



Housing Contract Administration

HOME INVESTMENT PARTNERSHIPS PROGRAM AND AFFORDABLE HOUSING TRUST FUND

November 2016

SINGLE-FAMILY PRODUCTION 2017 COMPETITIVE FUNDING APPLICATION GUIDELINES

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Contents

Section I - Introduction	3
Available Funds.....	3
Pertinent Dates.....	4
Affordable Housing Trust Fund.....	4
HOME.....	4
Community Housing Development Organization (CHDO) Set-Aside.....	4
Non-CHDO HOME and AHTF Applicants.....	5
Section II – Minimum Thresholds	5
HOME and AHTF Application Thresholds	5
Section III – Funding Sources Available.....	5
Maximum Funding Requests	6
Section IV –Competitive Application Process	6
Capacity	6
Application.....	6
Application Preparation and Minimum Submission Requirements	6
Single Family Application Review	8
Applicant Notification.....	8
Recapture of Funds.....	8
Section V – Reconsideration Processes	9
Application Deficiency Decisions Review Request	9
Preliminary Scoring Decision Reconsideration Request.....	10
Communications with Credit Committee Members	10
Section VI – Additional Resources	10
Section VII - 2017 Competitive Funding Quick Facts	12

Section I - Introduction

Kentucky Housing Corporation (KHC) is pleased to offer a competitive funding application process to affordable housing developers, builders, and organizations across the state.

Through this funding process, KHC provides financial resources and technical support to enable the development and rehabilitation of safe, quality, affordable 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.

These application guidelines inform applicants on how to apply for Housing Contract Administration resources available 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 HOME Investment Partnerships Program (HOME) or Affordable Housing Trust Fund (AHTF) resources and to administer the programs as efficiently as possible.

When applying for HOME Program or AHTF funds, applicants will be required to adhere to KHC's HOME and AHTF Policy Manual. For more detailed information, the HOME and AHTF Policy Manual is located at www.kyhousing.org. Applicants are expected to be familiar with the information contained in the manual, as well as all applicable federal regulations, state and local requirements, the HOME Program, and AHTF KRS 198A.700, 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, the HOME Program regulations, KHC's HOME and AHTF Policies Manual, KHC's CHDO Manual, the applicant's application for funding, the grant agreements, and the HOME and/or AHTF Certifications and Assurances. Recipients of funds will be expected to be familiar with and adhere to the guidelines and project design requirements described in the aforementioned documents. KHC will not be liable for professional or financial losses incurred by applicants who do not read the aforementioned documents.

Available Funds

Funding Source	HOME Regular ^	HOME – CHDO Set-aside	AHTF
Amount Available	\$785,490	\$3,740,011	\$1,249,211

Please note: Amount of available funds is approximate.

^Includes home buyer and homeowner rehabilitation

KHC reserves the right, should additional funds become available, to use these application guidelines to awards funds for additional projects or to establish new guidelines.

Pertinent Dates

The following dates are applicable to the competitive funding round:

- November 22, 2016 – Capacity Scorecard and Application Opens
- December 2, 2016 – Application closes.
- **December 14, 2016 – Application fee deadline – must be received by KHC by this date**

Affordable Housing Trust Fund

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.

1. New construction projects for families (as defined in 24 CFR 5.403) submitted by nonprofits or local governments.
2. Projects using existing, privately-owned housing stock.
3. Projects using existing, publicly-owned housing stock.
4. 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 in 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.

HOME

Created by Congress in 1990, the HOME Program provides funding to applicants for various types of affordable housing production and rehabilitation. KHC administers and monitors the program for the U.S. Department of Housing and Urban Development (HUD), awarding funding to eligible applicants, including local governments, housing authorities, private developers, and nonprofit housing providers.

The purpose of the HOME Program is to expand the supply of quality, affordable housing for low- (at or below 80 percent area median income) and very low-income (at or below 60 percent area median income) families. The HOME Program can be utilized to expand the supply of decent, safe, and sanitary housing through either new construction or rehabilitation of existing structures or by providing TBRA to address local housing needs and priorities. The HOME Program's flexibility empowers local communities to design and implement strategies tailored to their own needs and priorities.

Community Housing Development Organization (CHDO) Set-Aside

The HOME Program regulations require that participating jurisdictions set aside a minimum of 15 percent of the annual allocation to fund applications submitted by Community Housing Development Organizations (CHDOs) on a statewide basis. Only CHDOs designated by KHC prior to the application submission date are eligible to apply under this set-aside.

CHDOs may apply for home buyer new construction and/or acquisition/rehabilitation/resale projects from the CHDO set-aside. CHDOs acting in the role of sub-recipients may also submit an application for TBRA or homeowner rehabilitation activity, but these are not CHDO set-aside eligible activities.

KHC's CHDO Certification Manual is currently available on KHC's Web site, www.kyhousing.org, under Development, Single Family, Community Housing Development Organization (CHDO), Resources, and 2015 CHDO Manual. CHDOs are expected to comply the policies in this manual as well as all HUD requirements, as defined in 24 C.F.R. §§ 92.300- 92.303.

Non-CHDO HOME and AHTF Applicants

Applicants that do not meet the criteria for the CHDO set-aside may apply for funding in the general competitive funding process.

KHC reserves the right to use recaptured funds to assist a HOME-eligible project that lies within another participating jurisdiction's area, if deemed necessary by KHC and if HOME funds are available. In addition, KHC may, at its discretion, reallocate HOME Program funds from the competitive allocation to the CHDO set-aside allocation, or vice versa, to meet funding demands.

Public Information and Open Records Act Request

Applicants are advised that materials contained in tenant-based rental assistance 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

HOME and AHTF Application Thresholds

To be eligible to apply in the competitive application round, applicants must meet the following thresholds, regardless of activity:

- Applicants must have been awarded HOME and/or AHTF funds in January 2016 (projects beginning with HB16 or HR16)
- A minimum **final** Capacity Scorecard score as determined by KHC of 60 percent.

Section III – Funding Sources Available

The following funding sources are available for single-family homeownership opportunities through the competitive application process:

- HOME Investment Partnerships Program (HOME)
- Affordable Housing Trust Fund (AHTF)

Maximum Funding Requests

KHC limits the amount of funds an applicant may request during this application round, to be equal to, or less than their HB16 and/or HR16 project award.

KHC reserves the right to award lessor or greater amounts 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.

Section IV –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 programs funding through KHC.

A minimum score will be required in order to be eligible for funding. Capacity scoring will be the first section of the application, 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 once the application is available. For example, if there are outstanding Compliance Monitoring findings that can be resolved prior to the application, it could improve the capacity score by clearing those outstanding items.

The Capacity Scorecard is the first section of the Universal Funding Application (UFA). Once the applicant has completed this section, KHC staff will also review the Capacity Scorecard and also assign a score. Once KHC staff has completed the review, the KHC score will be visible to the applicant. Should the score fall below the minimum threshold, the applicant may choose to withdraw the application and not seek funding at this particular time.

Application

All applicants are required to submit an application through KHC's online [Universal Funding Application](#) system.

The application checklist should be used as a guide for the applicant to ensure that all required documentation is included with the application. Any application that is missing one or more of the required documents will be considered incomplete.

Application Preparation and Minimum Submission Requirements

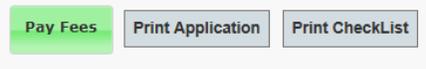
The application is created and submitted through KHC's online application system. A complete application must be transmitted to KHC. KHC will send an e-mail notification to the applicant once the application has been transmitted successfully.

Applications that **do not** meet the following minimum submission requirements will not be eligible for application review. All applications must meet the following criteria:

- Be submitted to KHC by 5 p.m., ET, Friday, December 2, 2016.
- A minimum **final** Capacity Scorecard score as determined by KHC of 60 percent
- Be submitted in the current application version and all applicable attachments must be uploaded to KHC's system as part of the application submittal.
- Be limited to the applicable caps for funding.
- Be proposed by an eligible applicant type for an eligible activity.
- Not include funding from any previous KHC-approved HOME and/or AHTF projects, including awards made to any other applicants.
- **There is a \$100 non-refundable application fee for nonprofit organizations and units of local government and a \$250 non-refundable application fee for for-profit applicants. KHC must receive the appropriate application fee, via check or money order, by December 14, 2016. Application fees are to be mailed to:**

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

- **Applicants are strongly encouraged to submit their application fee through the new PAY FEES option in the online application.**



- All applicants must request all KHC funds required for the project in one application. Previously-funded projects cannot access additional funds through the competitive application process.
- Applicants requesting HOME Project funds for Homebuyer and Homeowner Rehab must also submit to the State Clearinghouse via the Department of Local Government's online system, at <https://kydlgweb.ky.gov>. Successful submission to the online Clearinghouse system will generate a confirmation that includes the State Application Identification (SAI) number. A copy of this confirmation is a required checklist attachment for the KHC application. It is recommended applicants contact the State Clearinghouse as soon as possible to ensure an official confirmation from the clearinghouse system.
- For the application to be complete, the Cost Summary in Excel format must be uploaded to the electronic application. The application attachments must be identified with the name of the attachment.
- If the application does not meet the minimum submission requirements, the applicant will be notified that the application has not been accepted for review.
- In the event that contradictory statements appear in the application, KHC reserves the right to request clarification from the designated applicant contact person.

Single Family Application Review

During this application round the following sections will be reviewed:

- Capacity Scorecard
- Project Summary
- Cost Summary
- Match/Leverage Commitments

Applicant Notification

Successful applicants selected for funding will receive a letter of conditional commitment of funding. In order to be funded, the applicant will be required to comply with the terms and conditions. If a conditional funding commitment is cancelled, the applicant may reapply in the next competitive funding round.

Execution of the HOME and/or AHTF funding agreement will occur after the successful completion of the conditional commitment of funding and all terms and conditions are met.

If you have any questions, you may contact HCA's Help Desk at <https://kyhmis.zendesk.com>.

Recapture of Funds

KHC reserves the right to:

- Withdraw its conditional funding commitment if technical submission 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 dates 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 HOME 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 KHC Suspension and Debarment Policy.

For this competitive funding application the following guidelines will apply:

- **KHC requires that applicants have all HOME funds committed by June 30, 2017 and expended within 24 months.** Commitment means that the applicant must have a signed contract with the builder/contractor and homeowner. A set-up report must be submitted to KHC and entered into the HUD IDIS system. All funds (HOME and AHTF) must be committed in accordance with the deadlines in the funding agreement.
- KHC may recapture funds if the applicant has not met the commitment and expenditure deadlines as referenced in the funding agreement. KHC's goal is to avoid any federal recapture of funds and KHC will take the necessary steps to ensure this does not occur.

- If the property is sold, leased, refinanced, or no longer used as the primary residence of the assisted homeowner, KHC may recapture the HOME or AHTF funds. In the event the net proceeds from a sale are insufficient to repay KHC, the HOME investment and the agency, KHC will recapture the **net proceeds**. In the event of foreclosure, if the shared net proceeds are insufficient to repay the HOME funds, the HOME affordability may be terminated, subject to 24CFR Part 92.254(a)(5)(ii)(A).

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

Section V – 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 of 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, 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 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 within five (5) business days of the date of 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, regardless of which team member initiated the prohibited contact.

Section VI – Additional Resources

Additional information on the program guidelines/policies can be found in KHC's HOME and AHTF Policy Manual, including but not limited to:

- Match and Leverage requirements
- Eligible Forms of Matching contributions

- State Clearinghouse Review
- Eligible HOME Applicants
- Eligible CHDO Set-Aside Applicants
- Eligible AHTF Applicants
- Eligible Project Types
- Eligible Beneficiaries
- Eligible Activities
- Ineligible Activities
- Maximum Subsidy Per Unit
- Structure and Repayment of KHC Subsidy
- Collateral
- Insurance
- Developer Fee
- Development Subsidy
- Direct Subsidy
- Written Underwriting Standards
- Limit on Investment
- Capacity
- Market Assessment
- Financial Commitments
- Front- and Back-end Ratios
- Liquid Assets
- Subsidy Analysis
- Home Buyer Value Limits
- Home Buyer Counseling
- Recordkeeping
- Compliance Monitoring
- Conflict of Interest
- Construction Criteria
 - Universal Design Standards
 - Minimum Design Standards
 - Construction Code Standards
 - New construction and Reconstruction
 - Rehabilitation Standards
 - Green Building Techniques
 - Phase I Environmental Surveys
- Draw Request

HCA Help Desk

<https://kyhmis.zendesk.com/home>

HOME Final Rule

<https://www.hudexchange.info/programs/home/>

HOME Income Limits

<https://www.hudexchange.info/home/>

Section VII - 2017 Competitive Funding Quick Facts

	AHTF Only Projects	HOME & AHTF (Blended) Projects or HOME Only Projects
Eligible Activities	<ul style="list-style-type: none"> • <i>Matching funds for federal housing programs</i> • <i>Acquisition of housing units for the purpose of rehabilitation</i> • <i>New construction of very low-income housing units</i> • <i>Permanent financing, including down payment, closing costs, and principal reduction</i> • <i>Matching funds for technical assistance directly related to creating low-income housing project</i> • <i>Administrative costs (up to 7.5 percent of total AHTF-funded project costs)</i> 	<ul style="list-style-type: none"> • <i>New construction, reconstruction, or rehabilitation of low-income housing units.</i> • <i>Acquisition of property or vacant land when intended to provide affordable housing.</i> • <i>Site improvements</i> • <i>Permanent financing, including down payment, closing costs, and principal reduction.</i> • <i>Rehabilitation of owner-occupied housing</i> • <i>Administrative costs (up to 10 percent of total HOME-funded project costs – homeowner rehab or acquisition projects only)</i> • <i>Developer fee</i> • <i>Development subsidy</i>
Eligible Applicants	<ul style="list-style-type: none"> • <i>Nonprofit organizations, including faith-based organizations</i> • <i>Local governments</i> • <i>Public housing authorities</i> 	<ul style="list-style-type: none"> • <i>Nonprofit organizations, including faith-based organizations</i> • <i>Community Housing Development Organizations (CHDOs)</i> • <i>Local governments</i> • <i>Public housing authorities</i> • <i>Private developers</i>
Eligible Beneficiaries	<ul style="list-style-type: none"> • <i>Kentucky residents</i> • <i>Households whose income does not exceed 60 percent of area median income</i> 	<ul style="list-style-type: none"> • <i>Kentucky residents</i> • <i>Households whose income does not exceed 80 percent of area median income</i>
Match and Leverage Requirements	<ul style="list-style-type: none"> • <i>Applicants for AHTF funds only are not required to contribute matching funds.</i> 	<ul style="list-style-type: none"> • <i>Applicants for HOME or HOME and AHTF blended projects are required to contribute HOME-eligible matching funds of at least 10 percent of the total HOME request.</i>
Minimum Subsidy	<ul style="list-style-type: none"> • <i>A minimum of \$1,000 of AHTF funds must be permanently invested.</i> 	<ul style="list-style-type: none"> • <i>A minimum of \$1,000 of HOME funds must be permanently invested.</i>
State Clearinghouse	<ul style="list-style-type: none"> • <i>Not applicable to AHTF only projects.</i> 	<ul style="list-style-type: none"> • <i>Applications for HOME or HOME and AHTF must submit to the State Clearinghouse via the Department of Local Governments' online system, at https://kydlqweb.ky.gov. Successful submission to the online Clearinghouse system will generate a confirmation that includes the State Application Identification (SAI) number. A copy of this confirmation is a required attachment for the KHC application.</i>

	AHTF Only Projects	HOME & AHTF (Blended) Projects or HOME Only Projects
Homebuyer Counseling	<ul style="list-style-type: none"> • <i>Not applicable to AHTF only projects</i> 	<ul style="list-style-type: none"> • <i>Home buyer counseling is required for all home buyers receiving HOME assistance or purchasing a unit developed with HOME funds.</i>
Application Attachments	<ul style="list-style-type: none"> • <i>AHTF Certifications and Assurances</i> • <i>Cost Summary</i> • <i>Authorized Signature Form</i> • <i>Electronic Funds Transfer form (if applicable)</i> • <i>Other documents as required by KHC</i> 	<ul style="list-style-type: none"> • <i>HOME Only – HOME Certifications and Assurances</i> • <i>HOME and AHTF Blended – HOME Certifications and Assurances and AHTF Certifications and Assurances</i> • <i>Cost Summary</i> • <i>State Clearinghouse</i> • <i>Authorized Signature Form</i> • <i>Electronic Funds Transfer form (if applicable)</i> • <i>CHDO Recertification Documents (if applicable)</i> • <i>Other documents as required by KHC</i>
Maximum Subsidy	<ul style="list-style-type: none"> • <i>HOME and AHTF funds should be considered “gap financing,” and the actual amount of the HOME and/or AHTF permanent investment must be based on the household’s need, after all other available sources of financing and subsidy have been maximized.</i> • <i>Home Buyer Projects:</i> <i>a maximum of \$40,000 per unit, contingent to the limitations established in this document under “Maximum Subsidy.”</i> • <i>Home Buyer New Construction:</i> <i>HOME developer fee is limited to a maximum of 15 percent of total development costs, not to exceed the lesser of \$15,000 or an amount equal to the direct subsidy provided to the home buyer.</i> • <i>Acquisition/Rehabilitation/Resale:</i> <i>HOME developer fee is limited to the amount of direct subsidy provided to the homeowner, not including developer fee, and cannot exceed 15 percent or 20 percent, depending on the size of the project, up to a maximum of \$15,000.</i> • <i>Homeowner Rehabilitation Projects:</i> <i>maximum HOME and/or AHTF subsidy provided to the household is \$60,000 per unit.</i> 	
Cost Containment	<ul style="list-style-type: none"> • <i>KHC restricts the purchase price limits for new construction to \$150,000 for all newly-constructed houses.</i> • <i>For existing housing, the new HOME homeownership value limit is the greater of:</i> <ul style="list-style-type: none"> ○ <i>95 percent of the median purchase price for the area based on Federal FHA single-family mortgage program data and other appropriate data that are available nationwide for sale of existing housing in standard condition,</i> ○ <i>Or the minimum limit (or floor) based on 95 percent of the statewide, nonmetropolitan area median purchase price using this data. This limit encompasses the total purchase/rehabilitation price, regardless of source financing.</i> • <i>These amounts are subject to change in January 2017. For current information, please check HUD’s website at: www.hudexchange.info</i> • <i>Please note: the purchase /rehabilitation price is the contract purchase price and does not include settlement charges.</i> • <i>Cost effectiveness must be considered. KHC, at its discretion, may review work write-ups and cost estimates to ensure cost reasonableness and reserves the right to reduce funding on projects KHC deems not to be cost reasonable.</i> 	

Affordability Period	SOURCE OF FUNDS	DIRECT SUBSIDY INVESTED	AFFORDABILITY PERIOD
	HOME and/or AHTF	\$1,000 - \$14,999	5 years
	HOME and/or AHTF	\$15,000 - \$40,000 (HB or HR)	10 years
	HOME and/or AHTF	\$40,001 - \$60,000 (HR)	15 years
Application Fee	<ul style="list-style-type: none"> • \$100 non-refundable application fee for nonprofit organizations and units of local government • \$250 non-refundable application fee for for-profits • Applicants encouraged paying their application fee when completing the application within the Universal Funding Application (UFA). • Application fee must be received by KHC by December 14, 2016 		
Collateral	<i>Both HOME and AHTF funds must be secured by a mortgage, promissory note and deed restriction (based on affordability period).</i>		
Insurance	<i>Units must be properly insured during the construction/rehab process and remain insured throughout the affordability period.</i>		
Construction Criteria	<i>Construction requirements as outlined in the HOME and AHTF Policy Manual.</i>		
Technical Assistance	<i>KHC offers technical assistance opportunities. For more information, please submit a request through the HCA Help Desk, https://kyhmis.zendesk.com</i>		