experience of the City with standards created for HPRP as well other rental assistance programs that the City currently funds. The City will employ these policies in its decision to provide assistance to homeless individuals and families and those at risk of becoming homeless. Over the coming months, however, the City will be reviewing these policies and modify if necessary to best address the needs.

**1.1 Eligibility for Assistance**

Each applicant (individual or family) will receive an initial consultation and eligibility assessment with a case manager, shelter provider staff, or other authorized representatives who can determine eligibility and the appropriate type of assistance required. In determination of eligibility the following will be considered.

- All applicants will be screened through the Coordinated Entry (CE) process.
- The applicant's combined household income must be at or below 30 percent of Area Median Income (AMI);
- The applicant must be either homeless (to receive rapid re-housing assistance) or at risk of losing its housing (to receive homelessness prevention assistance);
- The applicant lacks the financial resources to obtain immediate housing or remain in his/her existing housing; and
- The applicant lacks support networks needed to obtain immediate housing or remain in his/her existing housing.
- Applicants currently living in a shelter or a transitional facility.
- Applicants living currently in a place in which they do not hold a lease, in a hotel/motel, in an institutional setting or on the street.
- Applicants holding a lease that have received pay or quit notices will be referred to other programs that offer prevention services.
- Applicant(s) facing foreclosure will be referred to HUD Certified Counseling Agency to receive legal service and/or other assistance.

**Documentation requirements**

The City's ESG participants, as a general rule, will request full documentation from all applicants. The City's ESG participants will use available information as a spring board to not only provide immediate service, but also to assess subsequent options for housing.

- Valid Driver's License or valid state ID for all adult household members
- Social Security Cards (not copies) for all household members
- Valid Birth Certificate
- All current documentation of gross income (before taxes and other deductions) for all household members. (Wages from employment, income from "cash jobs", TANF, Social Security, SSI, SSD, insurance compensation, unemployment compensation, child support, disability payments, pensions, interest and dividends, etc.)
- Most current bank statement for all household members who have any type of bank account.
- Documentation of assistance from other sources such as: WIC, food pantries, letters from family and/or friends listing type of help and amount of money given, etc. Letters must be verifiable and they must contain the name, address, and phone number (if applicable) of the letter-writer, and they must be signed and dated).

- Verification of address/current living situation
- Verification of household size
- Homelessness Documentation - Written verification from the institution's staff that the applicant has been residing in the institution for less than 90 days; and information on the previous living situation as being homeless in shelter or streets.
- Some documentation of the problem(s) that led to the need for assistance as determined by the case manager (i.e.; proof of medical bills, loss of income, etc.)
- Full documentation for eligibility determination may be modified or deferred by the case managers for applicants who are victims of family violence or catastrophic emergency situation such as fire and loss of home.

### **1.2 Policies and Procedures for Coordination Among Providers**

Coordination of policies and procedures for homeless assistance programs will primarily be achieved through the City of Gary and Regional Planning Council. Active participation in the Regional Planning Council is required. The City and RPC will support a variety of activities which assure availability of services as well as coordination and management. Specifically, the coordination effort will include:

- The City and RPC will implement a coordinated front and back door assessment process through Coordinated Entry participants. All CE participants will be encouraged to use this process and report as required to assure full coordination. This process will be refined to assure rapid rehousing for all homeless and at risk in the system.
- The CE participants will coordinate and evaluate the intake process and conduct a quarterly peer evaluation to assure effectiveness.
- Periodically, meetings of all participating agencies will be held to ensure effective ongoing management and provide updates on any new program developments, outcomes to date, and to allow for discussion and resolution of any project issues.
- Case managers and program representatives will be meeting applicants regularly in CE participating offices or in shelters. The City, CE staff, and shelter staff will also be routinely engaged in conversations and will be requested to participate in any process to assist the program in meeting the needs of the people and families it serves.
- Referral Service:
  - a. Participating agencies, including those receiving ESG funding for shelter operations, will be eligible to refer applicants into CE for homelessness prevention and rapid re-housing assistance.
  - b. The referral process for rapid re-housing and homeless prevention will be as outlined by the CE process and funding availability.
  - c. Referrals will be processed according to the vulnerability assessment (Vulnerability Index - Service Prioritization Decision Assistance Tool or VI-SPDAT).

### **1.3 Policies and Procedures for Determining and Prioritizing Type of Assistance**

The City of Gary's goal is to reduce the length of stay at shelter duration of homelessness. As such the City plans to use the following procedures for determining and prioritizing eligible applicants by the type of assistance requested. In this determination, the City will also prioritize based on familial status, and the working poor families.

- a. **Prevention High Priority Risk Factors**
  - Eviction within two weeks
  - Sudden and significant loss of income
  - Head of household/families with children.

- Severe housing cost burden (greater than 50% of income)
- High overcrowding
- Recent traumatic life event (fire, loss of spouse, or recent health crisis, etc.)

**b. Rapid Re-Housing High Priority Risk Factors**

- 1) Literally homeless
  - a) Individual or family who lacks a fixed, regular, and adequate nighttime residence, meaning: Sleeping in an emergency shelter
    - Sleeping on the streets, etc.
    - Victim of domestic violence
    - Discharged from institutions
    - Graduating from a transitional shelter
    - Households with a source of income, employment or disability or retirement benefits, sufficient to cover rent after re-housing but with need for initial support to securely transition to housing.

**1.4 Standards for Determining Share of Rent and Utilities Each Participant Must Pay**

The City of Gary will not require participant to contribute toward payments provided no income exists or funds are not readily available. For applicants with a source of income or ability to pay, that may need initial support to transition to full re-housing the following guidelines will be applied.

- Applicants with income will be required to contribute up to 50% of their income for rent, utilities and related housing expenses.
- Applicants with income may only receive security deposit if employed and adequate income for rent is evident.
- Applicants with income may only receive one month's rent and security deposit if adequate income is not available but is evident within the next 30 days.
- Applicants with income may only receive partial deposit (if needed) plus a short-term rental subsidy, if only partial gap exists in applicant's availability of funds.

**1.5 Standards for Determining How Long Rental Assistance and How Amount is Adjusted Over Time**

The City of Gary intends to expend ESG funds in the most frugal manner by providing as little support as needed to divert or re-house homeless and at risk households quickly. In this effort the City will pursue the following guidelines:

- The City will provide medium-term rental assistance (up to 12 months) to those individuals and families who require assistance to obtain/maintain housing until a longer-term or even permanent solution becomes available. The details and specific guidelines for this type of assistance are described in the following subsection.
- The City will update status on a quarterly basis for participants and adjusts benefits, if required.
- Applicants with a source of income may receive 1) deposit only; 2) a deposit equal to 2 months of rent, or 3) full or partial deposit and a short-medium term subsidy to temporarily bridge the income gap. This assistance is also typically restricted to a maximum of 12 months; 4) services only to locate suitable housing, jobs, or relief as identified to assure stability.



## 1.6 Standards for Determining Type, Amount and Duration of Stabilization and/or Relocation Assistance

The City of Gary will determine the types of assistance and the amount on a case-by-case basis with consultation with CoC, the shelter providers, and other agencies. The amount will reflect ability to pay, program dollars available, number of applicants planned to be served, and the program end date. The City will use the following as a guideline for assistance:

- Unsheltered homeless (for individuals living on the street only): Costs for Emergency health and mental health services and cost of program participant's travel on public transportation.
- Rental Application fees: amount of rental housing application fee charged by the owner.
- Security Deposits: cannot exceed rent reasonableness standards as established by HUD
- Utility Payments/Utility Deposit: Maximum permitted one month.
- Moving cost Assistance: will be reviewed on a case-by-case basis. Moving cost may include truck rental for self-hauling option.
- Storage Fees: maximum of 3 months, but not to exceed \$300.00 (no arrears)
- Short-term rental assistance: cannot exceed three (3) months
- Medium-term rental assistance: cannot exceed twelve (12) months and must be reviewed every three months.
- Rental Arrears: One-time payment for up to two (2) months including any late fees on those arrears and cannot exceed both rent reasonableness and fair market rate.
- Use with other subsidies: **Rental assistance cannot be provided to a program participant who is receiving tenant-based rental assistance or is living in a housing unit receiving project-based rental assistance or operating assistance through other public sources.**
- Rental Restrictions: Rental assistance cannot be provided unless the rent does not exceed the Fair Market Rent established by HUD and complies with HUD's standard of rent reasonableness.
- Duplication of services: **No program participant shall be provided duplication of services by organizations receiving ESG funds. A check in the HMIS system should determine if a program participant has received or is in the process of receiving assistance through another organization. Communication must be made between organizations if a program participant attempts to receive duplicated assistance.**
- Cost of enrollment in other training programs which enhance employment, money management/budgeting as determined by case management.

## 2. PROCESS FOR MAKING SUB-AWARDS

The City of Gary Community Development Department publishes a notification of funding in the local newspapers and media outlets to announce the availability of program funds. Applications are also emailed to the Department's wide network of stakeholders and posted on the City of Gary's website for organizations to download and complete to apply for funding. These applications are then reviewed by the Community Development Application Committee for conformance with the programs requirements, qualifications of applicants, availability of matching funds and other factors. The Funding Recommendations are then submitted to the Mayor of the City of Gary and the City Council for final approval of funding allocation.

## 3. HOMELESS PARTICIPATION REQUIREMENT

In compliance with Section 576.405(a) of the Emergency Solutions Grants Program, the City has engaged one homeless individual or formerly homeless individual, on the board of directors of the

Continuum of Care of NWI, in its planning process. The City also has engaged CoC of NWI, of which many of the shelter and service providers are members and participate in coordination of all activities. In addition several members of the City's shelter and service providers participate in discussions and fill out surveys indicating the needs and where funds should be allocated.

#### **4. PERFORMANCE STANDARDS**

The City of Gary in consultation with the Continuum of Care has developed the following standards to evaluate subrecipients' performance and each program's effectiveness. The purpose of these standards is to provide a measure for the ESG recipients to follow as they implement different programs. These providers will be contractually obligated to meet or exceed performance standards as approved by the City. It is however, anticipated that the City's performance standards will continue to evolve over time and will be developed to better support the national goals.

Specific performance standards that will be applied to the ESG funded programs are based on the following:

- Targeting those who need assistance most;
- Reducing the number of people living on the streets or emergency shelters;
- Reducing the length of homelessness;
- Reducing clients' housing barriers or housing stability risks;
- Reduce new and return entries into homelessness;
- Improve coordination and services integration to increase self-sufficiency for program participants.

The City will continue to monitor and review the effectiveness of different activities based on:

- The average length of stay in a shelter or waiting period for re-housing (goal of 60 days for rapid rehousing)
- Maintain an average homeless prevention of fourteen days (14) for those who are not moving and forty five (45) days for those who are.
- Use of available housing options, reasonable, and related services for program participants
- Number of program participants that have stably remained housed at twelve (12) months.
- The number of participants who have received prevention assistance from re-entering local shelter programs (goal, less than 20%)
- Enrollment of participants in different educational and training programs (goal 50%) to improve self-sufficiency and financial management.

The City, based on past experience and after consultation with the CoC, will utilize the following evaluation standards for ESG activities:

- The organization's prior performance;
- Quality of services provided;
- Ability to draw down funds in a timely manner;
- Number of people served;
- Ability to leverage other funds.