



Housing Contract Administration

HOUSEWORKS REPAIR PROGRAM

A Program Funded by the Affordable Housing Trust Fund

JUNE 2016

COMPETITIVE APPLICATION GUIDELINES

SINGLE-FAMILY PRODUCTION

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Kentucky Housing Corporation HouseWorks Repair Program

Section I. Introduction

Kentucky Housing Corporation's HouseWorks Repair Program is designed to provide a competitive funding resource to nonprofits and units of local government that are working to address the repair needs of low-income homeowners. Through this funding process, KHC provides financial resources and technical support to enable the rehabilitation of safe and quality housing to benefit Kentucky families throughout the Commonwealth. The primary goals of the competitive funding process are to ensure that the most viable projects are funded expeditiously and to enhance the state's capacity to create and preserve affordable housing by effectively blending resources.

This guide informs applicants on how to apply for Housing Contract Administration (HCA) resources through the KHC competitive funding process for single-family projects. This guide further explains program criteria and basic requirements, application expectations, and review processes. KHC reserves the right to amend these guidelines in order to fully implement and utilize the Affordable Housing Trust Fund (AHTF) resources and to administer the program as efficiently as possible.

When applying for AHTF Funds, applicants should refer to [KHC's HOME Policies Manual](#) for more detailed information that is also part of the application. Applicants are expected to be familiar with the information contained in the manual, as well as all applicable state and local requirements, AHTF administrative certifications, and to incorporate them into their project design and implementation procedures.

If funded, single-family projects will be governed by the cumulative information contained in these guidelines, KHC's HOME Policies Manual, the applicant's application for funding, the grant agreement, the AHTF Administrative Certification, the Minimum Design Standards, Universal Design Standards, and federal and state legal requirements including those outlined in the Kentucky Affordable Housing Act at KRS 198A.700 to 198A.730. Recipients of funds will be expected to be familiar with and adhere to the guidelines and project design requirements described in the aforementioned documents.

Pertinent Dates

The following dates are applicable to the HouseWorks competitive funding round:

- June 13, 2016: Capacity Scorecard Opens
- June 13, 2016: Application Opens
- June 24, 2016: Capacity Scorecard Closes
- July 1, 2016: All Capacity Scorecard Notifications Due to Applicants
- July 15, 2016: Application Closes

Program Purpose

Through KHC's competitive application process, applicants may apply for funding from the AHTF which have specific purposes, and are explained below. When structuring a funding request, applicants are encouraged to review and consider how their request supports the purpose of the funds requested. The purpose of the HouseWorks Repair Program is to provide funding resources to nonprofits and units of local government that are working to address the repair needs of low-income (at or below 60 percent area median income) homeowners across the Commonwealth of Kentucky.

Affordable Housing Trust Fund (KRS 198A.700-730)

The AHTF was established by the Kentucky State Legislature to provide housing for very low-income Kentuckians. The fund was created in response to economic conditions, federal housing policies, and declining resources, which adversely affected the ability of very low-income persons to obtain safe, quality, and affordable housing. State leaders decided it was in the public's interest to establish the AHTF to assist very low-income persons (at or below 60 percent area median income) in meeting their basic housing needs.

There are four priorities for use of AHTF financing:

- New construction projects for families (as defined in 24 CFR 5.403) submitted by nonprofits or local governments.
- Projects using existing, privately-owned housing stock.
- Project using existing, publicly-owned housing stock.
- Applications from local governments for projects that demonstrate effective zoning, conversion, or demolition controls for single-room occupancy units.

As noted in KRS 198A.720 (6), a minimum of 40 percent of all funds received is to be used for rural areas of the Commonwealth. Those areas are defined by the board of directors of KHC. KHC reserves the right to make funding decisions to meet this requirement. Projects must be located in areas defined as rural by USDA Rural Development (RD). Applicants can determine if the property is in a rural area by accessing the [RD Property Eligibility Site](#), "Single Family" and then enter the property address. **A copy of the eligibility determination must be provided with the project set-up.**

Public Information and Open Records Act Request

Applicants are advised that materials contained in applications are subject to the requirements of the Kentucky open records laws at KRS 61.870-61.884 and the application materials may be viewed and copied by any member of the public. Applicants seeking to claim a statutory exemption to disclosure from open records requests, which may be made, must place all documents viewed as confidential in a sealed envelope marked "confidential." Applicants must be aware that if an open records request is made for any of the application materials, KHC will make an independent determination of confidentiality and may or may not agree with the applicant's determination regarding the confidentiality of the materials.

Section II. Minimum Thresholds

AHTF Application Thresholds

The following threshold restrictions will determine the applicant's eligibility to apply for HouseWorks Program funding:

- HouseWorks funds awarded in 2015 (project numbers beginning with GW15) must have 100 percent of the funds committed and expended as of June 30, 2016 (as outlined in the Grant Agreement).
- A minimum **final** Capacity Scorecard score as determined by KHC of 60 percent.

Threshold waivers will be granted on a case-by case basis at KHC's sole and absolute discretion. Agencies wishing to request a threshold waiver must complete the online [HCA Project Modification/Waiver Request](#) form prior to the application closing on July 15, 2016.

Section III. Funding Sources Available

The following funding sources are available for the HouseWorks Repair Program through the competitive application process. Please note the amount of funds available is approximate.

Funding Source:	Affordable Housing Trust Fund (AHTF)
Amount Available:	\$750,000

Maximum Funding Requests

Applicants may request funding for the HouseWorks program up to a maximum amount \$100,000, inclusive of administrative fees. KHC recommends applicants review their prior HouseWorks expenditures and program activities to determine a manageable amount of funds to be requested.

Administrative fees are provided to recipients in the form of a grant and cannot exceed 7.5% of the total project costs.

KHC reserves the right to award lessor than requested. This determination may be based on such factors as, but is not limited to, a project's readiness to proceed, the number of applications received, geographic distribution of funds, applicant capacity, and any other factors that KHC deems appropriate and necessary.

Program Match Requirement

Applicants/grantees are required to match at least 50 percent of the requested HouseWorks Repair Program funds. For example: If an organization is requesting \$50,000 in HouseWorks Repair Program funding, it would be required to provide at least \$25,000 in matching resources.

Eligible Forms of Matching Contributions

The following is a list of resources that an applicant may propose to meet the program match requirement:

- Cash
- Volunteer Labor (valued at \$10 per hour)
- Donated Materials
- In-Kind Administrative or Support Services
- Weatherization Funds

State Clearinghouse Review

The Kentucky State Clearinghouse is not applicable to the HouseWorks Repair Program.

Section IV. Eligibility

Eligible HouseWorks Applicants

The HouseWorks Repair Program (HouseWorks) is available to nonprofits and units of local government that are eligible to receive funds from the Affordable Housing Trust Fund [KRS.198A.175(3)].

- Local governments
- Local government housing authorities
- Nonprofit organizations
- Regional or statewide housing assistance organization

Eligible Households

Owner-occupied households eligible to receive assistance must be at or below 60 percent of the area median income for the participating county. The Project Set Up will include documentation for income eligibility of households. All funds will be provided in the form of a forgivable loan.

Owner-occupied property is defined as:

- Property owned by the household by Fee Simple Deed;
- Property owned in a Life Estate;
- Property owned through a recorded Contract for Deed which has been in effect for at least five (5) years, or
- Property that is leased with a recorded lease for a minimum term of ninety-nine (99) years.

Section V. Maximum Subsidy per Unit

The maximum amount of HouseWorks Repair assistance that a household can receive is \$10,000 throughout the life of the program. The minimum amount of assistance a household must receive is \$1,000.

Section VI. Terms of Affordability

AHTF funds must be provided in the form of a forgivable loan for funds awarded for the HouseWorks Repair Program. The funds must be secured by a promissory note, mortgage, and deed restriction in favor of recipient with due-on-sale and refinance clauses to ensure repayment to KHC in the event of a transfer of ownership or refinance any time during the affordability period.

SOURCE OF FUNDS	ACTIVITY TYPE	DIRECT SUBSIDY INVESTED	AFFORDABILITY PERIOD
AHTF	HouseWorks Repair	\$1,000 - \$10,000	5 years

The administrating agency is responsible for preparing the mortgage, promissory note and deed restriction and recording both the mortgage and deed restriction in the county in which the property is located. Additionally, any costs associated with the recording of these documents will be the responsibility of the administering agency.

If the property is sold, leased, refinanced or no longer used as a primary residence of the assisted homeowner, the unforgiven portion of the loan is repayable to KHC as program income.

Insurance

The homeowner must maintain all risk, fire and extended coverage, in form and with companies acceptable to Applicant for each activity in an amount not less than the AHTF investment in the property. Each policy must include appropriate loss payable clauses in favor of Applicant, as beneficiary, and without right of cancellation or change except upon thirty (30) days' written notice to Applicant. Homeowner will deliver proof of all insurance to Applicant prior to the investment of funds in the property.

Exception: If \$10,000 or less of AHTF funds is provided in the unit, and the Applicant determines that providing homeowner's insurance would cause an undue hardship to the homeowner, the insurance will not be required. In such situations, the indemnification clause of the funding agreement between KHC and Applicant will ensure that the Applicant would repay funds to KHC for the prorated outstanding balance of the AHTF in the event of loss.

Section VII. Technical Assistance

KHC offers technical assistance opportunities for both new and seasoned applicants. During technical assistance, KHC staff will assess the applicant's readiness to submit an application. KHC recommends that in addition to the grant writer, the individuals responsible for the day-to-day activities of the project administration and completion also attend the technical assistance session. KHC staff is available to review draft applications and answer general application questions until the day prior to application submission. Working with KHC staff provides applicants with helpful information regarding KHC program regulations and potential funding sources, as well as suggestions on how to enhance the information provided in the application.

Please note: Requesting or attending technical assistance does not guarantee the project will be awarded funds. For more information on technical assistance, contact Rosemary Lockett, manager of Program Quality, toll-free in Kentucky at 800-633-8896 or 502-564-7630, extension 317; TTY 711; or email rlockett@kyhousing.org.

Section VIII. Competitive Application Process

Capacity

In an effort to create consistency and equity, KHC utilizes a “**Capacity Scorecard**” for all program areas that have competitive applications. The scorecard is used to determine the capacity of the agency to administer a program based on the knowledge and expertise of the agency, staff, and development team; the financial capacity of the agency; and its ability and willingness to meet the ongoing compliance requirements of the programs funded through KHC.

A minimum score of 60% will be required in order to be eligible for funding. Capacity scoring will be the first section of the Universal Funding Application (UFA) and is considered to be a minimum threshold. Once the applicant has completed this section, KHC staff will review the Capacity Scorecard and assign a score. Once KHC staff has completed the review, the KHC score will be visible to the applicant, so applicants will be able to identify potential areas of weakness prior to completing the entire application.

Applicants are encouraged to review the Capacity Scorecard questions and seek technical assistance from KHC staff if there are questions, or if there are opportunities to make changes that could improve scoring prior to submitting the capacity scorecard. For example, if there are outstanding Compliance Monitoring findings that can be resolved prior to submitting the capacity scorecard, it could improve the capacity score by clearing those outstanding items.

Application

All applicants are required to submit applications for funding electronically via [KHC's Universal Funding Application](#) (UFA) system. KHC has enhanced the online application to allow applicants

to upload required attachments. Each item must be individually attached in the section provided. The application focuses on the overall concept of the proposed project, as well as the more technical components, such as project design, program performance, community need, ready-to-proceed issues, and capacity to undertake the project, anticipated budget, and funding requests.

The application checklist should be used as a guide for the applicant to ensure that all required documentation is included with the application.

Application Preparation and Minimum Submission Requirements

A complete application must be submitted through KHC's online application system. KHC will send an email notification to the applicant once the application has been transmitted successfully. The email only indicates that the application has been received. **If the application does not meet the minimum submission requirements, that applicant will be notified in a second email that the application will not be considered for funding.**

All applications must meet the following criteria:

- Be submitted to KHC by **July 15, 2016, by 5 p.m., ET.**
- Be submitted in the current application version and all applicable attachments must be uploaded to KHC's system as part of the application submittal.
- A minimum score of 60% on the final Capacity Scorecard
- Meet minimum thresholds
- Be limited to the applicable cap for funding.
- All applicants must request all KHC funds required for the project in one application.
- In the event that contradictory statements appear in the application, KHC reserves the right to request clarification from the designated contact person.
- There is a \$100 non-refundable application fee for nonprofit organization and units of local governments. KHC must **receive** the appropriate application fee, via check or money order, to the following address:

**Kentucky Housing Corporation
Housing Contract Administration
1231 Louisville Road
Frankfort, KY 40601**

Applicants are strongly encouraged to submit their application fee prior to submitting their application. KHC must receive the appropriate application fee no more than seven (7) days after the application deadline date. If the fee is not received, the application will be rejected.

Section IX. Application Review Process

Notice to Applicants

It is the applicant's responsibility to submit all required documentation to adequately support its Application. Any material deficiency in the Application or omission from the mandatory submissions may result in an immediate rejection of the application. In addition, the application must meet all eligibility requirements set forth in the guidelines. Any application which does not contain sufficient information to be reviewed will be rejected.

KHC will seek to award funds to the highest scoring projects while making an effort to see that funds are geographically distributed across the state. KHC reserves the right to allocate funds to lower scoring applications to ensure equitable allocation of resources in each congressional district throughout the state.

KHC may, at its discretion, request information from applicants to address and resolve issues identified during application review. The application will be reviewed and scored as submitted.

Single Family Application Review

During this application round the following section will be reviewed and scored:

- Capacity Scorecard
 - Thresholds
- Project Design
- Client Intake and Approval
- Households Assisted
- Match Commitments

Application Scoring Response Period

Once all applications have been fully reviewed and scored, and prior to submission to the KHC Credit Committee, KHC will make the preliminary project score sheet available to the appropriate contact for each application. However, at this point in time, applicants will not be made aware of how other applications have scored. KHC will establish a time by which applicants can review their initial scores and offer a written response if they disagree with their preliminary score. This is not a cure period; therefore, applicants will not be able to submit any additional or revised documentation. The purpose of the scoring response period is to allow the applicant the opportunity to address any oversight or calculation errors by KHC staff.

This reconsideration process is described in further detail in Section X below.

Conditional Approval Process

Funding recommendations are made by the application review team within KHC's Housing Contract Administration Department. The recommendations are based on application review as submitted by the applicant with possible minor scoring adjustments.

Staff recommendations are presented to KHC's Credit Committee for conditional project approval. Once conditional approval is received, they will be sent through KHC's eGram system. Approved projects will receive a preliminary award letter based upon technical submission requirements. In order to be funded, the applicant will be required to comply with the terms and conditions. If conditional funding commitment is cancelled, the applicant may reapply in the next competitive funding round. Execution of the AHTF grant agreement will occur after the successful completion of the conditional commitment of funding and all terms and conditions are met.

Section X. Reconsideration Processes

The processes described in this section are the exclusive means by which an applicant may request reconsideration of a decision by KHC regarding disqualification, scoring, or the award of KHC resources. Information submitted to KHC outside of these processes, whether in writing or otherwise, will not be considered.

Application Deficiency Decisions Review Request

If KHC identifies a deficiency in an application during its review that results in the disqualification of an application or a reduction in the amount of requested KHC resources, KHC will issue a preliminary decision letter to the applicant identifying the grounds for the disqualification or reduction of requested KHC resources. The applicant may then provide a written response specifically identifying the reasons why the applicant believes the application should not be disqualified or why the amount of requested KHC resources should not be reduced. Written responses must be delivered via electronic mail, by hand delivery, or overnight mail, to the attention of the managing director of Housing Contract Administration, and received within five (5) business days of the date recipient received the written preliminary decision letter.

Only the application and documents already existing in KHC's file will be considered when reviewing the applicant's written response. No additional documentation will be accepted unless such documentation only serves to explain previously submitted documentation. The burden is on the applicant to demonstrate why the application should not be disqualified or the amount of KHC resources should not be reduced.

The managing director of Housing Contract Administration will forward the review request, along with the applicant's response, to KHC staff involved with the initial scoring of the

application and to KHC's Credit Committee for review and decision. The Credit Committee shall consist of members of KHC's Executive Staff or as appointed by KHC's Executive Director.

The Credit Committee shall review the request and KHC's staff's response, if any. The Credit Committee may, in its sole discretion, request additional information or documentation or conduct a meeting or conference with the applicant and KHC staff. After its review, the Credit Committee shall issue a written decision, to be delivered via electronic mail, by hand delivery, or overnight mail, and KHC will provide a copy of the written decision to the applicant. Applicants may request a meeting with KHC's Credit Committee or its representatives within five (5) business days of the date of the receipt of written decision; however, the Credit Committee will only consider the information that is in the project file at the time of the review. At the end of the five (5) day period, if no meeting request has been received, the Credit Committee's decision is deemed final. If a meeting request is received within the five (5) day period, the Credit Committee may modify or affirm its decision based on information presented at the meeting, at which point its decision is then deemed final.

Preliminary Scoring Decision Reconsideration Request

Any applicant wishing to request a reconsideration of a preliminary scoring decision by KHC may do so in writing to the managing director of Housing Contract Administration. Applicants may **only** request reconsideration for applications in which they have an ownership interest. Requests must be sent via electronic mail, hand delivery or overnight mail and received by KHC within five (5) business days of the date recipient received the written decision.

Reconsideration requests must specifically identify the basis for the reconsideration request. The burden is on the applicant to demonstrate any alleged errors in the review and/or scoring process.

KHC staff involved with the initial scoring will review the applicant's written responses and, if KHC concurs with the applicant, appropriate scoring corrections will be made. KHC's final scoring decision will be shared in writing with the applicant.

The final scoring decision will be shared with the KHC Credit Committee at the same time funding recommendations are made to the Committee for its review and approval.

If, during the scoring review process, applicants dispute their preliminary scoring and KHC does not concur, the applicant's written request along with KHC staff's written determination will be shared with the Credit Committee for their information and review as part of their consideration of the funding recommendations.

The Credit Committee may, in its sole discretion, request additional information or documentation or conduct a meeting or conference with the applicant and KHC staff.

The Credit Committee's decision regarding the reconsideration request will be provided in writing to the applicant.

Applicants may request a meeting with KHC's Credit Committee or its representatives within five (5) business days of the written decision; however, the Credit Committee will only consider the information that is in the project file at the time of the review. At the end of the five (5) day period, if no meeting request has been received, the Credit Committee's decision is deemed final. If a meeting request is received within the five (5) day period, the Credit Committee may modify or affirm its decision based on information presented at the meeting, at which point its decision is then deemed final.

Communications with Credit Committee Members

Applicants, members of applicants' Development Teams, or other persons operating on behalf of Development Teams are expressly prohibited from having ex parte communications with KHC's Credit Committee regarding any reconsideration or review requests or any related topic, from the issuance of the preliminary scoring decision until KHC renders its final determination. Any violation of this prohibition may result in disqualification of the pending application and suspension from participation in the next competitive funding cycle for the applicant and all of its Development Team members and those operating on their behalf, regardless of which team member initiated the prohibited contact.

Section XI. Program Policies

Applicants are responsible for retaining legal counsel on any legal matter pertaining to the administration of the project.

KHC Reserves the right to:

- Withdraw its conditional funding commitment if items are not submitted by the applicant by the date referenced in the commitment letter.
- Recapture funds if funds are not committed and/or expended and construction completed by the date referenced in the funding agreement, or if the project substantially changes after funding commitment.
- Periodically review the applicant's progress toward timely commitment and expenditure of the AHTF allocation. If KHC determines that the project is no longer feasible or is not progressing timely so that the imposed deadlines will be met, funds may be recaptured.
- KHC will recapture funds for any applicant who becomes suspended or debarred in accordance with the KHC Suspension and Debarment Policy.

Other examples of situations that constitute recapture are included in the grant agreement. Applicants are advised to read those requirements carefully to avoid recapture of AHTF funds.

Project Completion

If the project does not meet the commitment and/or expenditure deadlines as noted in the funding agreement, any uncommitted or unexpended AHTF project funds are subject to recapture.

Section XII. Applicant Notification

After the application review is complete, a letter will be sent to the applicant indicating one of the following:

- The application has been selected for funding.
- The application was not selected for funding.

Execution of the AHTF grant agreement will occur after the successful review of application and availability of funds.

Section XIII. Eligible Improvements (Health and Safety Issues)

Eligible improvement and/or repairs include the following:

- **Plumbing**

Funds may be used for modest but complete functioning plumbing facilities, including adapting existing plumbing facilities for use by person with disabilities. Funds are limited to one full bath per household. Eligible activities include: water wells, water pumps and public water supply hookups. All plumbing installed or repaired under this program must be in compliance with the Kentucky Plumbing Code. Inspections must be made by the appropriate authorities (authority) and the contractor must supply Recipient, KHC and the participant family with a copy of the plumbing permit and proof of final inspection. For projects where the state plumbing code does not require a permit or inspection, KHC reserves the right to require an inspection.

- **Water Quality**

Funds may be provided to upgrade existing individual sewage treatment systems. Funds may be used for Health Department-approved septic systems or Division of Water-approved individual sewage treatment systems, or hookups to Division of Water-approved community sewage treatment facility. Permits and inspections are required.

- **Energy Efficiency Guidelines**

Funds may be used to provide adequate insulation in ceilings, walls, floors (in order of priority); replacement of single-glazed windows with insulated glass windows; and replacement of up to two exterior doors (no greater than one-half glass). French doors, sliding glass doors and patio doors are not permitted. Funds may be used to provide new heating systems, including those

fueled with gas, oil, propane, coal, wood or electricity. For replacement of central systems, the participant family must provide documentation from a certified HVAC contractor demonstrating why repair to the existing heating system would be cost prohibitive or – after repair – would be inadequate to meet needs during winter months. Any existing heating system less than five years old is not eligible for replacement. Exceptions to this rule include: conversion to a central heating system from a coal, oil, gas or wood-fired space heater (non-central system).

All newly-installed central systems must be energy efficient. Gas furnaces must have a 90 percent or higher efficiency rating. Heat pumps must have a “HSPF” of 8.5 and “SEER” efficiency rating of 14.5 or higher respectively. Central systems of straight electric resistance heat, such as baseboard heaters or electric furnaces, must be avoided whenever possible. Existing ductwork must be tested for air tightness and must meet the minimum leakage rate prescribed in the current mechanical code. All flues must be visually inspected for compliance with the current applicable NFPA code.

- **Air Conditioning**

KHC funds may not be utilized to provide window-type air conditioning units. However, KHC funds may be utilized to provide central air conditioning serviced by a heat pump. Exceptions would be made to provide reasonable accommodation for participant families who provide documentation by a licensed Kentucky physician or advanced registered nurse practitioner that the participant family has a medical condition that requires air conditioning.

- **Roof Repairs**

Roof systems deteriorated to a point that the roof covering admits rain or fails to prevent dampness in the interior structure may be replaced with KHC funds. Wind, hail, or otherwise damaged roofs in need of minor repairs, not covered by insurance, may be patched and repaired as needed. Soffits, fascia, gutters and downspouts are eligible for funding with roof repairs.

- **Smoke Detectors**

Every unit assisted with funding from HouseWorks shall be equipped with an existing functioning smoke detector or be furnished with new battery operated smoke detectors during the repair process.

Incidental Improvements

Incidental improvements are only allowed when associated with a minimum of two (2) eligible improvements and/or repairs.

- **Bathroom Additions**

In the event space is required to provide room for a bathroom and washer/dryer hookups, KHC funds may be utilized to build a modest addition to an existing structure. Typical bathrooms may not exceed 40 square feet and utility rooms may not exceed 50 square feet. Handicapped-accessible bathrooms may be up to 90 square feet. All work performed on a newly-constructed addition must meet the requirements of the Kentucky Residential Code and any successor code in effect in the Commonwealth of Kentucky at the time the construction is performed. A thermostat-controlled source of heat must be provided to the bathroom and utility room either via a central system or individual space heater.

- **Electrical Wiring**

Wiring incidental to any of the above-mentioned repairs is eligible including new main service. All new wiring must be inspected by a Commonwealth of Kentucky-certified electrical inspector. The contractor must furnish the owner, recipient and KHC a copy of the inspection reports regardless of the level of electrical wiring provided.

Manufactured Housing/Mobile Homes (HUD Code Homes)

Repair of HUD Code Homes is an eligible activity if they meet recipient minimum requirements. In addition, the home must be attached to a permanent foundation, featuring poured concrete footers per code requirements under all bearing piers. The dwelling must have a permanent set of steps at both the front and rear doors which meet the requirements of the Kentucky Residential Code. All homes must employ strategies to prevent freezing of water lines. All exposed water pipes located outside the conditioned space must be insulated to further prevent freezing.

Handicapped Accessibility

KHC funds may be used to physically adapt a home for handicapped accessibility including wheelchair ramps, door widening, bathrooms, kitchens and other rooms as necessary for accessibility.

Section XIV. Draw Requests

All draw requests must be submitted through the Program Funding Draw Management System (PFDMS).

To set-up an account, visit the [Program Funding Draw Management System](#) and follow these steps.

1. Register/Create an account.
2. Request access to project.
3. After project access approved, create and submit the draw request.

It is recommended to use Internet Explorer 10 or above, or the latest version of Firefox or Chrome when completing the registration.

If you have any questions or need assistance registering, please review the [FAQ](#) section of the System or contact KHC's [Help Desk](#).

Unless there are extenuating circumstances, KHC will allow a maximum of only three draw requests per unit for home buyer and homeowner rehabilitation projects. For units inspected by KHC, each draw request must be approved by KHC's construction specialist.

Draw amounts should be proportionate to the percent of completion of the unit. KHC reserves the right to reduce any draw that is requesting excessive funds compared to the construction completion of the unit.

At completion of each unit, the agency must submit a final draw to KHC. No funds will be paid by KHC on a unit deemed non-compliant of any applicable code or KHC standard by KHC's construction specialist or otherwise deemed deficient.

The final draw request must also include required closeout documentation. This includes a copy of the recorded mortgage, recorded promissory note, recorded deed restriction and a project completion report for AHTF projects. Inspection reports generated by qualified staff or other qualified third party inspectors must also be included for all AHTF project units.

[Section XV. How the HouseWorks Repair Program Works](#)

- Applicants/grantees can request funds for qualified homeowners, on a case-by-case basis, by submitting a HouseWorks Repair Program set-up packet, once the homeowner is deemed qualified by the agency. There is not a limit on the number of set-up packets that may be submitted at one time for eligible homeowners.
- Final approval of the HouseWorks Repair Program set-up packet will be made by KHC staff and will depend on the availability of funding.
- Once KHC has approved the set-up packet, KHC will issue an activity number for the eligible household.
- The applicant/grantee will be responsible for completing the promissory note, mortgage and deed restriction documents and having them recorded. Recorded documents must be returned to KHC with the Project Completion Packet.
- **Draw Request.** Disbursement will be made to the applicant/grantee. Applicant/grantee will be responsible for obtaining a lien waiver from the Contractor. Participating organizations are limited to two (2) draws per unit.

- **Expiration of Funds.** Any funds uncommitted/unexpended by the project completion deadline in the funding agreement will be automatically recaptured.
- **Inspections.** KHC will inspect a minimum of 20 percent of the total units in the project. The program representative will determine whether the unit is subject to inspection by KHC. Each program representative/specialist will notify the applicant in advance of inspections.
 - KHC reserves the right for the KHC construction specialist to randomly select units for inspection for quality control measure. Units selected for quality control must be inspected before the final draw for the unit is released.
 - Units selected for inspection must have a representative from the applicant agency attend each inspection and bring a copy of the draw form.
- **Final Inspection Report.** A final inspection report, if applicable and pictures of the completed work must be submitted with the final draw request.
- **Re-Inspection Fee.** KHC will charge a “re-inspection fee” of \$200 under the following circumstances:
 - Units that a KHC inspector must perform more than one final inspection due to the project not being 100% complete.
 - Failure by the agency to provide an agency representative on the project site during the inspection
 - Unsuccessful attempts due to the agency not coordinating the inspection with homeowners or other involved parties which renders the unit inaccessible for inspection.
 - A hazard exists on the project site at the time of inspection which endangers the welfare of the inspector. Examples: Bed bug infestation, poisonous snake infestation, uncontrolled animals, etc.
- **Quality of Work.** All work completed must meet state and local government safety and sanitation standards and building codes. The participating organization, homeowner, and contractor must comply with all applicable local, state, and federal laws, including but not limited to lead-based paint abatement regulations.
- **Rehabilitation Standards.** The total scope of work must meet the Kentucky Residential Code (KRC), and local zoning, residential, and building ordinances (Local Ordinances), in force at the time of funding, regardless of what funding source is used when other funds are leveraged/matched to complete the work. KRC regulations shall apply to the construction, alteration, movement, enlargement, replacement, repair, equipment, use

and occupancy, location, removal, and demolition of detached one- and two-family dwellings.

Section XVI. Resources

Listed below are documents to be used for Recipients files, including eligibility determination, project set up packets, and project completion reports.

Recipient Files

These are the documents to be reviewed and maintained at the agency. The agency is responsible for the collection, review, and approval for each document required, as applicable.

- AHTF Project Set Up/Construction Start Up Notice
- Application
- Development Plan (Work write up)
- Proof of Ownership
- Insurance
- Promissory Note
- Mortgage
- Deed Restriction
- Other documents as required by KHC

Project Set Up Packet

These are the documents to be sent to KHC once the agency has approved the family to receive HouseWorks Repair Program funds. A copy of these documents should also be maintained in the recipient files.

- AHTF Project Set Up and Construction Start Up Notice
- Development Plan (Work write up)
- RD Property Determination Eligibility

Project Completion Report

There are the documents to be sent to KHC with the Final Draw, when the HouseWorks project has been completed. A copy of these documents should also be maintained in the recipient files.

- AHTF Close Out Form
- Copy of Recorded Mortgage
- Copy of Recorded Promissory Note
- Copy of Recorded Deed Restriction
- Copy of insurance

Record Keeping

Applicants are responsible for ensuring that above documentation is maintained for all AHTF assisted projects for a period of five (5) years after the project completion date.