

CUMBERLAND COUNTY
COMMUNITY DEVELOPMENT DEPARTMENT
AFFORDABLE HOUSING PROGRAM GUIDELINES

The information enclosed contains the Program Guidelines and Application for the Affordable Housing Program administered by the Cumberland County Community Development Department (CCCD). Please refer to the Program Guidelines for eligibility requirements.

One original and four copies of the application and required exhibits must be submitted. The deadline for submission is March 19, 2010 at 4:00 pm, no exceptions.

Each form and exhibit must be accurately completed and include all requested information. Be sure to complete all sections and submit all forms required.

Applications and required exhibits should be submitted to CCCD at 245 Person Street, Fayetteville, North Carolina 28301. If you have any questions, please contact Ms. Thanena Wilson, Community Development Director, at (910) 323-6112.

CUMBERLAND COUNTY COMMUNITY DEVELOPMENT DEPARTMENT AFFORDABLE HOUSING PROGRAM GUIDELINES

PROGRAM DESCRIPTION

The Cumberland County Community Development Department (CCCD) administers the Community Development Block Grant (CDBG) and Home Investment Partnerships (HOME) Programs for the Department of Housing and Urban Development (HUD). HUD allocates funds by formula among eligible State and local governments to strengthen public-private partnerships for the creation of affordable housing. CCCD's Affordable Housing Program provides financing to developers for the acquisition and rehabilitation or new construction of housing for low and moderate income families. To be considered, all sponsoring entities and proposals must meet the regulations prescribed in the Community Development Block Grant Program at 24 CFR Part 570 and/or the HOME Investment Partnerships Program at 24 CFR Part 92.

Affordable Housing Program subsidies must be used for one of two purposes:

- ❖ To finance the purchase, construction and/or rehabilitation of owner-occupied housing for very low, low and moderate-income households; or
- ❖ To finance the purchase, construction and/or rehabilitation of rental housing for very low, low, and moderate-income households.

Developers may apply for a low interest loan for construction and permanent financing. Generally, CCCD provides financing based on a 20 to 30-year amortization. CCCD will accept a first, second, or in some cases a third mortgage position. CCCD may structure loans with interest rates ranging from 0% to market rate, interest payment only with principal payment deferred behind a first mortgage, principal payment only with interest payment deferred behind a first mortgage, or other terms and conditions as appropriate. The purpose of this program is to expand the housing opportunities for low and moderate income families. This is accomplished through a savings in the financing cost that allows the owner to reduce the rents on the units over an extended period. Developers of homeownership projects are able to pass on cost savings to the potential homebuyer and thereby keep the unit affordable. CCCD will decide the source of funding to be awarded based on what is most appropriate to the particular project proposed.

PART I. MINIMUM REQUIREMENTS

ELIGIBILITY

Private builders, developers, nonprofit community groups, Community Based Development Organizations, and Community Housing Development Organizations are eligible to apply for financing. Applicants must demonstrate that they have appropriate housing development experience and sufficient financial capacity, based on the project, to undertake the development.

APPLICATION THRESHOLD REQUIREMENTS

- FOR CDBG assistance, the development's characteristics must conform with the HUD 24 CFR Part 570 and CCCD rules and regulations, including occupancy and rent restrictions.
- FOR HOME assistance, the development's characteristics must conform with the HUD 24 CFR Part 92 and CCCD rules and regulations, including occupancy and rent restrictions.
- The application is complete with the required exhibits. Applications for developments of 12 units or more must contain a market analysis, prepared by an unaffiliated third party, of comparable properties, including property descriptions, rent structures, sales prices, amenities, vacancy rates, waiting lists and other relevant data.
- Developer must submit evidence that they have contacted the municipality in which the project is located with an offer to meet and discuss the proposed development. If available, minutes of such meeting(s) should be included with the application.
- Developer must submit evidence (i.e. letter from local representative) they have contacted local community and/or neighborhood organizations (if any exist) to discuss the proposed development. If available, minutes of such meeting(s) should be included with the application.
- Evidence of site control and ability to keep same for 180 days from application date.
- Evidence regarding the property's current zoning designation and what steps, if any, are in process to obtain proper zoning and/or site plan approval for the proposed development. Application must contain minutes of any public hearing on zoning considerations.
- The application must contain enough financial information including letters of interest or financing commitments to assess the probability of economic feasibility.

- CCCD staff must make a determination that the proposal meets a need as identified in the Cumberland County Consolidated Plan.
- Developer must have a satisfactory compliance record on existing developments funded by CCCD and/or other federal, state or locally funded projects.

Upon satisfying application threshold requirements, an application will be considered under the Consistency with Local Needs Criteria and Development Factors and Qualifications set forth herein. Notice of the application will be sent to the municipality in which the project is located requesting comments on the development.

PART II. LOCAL CONSISTENCY REQUIREMENTS (MAXIMUM 15 PTS.)

CONSISTENCY WITH LOCAL NEEDS

Each development will be evaluated to ensure it is consistent with local needs. The evaluation will review whether the development fills a demonstrated need in the local market as evidenced by:

Consistency with the Cumberland County Consolidated Plan, including but not limited to the priorities listed in the Consolidated Plan:

- Affordable housing for large low-moderate income households
- Affordable housing for small low-moderate income households
- Affordable housing for special populations (i.e. homeless, HIV/AIDS, disabled, elderly)

Market analysis which reflects a need for the housing and that the development will be competitive in the local market.

Research by Cumberland County or secondary data from other research on housing needs in the area which identify a need for the type of housing proposed.

- Federal and State designated Empowerment Communities and Enterprise Zones.
- Designated redevelopment areas or areas in which residential development activities are currently in process.

PART III. DEVELOPMENT REQUIREMENTS (MAXIMUM 80 PTS.)

DEVELOPMENT FACTORS AND QUALIFICATIONS (MAXIMUM 50 PTS.)

Applications will be further reviewed for other factors and qualifications that include, but are not limited to, the following:

- Developments that preserve affordable housing for any of the above targeted groups.
- Developments that create mixed-income housing environments.
- Development team experience and qualifications including the experience and financial capacity to undertake, complete, maintain and manage the proposed development. Audited financials are required.
- Suitability of the site or building for development; including site control, proper zoning, and availability of utilities. Staff site review will be performed in accordance with federal regulations Site and Neighborhood Standards at 24 CFR Part 983.6. These standards include adequate size, exposure, contour to accommodate proposed project, proper zoning, adequate utilities, street access, etc. A copy of the regulation can be obtained from the CCCD office.
- Satisfactory evidence the development is ready to proceed as indicated by debt and equity commitments.
- Development leverages CDBG and/or HOME funds with other sources of funding through the formation of partnerships between private housing developers, nonprofit organizations, financial institutions, the public sector, foundations and others.

DEVELOPMENT STANDARDS (MAXIMUM 10 PTS.)

The following standards are set to assure developments that receive CDBG and/or HOME financing produce the most effective economically feasible developments to serve income-eligible tenants in habitable dwelling units. Generally, amounts greater than the amounts listed in this section will be considered excessive. However, CCCD may, at its discretion, consider higher amounts if required to produce highly needed housing” that meets the following criteria:

- Smaller size developments.
- Hard to develop developments, such as homeless housing, single room occupancy housing, and scattered site developments.
- Developments in difficult to develop areas.

PER UNIT COST STANDARD

The per unit cost of CDBG and HOME developments shall not exceed HUD's 221(d)(3) limits for elevator-type projects, adjusted to reflect cost increases of construction costs since their adoption in 1992, and further adjusted by HUD's high cost factor to reflect differences in different geographic areas.

Refer to the enclosed Table: “Cumberland County Maximum Subsidy Limits,” page 14.

DEVELOPER FEE STANDARD

The maximum developer's fee is to be no more than 15% of the total project cost less the developer's fee.

In addition to fees described above, a maximum developer's fee of 4% is allowed on the acquisition cost of buildings (not including land value/cost) purchased for substantial renovation.

PROJECT CONTINGENCY FUNDING

All new construction projects shall have a hard cost contingency line item of NO LESS OR NO MORE THAN 3% of total hard costs, including general requirements, builder profit and overhead. Renovation projects shall include a hard cost contingency line item of NO LESS OR NO MORE THAN 6% of total hard costs.

ELIGIBLE PROPERTIES

Only units receiving CDBG monies are considered "CDBG Assisted Units" and only units receiving HOME monies are considered "HOME Assisted Units." CDBG and/or HOME rental developments may be:

- one or more buildings on a single site that are under common ownership, management and financing,
— OR —
- scattered on more than one site as long as the sites are within 4 blocks of each other, are under common ownership, management and financing, and receive CDBG and/or HOME assistance as part of a single undertaking.

INELIGIBLE PROPERTIES

- CDBG or HOME funds may not be used to assist developments assisted under Title VI of the National Affordable Housing Act (NAHA)
— Prepayment of Mortgages Insured under the National Housing Act.

PROPERTY STANDARDS

All developments to be funded with CDBG and/or HOME funds must at the time of completion, at a minimum, comply with all local building codes, rehabilitation standards, ordinances, zoning and federal regulations regarding hazardous materials as well as energy standards required by HUD 24 CFR 570 and/or 24 CFR 92. The goal is to provide "decent, safe and sanitary" housing at an affordable cost to lower income families. Beyond these minimum standards CCCD encourages developments built with the same quality and

amenities as market rate developments within the same market area. Energy standards required:

- Substantial rehabilitation — cost-effective energy conservation and effectiveness standards in 24 CFR Part 39.
- New construction — Model Energy Code, 1992, published by the Council of American Building Officials.

ACCESSIBILITY

Developments financed with CDBG and/or HOME funds must meet the accessibility requirements in the regulations referenced in 24 CFR 5.105(a) which implement the Fair Housing Act and Section 504 of the Rehabilitation Act of 1973. Developments of five or more units are required to have a minimum of one unit or 5% of total units accessible to the physically handicapped and an additional 2% of total units equipped for those with hearing or visual impairments.

For questions regarding handicap accessibility requirements, contact Mr. Bobby Thomas at (910) 323-6145.

****HOUSING FOR HOMELESS POPULATIONS (BONUS - 10 PTS.)**

Projects in which at least 10% of the total number of units developed is set-aside for homeless populations will receive a bonus of 10 points.

MAXIMUM ALLOWABLE CDBG DEVELOPMENT RENTS/AFFORDABILITY (MAXIMUM 20 PTS.)

Not less than 51% of rental units rehabilitated with CDBG assistance must have rents that do not exceed 30% of the annual income of a family whose income equals 80% of area median income minus tenant paid utilities.

In new construction multi-family rental housing developments, not less than 20% of CDBG assisted units must have rents that do not exceed 30% of the annual income of a family whose income equals 80% of area median income minus tenant paid utilities. In new construction multi-family developments where 20% to 50% of the units have low-moderate income affordable rents, the percentage of CDBG assistance to the total project development cost can be no greater than the percentage of low-moderate income affordable units to the total number of units in the development.

However, if the unit receives Federal or State project-based rental subsidy and the very low income family pays a contribution toward rent not more than 30% of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

Refer to the enclosed Table: "Maximum CDBG Qualifying Rents in Cumberland County," page 14.

Twenty (20) points will be awarded for projects in which 100% of qualified units will be affordable to households with incomes at or below 50% of the area median income adjusted for family size.

Fifteen (15) points will be awarded for projects in which at least 50% of qualified units will be affordable to households with incomes at or below 50% of the area median income adjusted for family size with the remaining units being affordable to households at or below 60% of the area median income adjusted for family size.

Homeownership projects targeting households whose incomes are at or below 60% of the median will receive 20 points. Affordability of the unit will be determined based on sales price of the unit. Sales price must be established by a qualified appraiser.

TENANT INCOMES UPON OCCUPANCY OF CDBG ASSISTED UNITS

Not less than 51% of rental units rehabilitated with CDBG assistance must be occupied by tenants who at initial occupancy have annual incomes that are 80% or less of the area median income adjusted for household size.

In new construction multi-family rental housing developments, not less than 20% of CDBG assisted units must be occupied by tenants who at initial occupancy have annual incomes that are 80% or less of the area median income adjusted for household size. In new construction multi-family developments where 20% to 50% of the units are occupied by tenants who at initial occupancy have annual incomes that are 80% or less of the area median income adjusted for household size, the percentage of CDBG assistance to the total project development cost can be no greater than the percentage of units occupied by tenants who at initial occupancy have annual incomes that are 80% or less of the area median income adjusted for household size to the total number of units in the development.

Refer to the enclosed Table: "Maximum CDBG Qualifying Household Incomes in Cumberland County," page 15.

INITIAL INCOME ELIGIBILITY OF CDBG TENANTS

CDBG uses the same definitions of annual income as the Section 8 Housing Programs. Section 8 definitions are found in 24 CFR Part 813. Annual income is the gross amount of income anticipated to be received by all adults in a family during the twelve months following the effective date of the determination.

MAXIMUM ALLOWABLE HOME DEVELOPMENT RENTS/AFFORDABILITY (MAXIMUM 20 PTS.)

Rental units in HOME assisted developments must have rents that do not exceed the lesser of:

- Section 8 Fair Market Rents (FMRs) minus tenant paid utilities
- OR —
- 30% of the annual income of a family whose income equals 65% of area median income minus tenant paid utilities.

In addition, for developments of 5 units or more, not less than 20% of HOME assisted units must be occupied by very low income families and have rents that do not exceed the lesser of:

- Section 8 Fair Market Rents (FMRs) minus tenant paid utilities
- OR —
- 30% of the annual income of a family whose income equals 50% of area median income minus tenant paid utilities.

However, if the unit receives Federal or State project-based rental subsidy and the very low income family pays a contribution toward rent not more than 30% of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

Refer to the enclosed Table: “Maximum HOME Qualifying Rents in Cumberland County,” page 16.

Twenty (20) points will be awarded for projects in which 100% of qualified units will be affordable to households with incomes at or below 50% of the area median income adjusted for family size.

Fifteen (15) points will be awarded for projects in which at least 50% of qualified units will be affordable to households with incomes at or below 50% of the area median income adjusted for family size with the remaining units being affordable to households at or below 60% of the area median income adjusted for family size.

Homeownership projects targeting households whose incomes are at or below 60% of the median will receive 20 points. Affordability of the unit will be determined based on sales price of the unit. Sales price must be established by a qualified appraiser.

MINIMUM AFFORDABILITY PERIOD OF HOME ASSISTED UNITS

Units to be rehabilitated with HOME funds must be tenant income and rent controlled for varying lengths of time depending upon the average amount of HOME funds invested per unit:

Rehabilitation or Acquisition of Existing Housing Per Unit Amount of HOME Funds	Minimum Period of Affordability in Years
Under \$15,000	5
\$15,000 to \$40,000	10
Over \$40,000 or rehabilitation involving refinancing	15

HOME assisted units that are newly constructed or acquired newly constructed are required to have an affordability period of not less than 20 years.

TENANT INCOMES UPON OCCUPANCY OF HOME ASSISTED UNITS

Not less than 90% of HOME assisted rental units must be occupied by tenants who at initial occupancy have annual incomes that are 60% or less of the area median income adjusted for household size. The remaining HOME assisted rental units must be occupied by tenants who at initial occupancy have annual incomes that are 80% or less of the area median income adjusted for family size. Refer to the enclosed Table: “Maximum HOME Qualifying Household Incomes for Cumberland County,” page 17.

INITIAL INCOME ELIGIBILITY OF HOME TENANTS

HOME uses the same definitions of annual income as the Section 8 Housing Programs. Section 8 definitions are found in 24 CFR Part 813. Annual income is the gross amount of income anticipated to be received by all adults in a family during the twelve months following the effective date of the determination.

NONDISCRIMINATION AGAINST RENTAL ASSISTANCE SUBSIDY HOLDERS

The owner cannot refuse to lease CDBG or HOME assisted units to a certificate or voucher holder under 24 CFR Part 982 — Section 8 Tenant-Based Assistance: Unified Rule for Tenant-Based Assistance under the Section 8 Rental Certificate Program and the Section 8 Rental Voucher Program or to the holder of a comparable document evidencing participation in a HOME tenant-based rental assistance program because of the status of the prospective tenant as a holder of such certificate, voucher, or comparable HOME tenant-based assistance document.

LOAN CLOSING REQUIREMENTS

All rental developments financed with CCCD funds must budget for, and must fund, a Replacement Reserve Account, and Operating Reserve Account. CCCD reserves the right to require additional reserves should it be determined to be necessary.

PART IV. OTHER APPLICABLE STANDARDS, REQUIREMENTS AND REGULATIONS (MAXIMUM 15 PTS.)

MANAGEMENT AND MAINTENANCE SERVICE STANDARDS

All developments financed in whole or in part with CCCD funds must provide management and maintenance services to the housing provided. This includes compliance with all local, state and federal regulations. The developer will be required to submit a Management Plan and Agreement for review and approval prior to the issuance of a Firm Commitment.

RELOCATION ASSISTANCE

All developments financed with CDBG and/or HOME funds must comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, implementing regulations at 49 CFR Part 24 and the requirements of 24 CFR 570.606 and/or 24 CFR 92.353.

PREVAILING WAGE REQUIREMENT

Developments of 8 units or more financed with CDBG funds and developments of 12 units or more financed with HOME funds are required to pay wages to laborers and mechanics employed in the construction at a rate not less than the prevailing wage rates for corresponding classes of laborers and mechanics employed on construction of a similar character as determined by the Secretary of Labor.

AFFIRMATIVE FAIR HOUSING MARKETING PLAN (MAXIMUM 5 PTS.)

All developments of 5 units or more financed with CDBG and/or HOME funds are required to submit an Affirmative Fair Housing Marketing Plan that outlines methods for providing information and otherwise attracting eligible persons in the housing market area to the available housing without regard to race, color, national origin, sex, sexual orientation, religion, familial status or disability. (The affirmative marketing procedures do not apply to families with Section 8 tenant-based rental housing assistance or families with tenant-based rental assistance provided with HOME funds.)

The Affirmative Fair Housing Marketing Plan must include methods for informing the public, owners, and potential tenants about Federal fair housing laws and the County's affirmative marketing policy (e.g., the use of the Equal Housing Opportunity logotype or slogan in press releases and solicitations and display of fair housing poster); procedures to be used

by owners to inform and solicit applications from persons in the housing market area who are not likely to apply for the housing unit without special outreach (e.g., use of community organizations, places of worship, employment centers, fair housing groups, or housing counseling agencies); and records that will be kept describing actions taken by the owner to affirmatively market units.

OUTREACH TO MINORITY AND WOMEN OWNED BUSINESSES (MAXIMUM 10 PTS.)

Cumberland County requires the maximum utilization of minority and women-owned businesses in all CCCD assisted housing development projects with a goal of at least 25% minority business enterprise (MBE) participation and 5% women's business enterprise (WBE) participation taken as a percentage of the total development cost of the project, excluding acquisition. All recipients of CCCD funds will be required to keep records of participation by minority and women-owned businesses. Demonstration of these efforts includes, but is not limited to the following:

- Qualified minority and women's businesses will be on bid solicitation lists and will be solicited whenever they are a potential source of material or services.
- When economically feasible the developer will divide total contract requirements into small tasks or quantities to permit maximum minority and women-owned business participation.
- If any subcontracts are let, the prime contractor will be required to take affirmative steps such as those described in paragraphs 1-3.

The MBE/WBE contractors must be identified in the application and proper reporting as indicated by the CCCD Compliance Officer will be required.

A maximum of ten points will be awarded to projects owned, developed, or sponsored by an MBE (5 pts.) and/or a WBE (5 pts.).

ENVIRONMENTAL REVIEW

CCCD requires a site specific environmental screening of all development proposals being considered for financing. At a minimum before initial loan closing, CCCD will require a Phase I Environmental Site Assessment or Phase I Environmental Review, according to, but not limited to, standards developed by the American Society for Testing and Materials.

CCCD requires all aspects of the development for which it provides financing to be in compliance with all federal, state and local regulations, laws and required practices. Therefore, requirements for hazardous materials, such as lead-based paint and asbestos, environmentally safe practices, such as clean water procedures or wetlands, culturally significant procedures, such as historic considerations; and safe work practices, will be specifically included among CCCD requirements.

ANNUAL RE-CERTIFICATION

CCCD developments may be audited each year for the following compliance:

- re-certification of tenant income
- review of rent and utility allowances
- compliance with local building codes
 - annually for developments of more than 25 units
 - bi-annually for developments with one to 24 units
- the owner's Written Agreements including Affirmative Fair Housing Marketing Plan and Management Plan and Agreement.

CCCD will provide a copy of the annual re-certification procedure at the time the development is approved or thereafter.

CERTIFICATIONS

In accordance with the Housing and Community Development Act and the Community Development Block Grant Program Rule at 24 CFR Part 570, and in accordance with the Home Investment Partnership Act and the Home Investment Partnership Program Rule at 24 CFR 92.150, the Cumberland County Community Development Agency certifies that:

- Before committing any funds to a project, it will evaluate the project in accordance with the guidelines that CCCD has adopted for this purpose and will not invest any more CDBG and/or HOME funds in combination with other Federal assistance than is necessary to provide affordable housing.
- CCCD and its recipients/subrecipients will use CDBG and HOME funds pursuant to the Cumberland County Consolidated Plan approved by HUD and in accordance with all requirements of 24 CFR Parts 570 and 92.
- CCCD will comply with the acquisition and relocation requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970, as amended, implementing regulations at 49 CFR Part 24 and the requirements of 24 CFR Parts 570.606 and 92.353.
- To the best of its knowledge and belief: no federal appropriated funds have been paid or will be paid, by or on behalf of CCCD, to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with the awarding of any Federal loan, the entering into of

any cooperative agreement, and the extension, continuation, renewal, amendment, or modification of any Federal contract, grant, loan or cooperative agreement; if any funds other than Federal appropriated funds have been paid or will be paid to any person for influencing or attempting to influence an officer or employee of any agency, a Member of Congress, an officer or employee of Congress, or an employee of a Member of Congress in connection with any Federal loan or agreement, CCCD will complete and submit Standard Form—LLL, "Disclosure Form to Report Lobbying," in accordance with its instructions; and CCCD will require that the language of this certification be included in the award documents for all subawards at all tiers (including subcontracts, subgrants, and contracts under grants, loans, and cooperative agreements) and that all subrecipients shall certify and disclose accordingly.

The information presented should not be construed as a complete list of the regulations and requirements governing CCCD financing through the Affordable Housing Program. Upon filing an application, you acknowledge that you assume all risks of change in CCCD's rules and regulations or policies concerning this program, together with any adverse effects upon you therefrom and any resulting costs thereof.

**CUMBERLAND COUNTY
MAXIMUM SUBSIDY LIMITS**

221(d)(3)

Efficiency	1 Bedroom	2 Bedroom	3 Bedroom	4 Bedroom+
\$117,528	\$134,722	\$163,823	\$211,932	\$232,639

**MAXIMUM CDBG QUALIFYING RENTS
IN CUMBERLAND COUNTY**

Number of Bedrooms					
	Efficiency	1	2	3	4
80% Rent Limit	\$580	\$627	\$700	\$994	\$1176

If any utilities are paid directly by the tenant, the maximum rent must be reduced by a utility

allowance similar to the procedures for making such adjustments under Section 8 of the United States Housing Act of 1937.

Not less than 51% of rental units rehabilitated with CDBG assistance must have rents that do not exceed 30% of the annual income of a family whose income equals 80% of area median income minus tenant paid utilities.

In new construction multi-family rental housing developments, not less than 20% of CDBG assisted units must have rents that do not exceed 30% of the annual income of a family whose income equals 80% of area median income minus tenant paid utilities. In new construction multi-family developments where 20% to 50% of the units have rents that do not exceed 30% of the annual income of a family whose income equals 80% of area median income minus tenant paid utilities, the percentage of CDBG assistance to the total project development cost can be no greater than the percentage of units that have rents that do not exceed 30% of the annual income of a family whose income equals 80% of area median income minus tenant paid utilities to the total number of units in the development.

However, if the unit receives Federal or State project-based rental subsidy and the very low income family pays a contribution toward rent not more than 30% of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

**MAXIMUM CDBG QUALIFYING HOUSEHOLD INCOMES
IN CUMBERLAND COUNTY**

% of Area Median Income	Family Size							
	1	2	3	4	5	6	7	8
80%	\$28,900	\$33,050	\$37,150	\$41,300	\$44,600	\$47,900	\$51,200	\$54,500

Not less than 51% of rental units rehabilitated with CDBG assistance must be occupied by tenants who at initial occupancy have annual incomes that are 80% or less of the area median income adjusted for household size.

In new construction multi-family rental housing developments, not less than 20% of CDBG assisted units must be occupied by tenants who at initial occupancy have annual incomes that are 80% or less of the area median income adjusted for household size. In new construction multi-family developments where 20% to 50% of the units are occupied by tenants who at initial occupancy have annual incomes that are 80% or less of the area median income adjusted for household size, the percentage of CDBG assistance to the

total project development cost can be no greater than the percentage of units occupied by tenants who at initial occupancy have annual incomes that are 80% or less of the area median income adjusted for household size to the total number of units in the development.

**MAXIMUM HOME QUALIFYING RENTS
IN CUMBERLAND COUNTY**

Rental units in HOME assisted developments must have rents that do not exceed the lesser of:

- Section 8 Fair Market Rents (FMRs) minus tenant paid utilities
— OR —
- 30% of the annual income of a family whose income equals 65% of area median income minus tenant paid utilities.

	Number of Bedrooms					
Section 8	Efficiency	1	2	3	4	5
Fair Market Rent (FMR)	\$561	\$607	\$678	\$963	\$1139	\$1310
65% Rent Limit	\$568	\$609	\$733	\$839	\$915	\$992

In addition, for developments of 5 units or more, not less than 20% of HOME assisted units must be occupied by very low income families and have rents that do not exceed the lesser of:

- Section 8 Fair Market Rents (FMRs) minus tenant paid utilities
— OR —
- 30% of the annual income of a family whose income equals 50% of area median income minus tenant paid utilities.

	Number of Bedrooms					
Section 8	Efficiency	1	2	3	4	5
Fair Market Rent (FMR)	\$561	\$607	\$678	\$963	\$1139	\$1310
50% Rent Limit	\$451	\$483	\$580	\$670	\$748	\$825

If any utilities are paid directly by the tenant, the maximum rent must be reduced by a utility allowance similar to the procedures for making such adjustments under Section 8 of the United States Housing Act of 1937.

However, if the unit receives Federal or State project-based rental subsidy and the very low income family pays a contribution toward rent not more than 30% of the family's adjusted income, then the maximum rent (i.e., tenant contribution plus project-based rental subsidy) is the rent allowable under the Federal or State project-based rental subsidy program.

**MAXIMUM HOME QUALIFYING HOUSEHOLD INCOMES
FOR CUMBERLAND COUNTY**

% of Area Median Income	Family Size							
	1	2	3	4	5	6	7	8
60%	\$21,660	\$24,780	\$27,840	\$30,960	\$33,420	\$35,940	\$38,400	\$40,860
80%	\$28,900	\$33,050	\$37,150	\$41,300	\$44,600	\$47,900	\$51,200	\$54,500

Not less than 90% of HOME assisted rental units must be occupied by tenants who at initial occupancy have annual incomes that are 60% or less of the area median income adjusted for household size. The remaining HOME assisted rental units must be occupied by tenants who at initial occupancy have annual incomes that are 80% or less of the area median income adjusted for family size.