



**ASNH Rental Program Manual**  
**Fiscal Year 2025 (FY25)**  
 Updated October 2024

**For the FY25 fall round:**

- The deadline for Fall 2024 submissions is November 1 2024, at 11:59pm
- All program agreements must be executed by November 1, 2025
- All program agreements will expire on November 1, 2027

FY25 Sources and Amounts	
SOURCE OF FUNDS	FY25 ALLOCATION <sup>1</sup>
HOME Investment Partnerships Program (HOME)	\$9,909,256
National Housing Trust Fund (NHTF)	\$3,455,035
Virginia Housing Trust Fund (VHTF)	\$74,014,543
Housing Innovations in Energy Efficiency (HIEE)	\$68,933,231

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<sup>1</sup> Allocation amounts listed are approximate for the fiscal year and may subject to change, based on any returned funds, adjustments to formula allocations, earned interest or program income.

## Program Overview – Background

This Manual is intended to provide guidance on funding availability and limits, as well as the application and decision notification process for the FY25 ASNH application cycle.

For guidance on applicant and project eligibility and program and regulatory requirements, please see the *ASNH Program Guidelines*.

If you require information, please contact DHCD staff for assistance.

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## Program Year Available Funds

For the **2024-2025** program year (**Virginia FY25**), the sources and approximate amounts allocated to the ASNH Program are below. DHCD reserves the right to update these funding amounts during the program year, and the right to roll over funding to future program years at its sole discretion.

Per project and per source maximums awards apply, with further details below and under Project Competitive Funding Limits. DHCD reserves the right to restrict total funds awarded to a project.

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<sup>2</sup> Allocation amounts listed are approximate for the fiscal year and may subject to change, based on any returned funds, adjustments to formula allocations, earned interest or program income.

## Project Competitive Funding Limits

Prior to FY24 (the last fiscal year), if an Applicant requested a total of \$1,400,000 across two sources of funds, and DHCD only had the financial capacity to award a single source of funds, partial awards would be issued with the expectation that the Applicant would re-apply in a future round if the total funding were still required.

DHCD has responded to stakeholder feedback by adjusting its process to avoid multiple rounds of competitive applications. If a Project scores high enough to be funded, DHCD will award the full ask from alternate competitive sources the Project is eligible for.

In FY25, an applicant may request up to \$2,000,000 of Virginia Housing Trust Fund and an additional \$1,000,000 of an eligible federal source (National Housing Trust Fund and/or HOME Investment Partnerships), for a maximum total request of \$3,000,000 in competitive sources.

At time of application, the project must be eligible for the requested federal source(s) based on the income targeting requirements of that program as well as not exceed the HUD maximum investment limits for the number of proposed eligible unit types. The maximum subsidy limits are in the next section of this manual and in the Application Workbook attachment.

To summarize, an applicant may request:

- \$2,000,000 of Virginia Housing Trust Fund
- \$1,000,000 of an eligible federal source (National Housing Trust Fund and/or HOME Investment Partnerships)
- For a total of \$3,000,000 in competitive sources

A project which is designed to meet the HIEE minimum performance requirements and requesting a competitive source is eligible for an award of up to \$2,000,000 or ten percent (10%) of its total construction costs as calculated in the ASNH Application Workbook “Sources and Uses” tab, whichever is the lesser amount.

- \$2,000,000 – Maximum HIEE award for an eligible project
- \$5,000,000 – Maximum total awarded funds for an eligible project requesting HOME, NHTF, VHTF, and HIEE

## Rental & Homebuyer Project Eligibility

Based on the above, **for both homebuyer and rental projects**, the maximum investment of HOME or NHTF funds, the limits **effective April 2024** are calculated as follows:

Bedrooms	Base	HCP limit Cap	Max Subsidy
0	\$75,620	240%	\$181,488
1	\$86,687	240%	\$208,049
2	\$105,414	240%	\$252,994

3	\$136,372	240%	\$327,293
4+	\$149,693	240%	\$359,263

**Homebuyer** projects are additionally limited by the HUD maximum allowable sale price in its development jurisdiction, and to financial and underwriting determinations of the Homeownership Team. DHCD recommends a pre-application technical assistance call to determine the best funding request for homebuyer projects.

**Rental projects** are subject to additional program requirements including the final number of assisted units based on total amount of HOME or NHTF assistance (including HOME from other resources) as compared to the total development costs. For this purpose, total development costs are limited to HOME or NHTF eligible costs (Appendix C of the *ASNH Program Guidelines*) and must exclude non-eligible costs such as community buildings, market rate or unrestricted units, and retail space.

The final number of assisted units in a project will be determined by DHCD during underwriting. Selected projects will always be assisted with the minimum amount of funds needed, as demonstrated by the underwriting and subsidy layering review.

### Application Submission and Evaluation

All applications for Affordable and Special Needs Housing (ASNH) must be submitted through DHCD’s [Centralized Application and Management System](#) (CAMS) prior to the application submission deadline.

**The deadline for Fall 2024 submissions is November 1, 2024 at 11:59pm CAMS automatically closes the application to submissions at this time.**

The CAMS [User Guide](#) provides information and instructions on setting up and managing a CAMS account, and should be used first to troubleshoot any errors. Please allow up to two business days for responses to any CAMS Help Desk request. DHCD technical assistance is limited to normal business hours. Applications submitted with incorrect or missing information will be reviewed *as is and* may be ruled ineligible.

DHCD has the discretion to utilize a cure period for technical deficiencies. If the application has technical deficiencies, staff will notify the Applicant’s Primary Contact of the deficiency and the length of the cure period.

DHCD conducts panel reviews of all Applications submitted in CAMS prior to the submission deadline. During this panel review, the Application is first screened to ensure the Project and Applicant meet the eligibility requirements. Projects or Applicants which do not meet eligibility requirements are not provided with a numerical score.

**Applications must be submitted by the primary partner in the Project, which is responsible for long-term operations and compliance. Applications made by a project legal entity or limited liability corporation are ineligible and will not be accepted or scored.**

Applicants with outstanding or unresolved findings from audit or monitoring findings, unresolved IRS findings, unresolved compliance findings – including those issues which may be identified to DHCD by another previous partner such as Virginia Housing (VH) –, or which are not in compliance with previous DHCD agreements will not be eligible for a funding commitment for any Project until such findings and/or compliance issues are resolved. DHCD staff are committed to working with any interested party to develop a plan for resolution and restoration of eligible status.

## Scoring Criteria

Applications are scored on a one hundred (100) point scale, and Projects must score sixty (60) points or higher to be qualified for funding.

Scoring criteria are as follows:

- Need – 40 points:
  - The Applicant demonstrates through narrative responses and information in attachments that the Project fills a critical need in the market area.
  - For rental projects only, PSH projects receive points (5) in this category.
  - For HOME funds only, projects in non-Entitlement or non-Consortium localities receive points (5) in this category.
- Feasibility – 30 points:
  - The Applicant demonstrates through narrative responses and information in attachments that the Project is likely to come to a timely completion.
- Developer Capacity – 30 points:
  - The Applicant demonstrates through narrative responses and information in attachments that the development team has the ability to successfully complete projects and deliver affordable housing.
  - For HOME funds only, CHDO-involved projects receive points (5) in this category.

DHCD staff will rank all qualified Applications based on score. The highest scoring Applications from each round will receive offers of funding from DHCD, up to the amount requested in the Application as available based on per-project caps, and remaining funds for allocation through the ASNH Program. These offers are preliminary awards and are contingent upon the Applicant meeting certain requirements as outlined in the Program Guidelines and in the source-specific letter of award offer.

DHCD reserves the right to retain any funds offered during an application cycle or program year as unallocated, and such unallocated funds will carry forward to future application cycles and program years as allowed.

## Notification of Funding Decision

The Office of the Governor of Virginia makes the Affordable and Special Needs Housing program funding award announcements public, typically by the publication of a press release.

**After the ASNH Program application cycle closes, ASNH staff are unable to answer inquiries as to the timing or contents of this announcement. Any such inquiries will not be returned.**

After the public announcement of ASNH Program awards, DHCD staff will send an email to the Project Primary Contact as listed for each Project in CAMS containing either a notification of awarded funds or a denial of funding. Projects which are denied funding may request to schedule a technical assistance call, or *debrief*, with ASNH staff to discuss comments or feedback on the Application.

All awarded projects are required to attend an onboarding conference call. Information regarding this conference call will be provided to the Project Primary Contact, by email, with the terms letter(s).

### Reapplication Policy

In response to stakeholder feedback, the program has adjusted award caps and other aspects of the application process and scoring. In FY25, DHCD will not accept applications for “top offs” or additional sources for a currently funded project. Any prior awardee must formally return a prior award before submitting a new application.

### Execution of Award Terms

Applicants receiving a notification of awarded funds for Projects are considered preliminarily qualified. For each source awarded, the notification of awarded funds is comprised of two documents. The first document is a letter of award, which will be signed by the Senior Deputy Director of Community Development and Housing.

The second document will contain additional terms of the awarded funds, including interest rate, length of affordability period, and details program requirements (including environmental review processes). This *terms letter* must be countersigned by the Applicant and returned to DHCD staff prior to the issuance of a Program Agreement.

DHCD’s expectation is that all Applicants requesting ASNH funds are prepared to return executed *terms letter(s)* in a timely manner. Applicants which delay the return of an executed terms letter without communicating with their assigned Program Administrator may not be eligible for an extension of time to complete the Program Agreement.

### Execution of Program Agreement(s)

Applicants have twelve (12) months from the date the application closes to complete all program requirements and execute the Project’s Program Agreement. This window of time is intended to allow both Applicants and DHCD to complete necessary processes which may have predetermined time requirements, such as Applicant underwriting review or DHCD public notice and comment periods.

**For FY 2025, all program agreements must be executed by:**

- Fall 2024 Round: November 1, 2025

The Program Agreement (a formal commitment of funds, and prerequisite for a legal loan commitment for rental projects or prerequisite to Deeds of Trust and remittance eligibility for homeownership projects.) Program requirements vary by source but may include an environmental review process with public comment periods as required by HUD, and program agreements cannot be issued until all contingencies and program requirements are met.

ASNH Program Agreements expire three years from the date the application closes, by which time the Project should be completed and ready to schedule permanent conversion or closing (rental projects) or should be completed and ready to submit closing disclosures on final home sales (homebuyer projects). Written requests for extensions of any deadline above must be received by DHCD prior to the expiration of the agreement or commitment and are approved on a case-by-case basis at DHCD's discretion.

**For FY 2025, all program agreements will expire on:**

- Fall 2024 Round: November 1, 2027

### Rental Narrative Questions

1. Provide an overview of the proposed development project, including the following:
  - a. Whether the development is new construction, renovation, or adaptive reuse.
  - b. **For new construction**, please describe the planned building and on-site amenities.
  - c. **For rehabilitation**, please describe the scope of renovation work and whether the project is the renovation of a LIHTC project or had a prior award of HOME funds.
  - d. **For adaptive reuse**, please describe the scope of renovation work.
  - e. The number of rental units (include count by number of bedrooms) across how many buildings?
2. Describe how the scope of the proposed development blends in with the surrounding community. For projects located in an area which is not considered "low minority of poverty concentration", please explain how the project site is an area of revitalization, identified by the locality as targeted for development or investment, or otherwise holds opportunity for residents.
  - a. Please note: all applications are required to complete the "Site and Neighborhood Standards Review" tab of the Application Workbook attachment.
3. Describe the local housing need this project will address, including the need for proposed income targeting and unit sizes and the vacancy rate. Specifically reference the data collected through your attached Market Study, provider or beneficiary surveys, or other resources.
4. Describe community amenities near the project site, including job opportunities (not required for senior/elderly developments), ease of access to transportation options, retailers or grocery stores, healthcare, public parks and/or green spaces, etc. Specify the distance from the amenity to the development in your answer.
5. Will the project provide any of the following:

- a. Permanent supportive housing (PSH) units for residents with intellectual or developmental disabilities, serious mental illnesses, or who were chronically homeless? If yes, name the targeted population, percentage of PSH units in the development, the source of rental subsidies, and the name of the referring agency.
  - b. Project-based subsidies or rental assistance. If yes, name the type, source, and status of commitment.
  - c. An executed PSH Referral MOU, voucher award letters/contracts, and/or subsidy award letters/contracts must be included in the "Resource Documentation" attachment to receive points.
6. Describe any planned project-based services including on-site service coordination, financial education programs, regular visits by healthcare providers, etc., that will be made available to all tenants. Please differentiate between project-based services for all tenants and Permanent Supportive Housing participants.
  - a. If the service provider is known, please include the name and include any contracts for the services to be provided under the "Resource Documentation" attachment.
  - b. If the services are not contracted, what is your plan for providing project-based services? What service model has been used at your other developments?
7. Will the project achieve a green build certification? ASNH gives scoring preference to projects that are certified green built by a third party to the standards of one of the following:
  - a. EarthCraft Gold or higher,
  - b. Enterprise Green Communities,
  - c. LEED or National Green Building Standard Silver or higher.
  - d. Preliminary documentation of green building certification is an attachment required for full points. If the project will include green building features without certification, please describe the features below.
8. Rental projects must meet minimum unit standards under Section 504/UFAS. Minimum requirements are five percent (5%) of units (minimum 1) accessible to individuals with physical impairments, and two percent (2%) of units (minimum 1) accessible to individuals with sensorial impairments.
  - a. Please state the number and percentage of units in the Project which will meet Section 504 standards for each type of impairment and state the number and percentage of units (and any common spaces) which will provide other accessibility measures such as Universal Design.
9. The Uniform Relocation Act (URA) applies to all projects where development activities will result in permanent or temporary dislocation of households, businesses, farms, and/or nonprofits, and a completed URA attachment is required regardless of project type.
  - a. Please indicate whether this project will or will not result in any permanent or temporary dislocations, and ensure this response matches the statements made on the required URA attachment. For projects which do not result in formal dislocations, but which will utilize measures such as hospitality suites, please give an overview of those planned measures including resident notifications.



10. ASNH staff will review the sources and uses included in the Application Workbook to determine project readiness. Please confirm that the "Sources and Uses" tab of your workbook is complete and that the status of all listed sources is marked accurately.
  - a. All documentation for sources marked as "committed" in the workbook will need to be included in the "Resource Documentation" attachment of the application to be considered.
  - b. If you are unable to provide documentation or if any of the sources are pending, please use the space below to explain why they are pending, when you expect to receive a commitment, and any contingency plans for these sources of funding.
11. The Applicant must be the primary partner in the Project that will be responsible for long-term operations and compliance. Describe the specific role the Applicant will have from project development through the thirty-year affordability period. If partners are involved, describe their role(s), and describe the Applicant's relationship to the Project LLC or Ownership entity, if applicable. Please note that an organizational structure chart is a required attachment.
  - a. The project LLC or ownership entity and the applicant will be listed as the responsible parties on the program agreements and loan documents. If a sponsor structure or co-developer structure is required, DHCD pre-application consultation is required.
12. Briefly describe the Applicant's past development experience with this type of project, noting previous use of ASNH-awarded funds. If the Applicant has other projects currently in development, list those projects (noting those which have an award of ASNH funds) and provide the status of these projects including whether the project is currently on-time for delivery. If any projects are not currently on-time for delivery, please explain the reasoning.
13. Please name the property management team and describe their experience managing similar projects, including experience maintaining long-term compliance of projects with HOME, NHTF, LIHTC, PBV or other government-related funding sources.
14. Projects awarded funds from this application cycle will need to execute program agreements no later than October 30, 2025 (1 year from application) and are expected to have construction completed for permanent conversion or final home sales no later than October 30, 2027 (3 years from application).
  - a. Please discuss any barriers or challenges to meeting the milestones and discuss any variance from these dates on the submitted timeline. Please note that DHCD considers extensions to these deadlines on a case-by-case basis.
15. The ASNH awarded funding sources are available to projects ONLY at permanent conversion and are provided as a low rate (3%) interest only, must-pay deferred principal loan over the full affordability period of thirty (30) years. Does the Applicant request any changes to these terms? If yes, please provide justification for the deviation. Changes to typical terms are approved by DHCD on a case-by-case basis and are not guaranteed, this includes changes requested after notification of award.

- a. Please note that VHTF interest rates may be requested as low as 0%, HOME and NHTF may be requested as low as .5%.
  - b. An example of an acceptable term request: We would like to request an interest rate of 1% to meet the required debt coverage ratio of the primary lender. The decreased rate is represented in the underwriting included in the Application Packet. We would also like to request that the terms of the loan be coterminous with the first mortgage through Virginia Housing which has a term of 40 years.
16. Community Housing Development Organizations (CHDOs) receive scoring preference for ASNH HOME funding. Does this applicant have current DHCD CHDO status? If yes, write “Yes” in the narrative space below and attach the certification letter to your application. If no, please write “No” in the narrative space below.
- a. If you have recently submitted a DHCD CHDO application, it must be approved by the ASNH application submission date to receive this preference.

## Application Attachments

### Required Attachments:

- ASNH Application Workbook – template provided
- Application Certification –template provided
- Zoning Certification –template provided
- Affirmative Marketing Plan – template provided
- Uniform Relocation Assessment –template provided
- Environmental Phase I
- Property Status Documentation
- Resource Documentation
- Sample Lease
- HIEE Eligibility Documentation (required for HIEE only)
- CHDO Certification (required only if DHCD CHDO)

### Optional Attachments

- Part 58 or HTF Environmental Provisions
- Permanent Supportive Housing MOU
- Green Build Documentation