

Applicants requesting HOME funds must complete this attachment.

HOME ADMINISTRATIVE CERTIFICATION FORM

The applicant (agency applying for HOME funds) hereby assures and certifies that they possess legal authority to apply for HOME funds and to execute the proposed program and the governing body has duly adopted or passed an official act of a resolution, motion or similar action authorizing the filing of the application, including all understandings and assurances contained therein, and directing and authorizing the applicant's chief executive officer to act in connection with the application and to provide such additional information as may be required.

The applicant further certifies that they will administer the program according to the following guidelines and requirements:

Basic HOME Requirements

1. The applicant will assist only structures that are eligible under the HOME Program regulations.
2. Property assisted with HOME funds will not be eligible for additional HOME assistance during the affordability period.
3. If a funding gap is identified, the applicant agrees to comply with the requirements of Funding Gaps/Substantial Change policy found in the Multifamily Guidelines in effect for the year in which the application was submitted.
4. Income and assets of tenants must be verified using the Section 8 method of calculating income and assets and all HOME-assisted units must be leased to households whose incomes are at or below 60 percent of the area median income. Furthermore, 20 percent of the HOME-assisted units must be leased to households whose incomes are at or below 50 percent of the area median income, adjusted for family size as defined by HOME income guidelines.
5. Income of the tenant includes all household income and actual or imputed income from assets of all household members.
6. The HOME regulations require a minimum subsidy of \$1,000 of HOME assistance per unit.
7. HOME funds must be used in a first or second position and secured by a mortgage, unless otherwise approved, by KHC. Additional subordination and alternate means of securing HOME funds must be approved, in writing, by KHC.
8. The HOME regulations require that applicants retain program records. All records pertaining to each fiscal year of HOME funds must be retained for the most recent five-year period, except as noted below:
 - Rental housing project's records may be retained for five years after the project completion date, but records of individual tenant income verifications, project rent and project inspections must be retained for the most recent five-year period until five years after the affordability period has terminated.
 - Written agreements must be retained for five years after the agreement has terminated.
 - Records covering displacements and acquisition must be retained for five years after the date by which all persons displaced from the property and all persons whose property is acquired for the project have received the final payment to which they are entitled in accordance with 24 CFR, part 92.353.
 - If any litigation, claim, negotiation, audit, monitoring, inspection or other action has been started before the expiration of the required record retention period, records must be retained until completion of the action and resolution of all issues that arise from it or until the end of the required period, whichever is last.

- Compliance with Federal Requirements
- Applicants are responsible for ensuring that the required financial records are maintained for all HOME-assisted projects. Each applicant is responsible for compliance with the following document, as applicable:

Applicants	General Administrative	Costs	Audit
State and Local Government	24 CFR Part 85	OMB A-87	OMB A-133 24CFR Part 45
Nonprofit Institutions	24 CFR Part 84 OMB A-110	OMB A-122	OMB A-133 24CFR Part 44

9. All applicants are responsible for developing a financial management system/policy that should address, at the minimum, the following items:
- Financial management system.
 - Financial statement procedures.
 - Inventory control procedures, including property/equipment tracking and disposition.
 - Procedures for federally acquired items.
 - Internal control procedures.
 - Record keeping procedures (refer to 24 CFR 92.508).
 - Cash receipts and disbursements procedures.
 - Check writing and deposit procedures.
 - Accounting system including journals, accounts receivable, accounts payable, etc.
 - Program income and/or Community Housing Development Organizations (CHDO) proceeds tracking procedures, if applicable.
 - All applicants must maintain a separate bank account for federal funds with pre-numbered checks or accounts with sub-identifiers.
10. The applicant will not assist property which has or will receive funds from the following:
- Title VI of NAHA – Prepayment of Mortgages Insured Under the Act
 - Public Housing Funds
 - Rental Rehabilitation Funds
11. The applicant will comply with or assist KHC in compliance with provisions as applicable to the project proposal in accordance with 24 CFR Subsections 92.350 through 92.357, 92.505, 92.506 and 92.508. Those subsection titles are as follows:
- Equal Opportunity and Fair Housing
 - Affirmative Marketing
Affirmative marketing steps consist of actions to provide information and attract eligible person in the area to the available housing without regard to race, color, national origin, sex, religion, familial status, or disability.
 - 92.352 Environmental Review
 - 92.353 Displacement, Relocation and Acquisition
 - 92.354 Labor
 - 92.355 Lead-Based Paint
 - 92.356 Conflict of Interest
 - 92.357 Executive Order 12372
 - 92.505 Applicability of Uniform Administrative Requirements
 - 92.506 Audit
 - 92.508 Recordkeeping

12. All aspects of this project must comply with the HOME regulations as cited in 24 CFR Part 92, the Consolidated Plan, the Action Plan, and other items as required by KHC.
13. The applicant is required to enter into a contract with a KHC-approved environmental compliance service provider to complete the environmental review process prior to acquisition or construction on any HOME-assisted property.
14. All projects must comply with 24 CFR Part 58 Environmental Regulations regarding activity within a floodplain.
15. The applicant will ensure that the project promotes fair housing and will document its efforts to affirmatively further fair housing.
16. The applicant will comply with 31 CFR Part 285 regarding the debarment of delinquent debtors from obtaining federal loans or loan insurance or guarantees.
17. The applicant will comply with 12 CFR Part 202 regarding Equal Credit Opportunity.
18. The nonprofit applicant certifies that it will comply with the applicable requirements of 24 CFR part 84, as applicable, regarding procurement of goods and services.
19. Applicant certifies that they will comply with Section 3 and will make every effort to hire low-income individuals from the community.
20. The applicant certifies that it will immediately report to KHC any real, potential or perceived conflict of interest as outlined in 24 CFR Part 35 and 24 CFR Part 84, as applicable, regarding the receipt of, assistance provided with, or expenditure of HOME funds anytime during the affordability period. For instance, a potential conflict or perceived conflict of interest could exist when a relative (brother, cousin, nephew) of the developer makes application for housing assistance in the HOME property.
21. Under the HOME Program all acquisition and rehabilitation is subject to the requirements of the Uniform Relocation Assistance and Real Property Acquisition Policies Act of 1970 (URA) (49 CFR Part 24 and 42 U.S.C. 4201-4655). For example, if a developer wishes to purchase a tenant-occupied piece of property that is for sale on the open-market, the existing tenants may be eligible for relocation benefits. If the property is currently vacant, but was previously tenant-occupied, a determination will need to be made as to whether the tenants were removed in order to sell a “vacant” unit to the developer participating in the HOME program. If so, the tenants may be eligible for relocation benefits.
22. KHC requires property standards compliance as follows:
 - **New Construction and Rehabilitation Projects** must meet the requirements of the latest edition of the Kentucky Building Code. The Developer and or builder must be in compliance with local zoning, rules, regulations, ordinances by authorities in the jurisdiction in which the project is located, as well as KHC’s Universal Design and Minimum Design requirements, Housing Quality Standards (HQS), and all applicable Federal Rules and Regulations including the Fair Housing Act.

Miscellaneous Requirements

23. Match and leverage must be expended before completion of the project. This includes the submission of the Project Completion Reports.
24. Applicants are responsible for retaining legal counsel on any legal matter pertaining to the administration of the project.
25. Only nonprofit organizations that have received CHDO designations from KHC, prior to the time of application, will be allowed to compete in the CHDO set-aside category. Newly-designated CHDO applicants must have completed a prior successful CHDO-eligible project prior to submitting an application.

26. Upon notification by KHC of release of funds, CHDOs funded in January through June who will be administering an active CHDO project may begin to draw CHDO operating funds in quarterly installments for reimbursement of actual expenses incurred since January 1 of the current year. Recipients funded in July through December who will be administering an active CHDO project will have the option to either begin drawing CHDO operating funds in quarterly installments for reimbursement of actual expenses incurred since January 1 of the current year **or** to begin drawing CHDO operating funds in quarterly installments for reimbursement of expenses incurred beginning January 1 of the following year. Additional CHDO operating funds will be allocated for the subsequent year and are eligible to be drawn in calendar quarter installments for eligible expenses incurred.
27. KHC reserves the right to recapture funds for projects that it determines to be infeasible.
28. Applicant agrees to comply with the requirements of the Assurance of Completion Policy found in the Multifamily Guidelines in effect at the time in which the application was submitted.

Tenant Eligibility

29. Each applicant must develop and utilize a standard application form. Each household must complete the standard application form. If necessary, the agency will provide assistance in preparing the form, especially to the elderly, disabled, and non-English speaking. Income and assets, including checking and savings account information, must be verified and imputed assets from these accounts must be determined using the current passbook savings rate as published by HUD.
30. After completing the application, the applicant shall determine and verify by a third-party source, the household's financial eligibility according to the income/assets limits as established by HUD.
31. Each year during the period of affordability, the project owner must re-examine/recertify each tenant's annual income in accordance with the Section 8 method. Third-party verification of income and assets is required every sixth year of the affordability period. Years two through five, the tenant's income and asset verification may be done through a statement by the family of the annual income and size, and certification that the information is complete and accurate. If during the re-examination/recertification process a family's income rises above 80 percent of the area median income, KHC requires that the family be charged the high HOME rent or the FMR or 30 percent of their adjusted gross income, whichever is greater. For mixed-income projects, at no time may the rent charged to a family whose income goes above 80% percent exceed the market rate rents in the project. If this family vacates the unit during the affordability period, the unit rent rate must comply with applicable HOME guidelines.
32. In some instances, households residing in HOME rental units may be receiving Section 8 rental assistance. Please note that the applicable HOME rent limit may be less than the Section 8 FMR. At no time may Section 8 assistance exceed the applicable HOME rent limit. Project Based Section 8 rents may be greater than the applicable HOME rent limits as long as the households are at 50% of AMI or below.
33. If a project uses both the Low-Income Housing Tax Credit (LIHTC) Program and HOME funding, at annual recertification, LIHTC does not allow rents to ever exceed the Housing Credit program limits, regardless of the household's income.
34. If the household is determined to be ineligible for the program, the household shall be notified in writing of such determination and the reasons for such determination. The household will also be notified of other potential resources for rental assistance for which the household may be eligible and means of applying for such assistance.

Program Specific Requirements

35. Leases must be in compliance with 24 CFR 92.253 of the HOME regulations, which outlines tenant and participant protections.

36. Tenant selection procedures and protections should be incorporated into all management plans. As the owner, developer or sponsor of the rental project, your tenant selection plan must at a minimum be consistent with the purpose of providing for very low-income and low-income families, be reasonable according to HOME Program eligibility, Section 8 and public housing, allow selection of tenants from a written waiting list in chronological order and give prompt written notification of rejection and the grounds for such rejection.
37. HOME funds shall be used for soft costs and/or construction costs only. Refer to 24 CFR Part 92 for definition.
38. For projects that use AHTF and HOME, HOME funds may be used for developer fee and AHTF for administrative funds. Combined fees cannot exceed 15 percent of the total project.
39. Cost effectiveness must be considered.
40. HOME funds may not be used for:
 - Non-essential landscaping or non-structural property improvements.
 - Rehabilitation damaging to the historical character or value of a structure as determined by the State Historic Preservation Officer of the Kentucky Heritage Commission.
 - Excessive or luxury items.

Construction Management

41. The applicant must develop construction management procedures that should consist of the contract provisions for the contractor and the subcontractor. The procedures should outline payment request, forms to be completed, inspection procedures, and project completion procedures.
42. Applicable **to nonprofits only**: The agency will establish and, on the basis of its experience, maintain a current listing of qualified contractors (unless the agency utilizes only in-house crews) who are interested in doing new construction and/or rehabilitation work financed through the HOME program. Agencies should advertise a request for proposals and make every effort to ensure that the bidding is accurate and fair.
43. For projects involving rehabilitation, the applicant shall prepare specifications based on the final work write-up, and any necessary illustrative sketches, covering the specific rehabilitation work for the structure. Drawings shall be prepared, where necessary, to show the scope of the work involved so that a fair bid can be obtained and to avoid misunderstandings with the bidder. The specifications shall clearly establish the nature and location of the work to be done and the material and equipment to be installed. Master specifications will be prepared and given to each contractor prior to performing any work and will be included in all contracts by reference.
44. For projects involving new construction, the applicant shall prepare a cost estimate and specifications for all new construction that will include construction, labor and materials necessary to build the structure in compliance with the housing code. The cost estimate shall be reasonable and shall reflect actual costs prevailing in the locality for comparable work. The specifications shall clearly establish the nature and location of the work to be done and the material and equipment to be installed. Master specifications will be prepared and given to each contractor prior to performing any work and will be included in all contracts by reference.
45. All plans and specifications must be approved by KHC. All determinations of compliance will be made at the sole discretion of KHC.
46. Applicable **to nonprofits only**: Applicants must maintain documentation of the bid opening, bid award and pre-construction conference. Documentation must be maintained in the files, according to the requirements of 24 CFR part 92.508.
47. Any variances from Kentucky Building Code (KBC) must receive approval from the Kentucky Department of Housing and Construction. Evidence of this approval must be in writing and submitted to KHC.

48. After procuring the contractor, the construction shall be undertaken through a written contract between the contractor and the applicant. The contract should reference and include the work write-up, specifications, drawings and appropriate code references.
49. Contractors must submit a request for payment that is signed by the applicant and architect (if applicable). The contractor must submit lien waivers and affidavits to the applicant with each draw. The applicant must inspect the property to determine that the work completed is valued at an amount equal to the progress payment requested. In the event that work completed is not in compliance, it shall be the duty of the agency staff to obtain appropriate corrective action from the contractor before requesting payment from KHC. The contractor shall be notified at the time of the inspection of any necessary corrective action to enable the agency to make a progress payment. Agency staff will document this notification in the case file.

I certify that as an applicant for HOME Investment Partnerships Program funds, I understand that:

50. KHC reserves the right to extend the date of commitment if extenuating circumstances prevented the original commitment date from being achieved. KHC's goal is to avoid any federal recapture of funds and will take the necessary steps to ensure this does not occur.
51. KHC may recapture funds if an applicant has not committed all funds by the date referenced in the Funding Agreement.
52. KHC reserves the right to reduce the amount of an application request.
53. All proposed rental projects must be site-specific with site control and/or an option to buy at the application stage.
54. Initial operating deficit reserve funds will not be provided with HOME funds. The applicant is responsible for ensuring that sufficient funds are available to meet this requirement.
55. KHC reserves the right to recapture funds if technical submission items are not submitted by the applicant by the date referenced in the reservation letter, if funds are not committed and/or expended and construction completed by the dates referenced in the funding agreement, or if the project substantially changes after funding commitment.
56. KHC will entertain requests for additional funds as long as the request does not exceed 10% of KHC's investment exclusive of housing credits. Any gap needed in excess of 10% is considered a substantial change and must locate gap funding outside of KHC.

I hereby certify that, to the best of my knowledge and belief, information in this application is true, accurate and complete and the governing body of the applicant has duly authorized the document.

Failure to provide complete and accurate information during the application process and/or failure to comply with attributes pledged on the application or in any other KHC program may result in rejection of the application and applicant being barred from further participation in the HOME Investment Partnerships Program.

The undersigned hereby makes application to Kentucky Housing Corporation for HOME funds. The undersigned agrees that KHC and any of its directors, officers, employees or agents will be indemnified and held harmless against all losses, costs, damages, expenses and liabilities whatsoever in nature or type directly or indirectly resulting from, arising out of or related to acceptance, consideration and approval or disapproval of such application.

The undersigned understands that KHC, in order to effectively administer the HOME Program, may from time to time throughout the application, construction and affordability periods, require additional information. The undersigned agrees that, upon receipt of a reasonable request, such additional information will be promptly submitted to KHC. The undersigned further agrees that upon receipt of a reasonable request, representatives of KHC will be permitted to enter the project premises to conduct inspections.

The undersigned, under the penalties of perjury, hereby represents and certifies that the foregoing information is true, complete and accurate to the best of his or her knowledge and belief. The undersigned further certifies that he or she is duly authorized to execute this instrument.

Legal Name of Applicant

Signature

Title

Date

Typed Name of Application Preparer

Signature

Title

Date