

Qualified Allocation Plan

2019 - 2020



KHC | Kentucky
Housing
Corporation
Investing in quality housing solutions.



COMMONWEALTH OF KENTUCKY
OFFICE OF THE GOVERNOR

MATTHEW G. BEVIN
GOVERNOR

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May 31, 2018

Mr. Edwin King
Executive Director/CEO
Kentucky Housing Corporation
1231 Louisville Road
Frankfort, KY 40601

Subject: Low Income Housing Tax Credit Program
Approval of the 2019-2020 Qualified Allocation Plan

Dear Mr. King:

In accordance with the recommendation of the Board of Directors of Kentucky Housing Corporation and pursuant to Section 42 (m)(1)(A)(i) of the Internal Revenue Code of 1986, as amended, I hereby approve the 2017-2018 State Qualified Allocation Plan for the Low Income Housing Tax Credit program.

Kentucky Housing Corporation, the duly authorized state housing credit agency in the Commonwealth of Kentucky, shall administer the federal Low-Income Housing Tax Credit program pursuant to the 2019-2020 Qualified Allocation Plan, effective with the date of this approval letter, through December 31, 2020, unless otherwise amended.

Sincerely,

A handwritten signature in black ink, appearing to read "Matthew G. Bevin".

Matthew G. Bevin
Governor



Introduction

Kentucky Housing Corporation (KHC) is the designated administrator of the federal Low-Income Housing Tax Credit (LIHTC) program, governed by Section 42 of the Internal Revenue Code of 1986, as amended (Code), and all Treasury regulations thereunder, for the Commonwealth of Kentucky.

KHC presented the draft Qualified Allocation Plan (QAP) for public review and comment at a public hearing on March 28, 2018 and accepted written comments through April 4, 2018. The announcement for the public hearing was published in accordance with the Kentucky open records law requirements, through KHC's eGram system, and KHC's website.

The purpose of this QAP is to provide only the amount of LIHTC necessary for the financial feasibility and viability of any project awarded LIHTC throughout the extended use period¹, while assuring the following:

1. an equitable distribution throughout the Commonwealth, providing a reasonable mix of affordable housing projects, both in number of units and populations served; and
2. opportunities to a variety of qualified sponsors, both nonprofit and for-profit.

Requirements of the QAP

The Code requires QAPs give preference to projects²:

- serving the lowest-income tenants
- obligated to serve qualified tenants for the longest periods
- located in qualified census tracts³ and the development of which contributes to a concerted community revitalization development plan

The Code also requires QAPs contain selection criteria considering the following⁴:

- project location
- housing needs characteristics
- project characteristics
- sponsor characteristics
- tenant populations with special housing needs
- tenant populations of individuals with children
- projects intended for tenant ownership
- public housing waiting lists
- energy efficiency
- historic properties

¹ 26 USC 42(h)(6)(D)

² 26 USC 42(m)(1)(B)(ii)

³ 26 USC 42(m)(1)(B)(ii)

⁴ 26 USC 42(m)(1)(C)

In addition to the above, KHC has established selection criteria reflecting the housing needs and trends of the Commonwealth.

Program Administration

As the administrator of the LIHTC program and other state and federal funding programs, KHC must make decisions and interpretations, including without limitation:

- an application being eligible,
- scoring criteria,
- the amount of resources to award, and
- imposing conditions beyond those generally applicable.

KHC is entitled to the full discretion allowed by law in making all such decisions and interpretations. KHC also reserves the right to resolve, in its sole discretion, any conflicts or inconsistencies in the QAP and other documents governing KHC's administration of the LIHTC program.

KHC must comply with applicable federal and state regulatory and programmatic requirements of all resources administered and may make changes as new or updated guidance or requirements become available.

Applicants should contact their tax accountant and/or attorney prior to submitting any application for resources administered by KHC. While KHC may respond to requests for technical assistance, applicants may not rely on KHC for legal or tax advice.

KHC's decision to allocate LIHTC and/or other resources to a project in no way warrants or represents to any sponsor, investor, lender, or other person or entity that a project is viable. KHC makes no representations to the owner or anyone else regarding adherence to the Code, Treasury Regulations, or any other laws or regulations governing the LIHTC program. No member, officer, agent or employee of KHC shall be held personally liable concerning any matters arising out of, or in relation to, the allocation of LIHTC.

KHC may share any project-related information, including the application, attachments, technical submission documents, and other pertinent materials with other funders participating in the project throughout the life of the project.

This QAP is effective for allocations of LIHTC made on or after December 31, 2018. KHC reserves the right to amend the QAP. By applying for LIHTC pursuant to this QAP, the applicant waives any and all rights to a qualified contract process with respect to the project to which the application pertains.

Fair Housing

KHC administers a variety of federal programs and is required to affirmatively further the purposes and policies of the Fair Housing Act, which not only prohibits discrimination but directs KHC to take steps to proactively overcome historic patterns of segregation, promote fair housing choice, and foster inclusive communities for all. KHC may determine an application for LIHTC would have one or more disparate impacts in violation of federal law.

Distribution of Housing Credit

The distribution of Housing Credit is provided in **Exhibit A**.

The LIHTC will be awarded to the highest scoring projects from a single pool in the following order: nonprofit supportive housing, preservation/existing supply, new construction/new supply, and innovation. Historic adaptive re-use projects will be funded out of the new construction/new supply pool. KHC must ensure the nonprofit set-aside requirements⁵ have been met for the combined allocations of 2019 and 2020 LIHTC. KHC may fund a lower scoring nonprofit project if necessary to meet the nonprofit set-aside requirements.

KHC will aggregate the remaining unallocated LIHTC from the pools and will make awards based on the following criteria:

1. Projects located in congressional districts that have not received an award, and/or
2. Pools requiring the least amount of additional LIHTC to fully fund the next project.

KHC will establish a waiting list for projects that do not receive a reservation of LIHTC due to the limited amount of available resources. LIHTC that becomes available via returned awards/allocations or from the National Pool may be allocated to the projects on the waiting list.

Application Scoring

Scoring criteria are in the project score sheet, which is incorporated by reference and located in **Exhibit B**.

An application must earn a minimum of 60 percent of the possible points to be eligible.

Ties in scoring will be resolved based upon the pool-specific tiebreaker criteria.

Scoring elements for all projects include:

- Public Housing Preference and Notification
- Veteran Housing Preference
- Nonprofit and Disadvantaged Business Participation

Additionally, points may be deducted from applications where past performance issues were identified by KHC on the capacity scorecard or KHC determined that an item was omitted from the application submission.

KHC will evaluate the innovation pool separately without using points. First KHC will determine whether there are enough potential applications to hold a round after the making awards in other pools. If so, only regular cycle submissions will be eligible to request consideration. KHC will

⁵ 26 USC 42(h)(5)

determine which proposals are models for others, meet a unique need, are time-sensitive, or have some other characteristic meriting an award despite not earning the requisite points.

Compliance Monitoring

KHC has adopted compliance monitoring procedures in accordance with IRC Section 42. These procedures include:

1. The record keeping and record retention provisions of Treas. Reg. 1.42-5(b).
2. The owner's annual certification requirement of Treas. Reg. 1.42-5(c)(1).
3. The on-site review of certifications and support documentation for at least 20 percent of the low-income units in each property at least once every three years in accordance with Treas. Reg. 1.42-5(c).
4. The on-site inspection provision of Treas. Reg. 1.42-5(d).
5. The notification of noncompliance provisions of Treas. Reg. 1.42-5(e), whereby notice is made to owners and the IRS regarding events of noncompliance.
6. The established programs of the projects serving special needs will be monitored on an ongoing basis to determine accordance with the original proposal. Homeless special needs groups will be expected to document program outcomes and results.

The compliance monitoring procedure applies to all projects that receive or have received an allocation of Housing Credit and will continue throughout the 15-year compliance period. During the extended use period, KHC's Compliance Department has established procedures with reduced fees for monitoring payments. Please refer to the compliance monitoring requirements after 15 years in the Compliance Guide on KHC's website.



EXHIBIT A

Distribution of Housing Credit

Projects will be determined to be urban or rural based upon the definitions established by USDA Rural Development.

I. Nonprofit Supportive Housing	9% (approximately \$1,000,000)*
II. Preservation/Existing Supply 38% Urban Preservation 62% Rural Preservation	35% (approximately \$3,750,000)*
III. New Construction/New Supply** 64% Urban New Construction 36% Rural New Construction	42% (approximately \$4,500,000)*
IV. Maximizing Outcomes	0.5% (approximately \$29,000)*
V. Innovation	14% (approximately \$1,500,000)*
Total	\$10,779,000
<i>Beecher Terrace***</i>	<i>\$1,200,000</i>

* The percent is of the total available to allocate in each calendar year.

** Includes \$750,000 made first available to urban historic adaptive re-use projects and \$500,000 to rural historic adaptive re-use projects.

*** Due to the size of the set-aside for the Louisville Housing Authority's Choice Neighborhood project, any additional allocations for projects located in Jefferson County for 2019 and 2020 will be limited to \$800,000 of Housing Credit across all pools except the Innovation pool.



EXHIBIT B



FY 2019 QAP Scoring Summary For 9% Low-Income Housing Tax Credits

Applicants should complete all applicable YELLOW CELLS. KHC will complete green cells.

Project Name:		County:	
Project Address:		Zip:	
Applicant Name:		QCT?	
Developer Name:		Census	
Consultant Name:		Tract:	

	<u>Ownership %</u>
General Partner(s):	

Construction Type 1 (majority of units):		Total of "Building Costs" from Underwriting Model:	
Target Population 1 (majority of units):		Total Development Cost from Underwriting Model:	
Target Population 2 (if applicable):			

# Total Units		# 2 BR units		#DIV/0!
# Rent-Assisted		# 3 BR or larger units		#DIV/0!
# Family Units				
# Elderly Units				
# Accessible Units				

Housing Credit Pool 1:

Housing Credit Pool 2:

Rural or Urban:

Threshold Summary All thresholds met?

Scoring Summary

		Max Score	Self Score	Review Score	Final Score
Scoring for ALL Projects	Urban	11	0.00	0.00	0.00
	Rural	11			
Pools	Existing Supply				
	Urban	43	0.00	0.00	0.00
	Rural	53			
	New Supply				
	Urban	37.2	0.00	0.00	0.00
	Rural	30.5			
Nonprofit Supportive Housing					
<i>No Scoring for this Pool - Tiebreakers Only</i>					

		Max Urban	Max Rural	Self Score	Review Score	Final Score
Total Score	Existing Supply	54	64	0.00	0.00	0.00
	New Supply	48.2	41.5	0.00	0.00	0.00
	Nonprofit Supportive Housing	<i>No Scoring for this Pool - Tiebreakers Only</i>				



FY 2019 QAP Scoring
Scoring Elements for ALL PROJECTS
EXCLUDING the NONPROFIT SUPPORTIVE POOL

Max	Review	Final
Score	Self Score	Score

Capacity Scorecard (Deduction)

1. **Capacity Scorecard.** Applicants who have past performance issues identified by KHC on the Capacity Scorecard will have **POINTS DEDUCTED** 0 from their score equal to the sum of the deductions on the scorecard.

KHC Scoring
 Comments:

Insufficient Application (Deduction)

2. **Omitted Application Attachment.** Applicants who submit a required application attachment after the application submission due date will have **2 POINTS DEDUCTED** from their score. If applicant fails to submit the omitted item within 24 hours of notification transmission, or if more than one attachment is omitted, the application will be rejected for not meeting threshold requirements.

Attachment Omitted? Name of Attachment Omitted:

KHC Scoring
 Comments:

	Review	Final
Self Score	Score	Score

Tenant Selection Plan Preferences

All elected preferences must be included in the project's tenant selection plan. Please refer to KHC's Multifamily Guidelines for other tenant selection plan requirements.

3. **Public Housing Notification and Preference.** The applicant has provided a written commitment to notify local public housing authorities of project vacancies and to give priority to households on the PHA's waiting list, if there are no eligible households on the project's waiting list. **3 points**

4. **Veterans Housing Preference.** The applicant has provided a written commitment to give priority to U.S. military veteran applicants in their tenant selection plan. The plan must specify what documentation is required to verify the applicant is a veteran. (Refer to KHC's Multifamily Guidelines for the definition of veteran). **3 points**

KHC Scoring
 Comments:

Self Score Review Score Final Score

Nonprofit and Disadvantaged Business Participation

5. Applicants whose development team meets the requirements of A or B below or who have retained a business meeting the requirements listed in C below will receive up to 5 points. Please see definitions for acronyms and development team members. 5

Acronyms: Minority Business Enterprise (MBE), Women Business Enterprise (WBE), Service-Disabled Veteran-Owned Small Business (SDVOSB), Veteran-Owned Small Business (VOSB), Disadvantaged Business Enterprise (DBE).

Development team members include: the owner, developer, management company, and consultant. An application preparer is not a member of the development team.

MBE/WBE: Kentucky Finance & Administration Cabinet http://mwbe.ky.gov/Pages/default.aspx
DBE: Kentucky Transportation Cabinet http://transportation.ky.gov/civil-rights-and-small-business-development/Pages/default.aspx
VOSB/SDVOSB: U.S. Department of Veterans Affairs AND/OR http://www.va.gov/osdbu/verification/ Kentucky Service-Disabled Veteran-Owned Small Business Certification program http://finance.ky.gov/initiatives/sdvosb/Pages/default.aspx

A. Disadvantaged Business(es) on Development Team. A member of the development team is a for-profit, MBE/WBE/DBE/VOSB/SDVOSB controlled and managed entity which has received proper certification. Proof of appropriate certification, from the governmental entities as defined above, must be provided. **5 points**

OR

B. Nonprofit on Development Team. The development team includes a nonprofit organization. Must provide a copy of the nonprofit's final 501(c)(3) designation from the IRS (if the final designation has been issued). **5 points**

OR

C. Disadvantaged Business Retained. Applicant has retained a company to provide services to the project (general contractor, subcontractor, etc.) that have any of the MBE/WBE/DBE/VOSB/SDVOSB certifications described above (refer to Multifamily Guidelines for detailed information). Members of the Development Team may NOT be counted in this scoring item. Proof of appropriate certification, from the governmental entities as defined above, must be provided. **5 points for one qualifying business.**

	Max Score - RURAL	Max Score - URBAN	Self Score	Review Score	Final Score
Total for Scoring Elements Applying to ALL Projects:	11	11	0	0	0



FY 2019 QAP Scoring EXISTING SUPPLY/PRESERVATION

Max Score	Self Score	Review Score	Final Score
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Physical Characteristics

1. Rent-Restricted Properties Most in Need of Rehabilitation. Points will be awarded based on the number of years since the date of the last substantial rehabilitation as evidenced by either:

8			
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- a) the most recent restrictive covenant of record which restricts the use of the property to affordable rental housing, **OR**
- b) a letter from the provider of an existing project-based rental assistance contract (i.e., HUD or RD).

The number of years since the last substantial rehabilitation will be determined based upon the effective date of such restrictive covenant as of the application due date, or the date identified in the letter from the rental assistance provider. A copy of a full title exam evidencing the restrictive covenant is the most recent of record must be provided. A maximum of **8 points** will be awarded based on a sliding scale, as follows:

20 - 23 years since restrictive covenant	2 points
24 - 27 years since restrictive covenant	4 points
28 - 30 years since restrictive covenant	6 points
Plus 30 years since restrictive covenant	8 points

Max Score	Self Score	Review Score	Final Score
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Financial Characteristics

2. Average Occupancy Rate. Points will be awarded based on the project's documented average physical occupancy for the 12-month period prior to application submission. Enter the average calculated from the monthly totals **of your attached rent rolls**.
Maximum 10 points. 0.1 points for each 1% occupancy rate, rounded to 4 decimals places (87% occupied = 8.700 points)

10			
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Documented 12-Month Physical Occupancy:

3. Existing debt to KHC. Projects with an existing KHC loan having a remaining term of ≥ 48 months (as of the application due date) will receive **2 points**. Repayment of existing debt is not required to qualify for points in this category.

2			
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KHC Loan	Current Balance	Balance As Of Date	Maturity Date

4. **Financially Troubled Asset(s).** Developments in which a financially troubled asset will be acquired by an applicant with no Identity of Interest to the seller who will serve as the owner/manager for the entire 15-year compliance period will receive **10 points**. If the applicant will pursue a related-party transfer, and the property still is deemed as financially troubled, the current management company must have a KHC asset management risk score of "Pass" or "Pass/Watch," on 70% or more of their properties to support satisfactory management standards. Applicants must contact KHC by email at multifamily@kyhousing.org to obtain their risk score.

The applicant must submit financial statements for the past three (3) years AND a narrative describing the troubled asset and those steps which will be taken to put the asset back into productive use. Projects subject to the Single Audit Act must provide audited financials. These documents must demonstrate that the project's current net operating income and reserves are insufficient to sustain operations beyond 1-4 additional years. Applicant must demonstrate a 5 year or longer track record of good ownership and/or management of Low Income Housing Tax Credit developments. Project performance and owner/manager track record will be verified by KHC staff. Properties recently acquired by the applicant will be eligible for these points, provided the property was not acquired more than six (6) months prior to the application submission date. Documentation must be provided to evidence the acquisition date.

KHC Scoring
Comments:

5. **Projects with Rental Assistance.** Projects with existing or a secured commitment for project-based rental assistance (includes PBCA, project-based vouchers, and USDA). Project must have a commitment of government-awarded rental assistance. **1 point for each 10% of units that are rental assisted** (rounded up). *Scoring will allow fractional points up to one decimal place.*

Total Income-Restricted Units		% Assisted
Rent-Assisted Units		0.0%
Source of Rental Assistance		Points: 0.0

Max of 10
Points

Project is: 0

Applicants may take points for EITHER Item #6 OR Item #7

County: 0

Projects without Rental Assistance. Projects without rental assistance located in either a SOAR county or Greatest Job Growth county, as defined below, will receive a **maximum of 3 points**.

6. **Shaping our Appalachian Region (SOAR).** Projects located within a SOAR county will receive **3 points**.

Adair, Bell, Boyd, Breathitt, Carter, Casey, Clark, Clay, Clinton, Cumberland, Edmonson, Elliott, Estill, Fleming, Floyd, Garrard, Green, Greenup, Harlan, Hart, Jackson, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis, Lincoln, McCreary, Madison, Magoffin, Martin, Menifee, Metcalfe, Monroe, Montgomery, Morgan, Nicholas, Owsley, Perry, Pike, Powell, Pulaski, Robertson, Rockcastle, Rowan, Russell, Wayne, Whitley, and Wolfe counties. **Note: Bath County is excluded as it is in Greatest Job Growth.**

OR

7. **Greatest Job Growth.** Projects located in a county where job creation is anticipated, as defined below, will receive **3 points**.

Allen, Anderson, Barren, Bath, Boone, Bullitt, Carroll, Campbell, Christian, Daviess, Fayette, Franklin, Grant, Henderson, Hopkins, Jefferson, Kenton, Laurel, Logan, Madison, Marion, McCracken, Nelson, Scott, Shelby, Simpson, Todd, Trigg, Warren, Washington, and Woodford counties.

Scoring Elements for RURAL Existing Supply/Preservation Projects

- 8. Significant Share of Affordable Units in County (Rural Only).** Developments that account for a significant number of total available affordable (income-restricted) housing. The number of affordable units in the development as a percentage of total available affordable units in the county (all populations and unit sizes) will be given 1 point for each 10%. Must be documented in the market study.

Max Self Review Final

10 0

Total Income-Restricted Units in County		% Assisted
Total Income-Restricted Units in Project		0.0%
Points:		0.0

Max Score - RURAL	Max Score - URBAN	Project is:	Self Score	Review Score	Final Score
53.0	43.0	0.0	0.00	0.00	0.00

Tiebreakers: EXISTING SUPPLY/PRESERVATION

Projects in this pool with identical scores will be ranked by the following criteria in the order listed below. Urban and Rural projects will be evaluated separately.

1. Developer with the least amount of total tax credits awarded across the entire funding round.
2. Project with the least aggregate ownership/development team involvement across all applications in the funding round.
3. Greatest Need of Rehabilitation/Preservation as prioritized by KHC.

KHC Tiebreaker

Comments:



FY 2019 QAP Scoring NEW SUPPLY

Max Score Self Score Review Score Final Score

Financial Characteristics

1. Strategic Investment. Applicants that provide proof of a direct contribution from businesses or non-governmental entities (e.g. hospital, employers, universities) toward the hard costs of the development (bricks and mortar) will receive **3 points**. Contributions can be **donated cash or materials only** and must be included in the underwriting model. The total of all contributions must be valued at ≥ \$25,000 for rural projects and ≥ \$50,000 for urban projects and come from a non-affiliated organization/company. All contributions must be evidenced by a letter from the donating entity stating the type and value of the contribution. The spirit of this scoring item is to incentivize investment by the local business community.

3 0

For cash, the source cannot also be making a loan or grant to the project. All non-cash contributions must include third-party verification of value. Used materials, below or no-cost equipment leases, and volunteer labor do not count. The entity providing support must be unrelated to any member of the development team and have a reason for the contribution other than financial gain (no quid pro quo).

Contributor Name	Type of Donation	In Letter?	Documented Value
			\$0
			\$0
			\$0
			\$0

Max Score Self Score Review Score Final Score

Tenant Characteristics

2. Serving persons with disabilities. A minimum of 10% of the project's units will be targeted for persons with disabilities and will be fully accessible. This does not include the required visual/hearing impaired units. **5 points**

5 0

	% of Project's Units	Points Awarded
Units for physically disabled tenants	#DIV/0!	#DIV/0!

3. Tenant Ownership. Projects proposing tenant ownership at the end of the 15-year compliance period will receive **0.5 points**. Detached single-family homes are prohibited. To receive the point, the applicant must:

0.5

- ✓ Structure all units as lease-purchase.
- ✓ Submit a plan for tenant ownership acceptable to KHC. The plan must have a viable homeownership strategy for residents who lease the units. The plan must detail the applicant's exit strategy and calculation of equity that will transfer to the tenant/buyer.
- ✓ Have secured ownership of all project sites (long-term leases are not acceptable).
- ✓ Have the need for lease-purchase units included as part of a local jurisdiction's overall plan for revitalization, community development, and/or economic development. The plan must have been created or updated within the last 5 years, and:

- a.) be geographically specific;
- b.) outline clear implementation and goals for outcomes;
- c.) include a strategy to secure commitments to support non-housing infrastructure, amenities, and services; and
- d.) demonstrate the need for community revitalization.

**Applicable page(s)
in Plan:**

**KHC Scoring
Comments:**

	Max Score	Self Score	Review Score	Final Score
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Location Characteristics

4. Distance from Projects Not Yet Placed in Service. Applicant projects located within 0.5 mile for urban projects and 3 miles for rural projects of a KHC tax credit project that 1) has been approved in the previous two years and is not yet placed in service (8609 has not been issued) as of the date shown on the list of projects AND 2) targets the same tenants as the applicant project will have **5 POINTS DEDUCTED** from their score. Applies only to projects with 9% and/or 4% Low Income Housing Tax Credits. **Distance is measured in radius and must be recognized in the market study.** Subsequent phases of a phased-in development will be permitted provided the market study recognizes the earlier phases and the impact of the proposed project. See Tab 8 for a list of awarded projects that have not yet been placed in service. **Applicant must identify applicable page(s) in market study.**

0			
Applicable page(s) in Market Study:			
<div style="background-color: #FFFF00; width: 40px; height: 40px; display: inline-block;"></div>			

Applicants may take points for EITHER Item #5 OR Item #6

County: 0

5. Shaping our Appalachian Region (SOAR). Projects located within a SOAR county will receive **10 points**.
 Adair, Bell, Boyd, Breathitt, Carter, Casey, Clark, Clay, Clinton, Cumberland, Edmonson, Elliott, Estill, Fleming, Floyd, Garrard, Green, Greenup, Harlan, Hart, Jackson, Johnson, Knott, Knox, Laurel, Lawrence, Lee, Leslie, Letcher, Lewis, Lincoln, McCreary, Madison, Magoffin, Martin, Menifee, Metcalfe, Monroe, Montgomery, Morgan, Nicholas, Owsley, Perry, Pike, Powell, Pulaski, Robertson, Rockcastle, Rowan, Russell, Wayne, Whitley, and Wolfe counties **Note: Bath County is excluded as it is in Greatest Job Growth.**

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OR

6. Greatest Job Growth. Projects located in a county where job creation is anticipated, as defined below, will receive **10 points**.
 Allen, Anderson, Barren, Bath, Boone, Bullitt, Carroll, Campbell, Christian, Daviess, Fayette, Franklin, Grant, Henderson, Hopkins, Jefferson, Kenton, Laurel, Logan, Madison, Marion, McCracken, Nelson, Scott, Shelby, Simpson, Todd, Trigg, Warren, Washington, and Woodford counties.

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Applicants may take points for EITHER Item #7, Item #8, OR Item #9

County: 0

7. Access to Strong Schools (Family projects only)
 Projects in areas with strong schools, as rated by 2016-2017 Department of Education ratings, will be awarded points for one school with a minimum combined reading and math proficiency score of 61.5 or higher. Up to seven points will be awarded for the school to which school-age residents of the property would be assigned. See Tab 9 for schools and their scores. Note: Market study must show which schools are assigned to the project. **Applicant must identify applicable page(s) in the market study. Maximum of 7 points.**

7	0		
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Name of School	DOE SCORE	Points
<i>Elementary, Middle, or High School</i>		0

Maximum of 7 points

Applicable page(s) in Market Study:

8. Senior Population Trends (Senior projects only)
 Projects located in the following counties will receive **7 points**.
 Ballard, Boyd, Boyle, Breckinridge, Caldwell, Carlisle, Casey, Clinton, Crittendon, Cumberland, Edmonson, Elliott, Fulton, Green, Greenup, Hickman, Lee, Letcher, Livingston, Lyon, Marshall, McCracken, McLean, Menifee, Mercer, Monroe, Muhlenberg, Owsley, Pulaski, Robertson, Russell, Trigg, Wayne, and Wolfe counties.

7			
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OR

9. Senior Projects with Aging in Place Design (Senior projects only)

7

Projects located in areas not eligible for Senior Population Trends points which provide a minimum of five design features that will enhance/promote aging in place will receive **7 points**. In addition to providing Fair Housing, Building Code, or UFAS required accessible dwellings, to receive points for this item, the applicant must provide five of the following features in the design of all other dwelling units. Design features selected from this list must be shown in the final plans and specifications submitted at technical submission stage, otherwise the project is subject to re-scoring and possible recapture of any KHC's resources awarded. Mark each design feature pledged with an "X" in the designated space below.

1. Lever hardware on inside and outside of all doors (including interior).	
2. One 30-inch-wide workspace kitchen counter, no more than 34 inches from the floor, located anywhere in the kitchen counter scheme. This 34-inch-high counter section must have removable cabinetry or, a cabinet with retractable doors, no center stile, and removable floor allowing for forward roll-under wheelchair access. The floor finish under this section must be complete prior to installation of cabinetry. Clear space for a wheelchair side/parallel approach centered on the work surface must also be provided.	
3. All kitchen and vanity cabinets provided with lever-shaped handles or standard U-shaped pulls, on all drawers and cabinet doors. Bathroom medicine cabinets, above a sink, are not included.	
4. Either (a) A 30-inch-wide combination range/oven appliance with front controls. The range must be flush with the countertop so items being pulled off the range can smoothly transition to the countertop. Clear space for a wheelchair side/parallel approach centered on the range must also be provided. Or (b) a, 30-inch-wide, wall oven, with clear space for a wheelchair side/parallel approach and a separate 30-inch wide, front controlled, in-counter cooktop. The cooktop must be able to be used by a person in a forward seated position. A 30-inch-wide by 27-inch-high knee space with finished interior cabinet faces and protection from hot surfaces must be provided. The base cabinet under the cooktop must have a removable cabinet or a cabinet with retractable doors, no center stile, and removable floor. The floor and wall under this section must be finished prior to installation of cabinetry.	
5. A minimum clear floor space of 56" by 60" provided at every toilet with blocking in walls for future, parallel and perpendicular, grab bar mounting.	
6. Bathroom lavatory with removable base cabinet, pedestal style sink, or wall hung sink that accommodates a forward seated position from a wheelchair. The floor and wall under removable cabinetry must be finished prior to installation of cabinetry. Protection from hot and abrasive hazards is required for all lavatories, sinks, and under removable cabinetry.	
7. All flooring extends wall-to-wall so that it runs under the cabinets and appliances.	

10. Access to Health Care. Access to health care services include ONLY the following facilities: general health care practitioner's office or walk-in clinic (not specialists), or hospital. **Distance is measured in radius and must be recognized in the market study.** Access to one facility will be eligible for **5 points**. **Applicant must identify applicable page(s) in market study.**

5

	Name of Health Care Center	Points	Total
Urban Sites	List facility within 3 miles of project site		0
Rural Sites	List facility within 20 miles of project site		0

Maximum of 5 points

Applicable page(s) in Market Study:

Project is: 0

Scoring Elements for URBAN New Supply/Construction Projects

- 11. Located in a QCT with a formally adopted plan for a defined target area where other investments have/will occur (URBAN ONLY).** Projects located in a target area for which the local jurisdiction has formally recognized and/or adopted a plan for revitalization, community development, and/or economic development AND the plan was created or updated within the past 5 years will receive **3 points**. The plan must demonstrate the need for new multifamily units in a QCT and:
- be geographically specific;
 - outline clear implementation and goals for outcomes;
 - include a strategy to secure commitments to support non-housing infrastructure, amenities, and services; and
 - demonstrate the need for community revitalization.

3

Project is: 0

Applicable page(s)
in Plan:

- 12. Poverty Rate Below State Average (URBAN ONLY).** Projects located in census tracts with poverty rates below the state poverty rate will be awarded **0.20 point for every 1% lower the census tract rate is than the state for a maximum of 3.7 points**, as calculated below. KHC has compiled a table of all Kentucky census tracts with a poverty rate < 20% on Tab 7 of this scoring workbook, along with a web link to the U.S. Census data source.

3.7

	State Poverty Rate	Census Tract Poverty Rate	Difference	Score	Maximum of 3.7 points
Poverty Rate	18.5%		0.0%	0.00	

KHC Scoring
Comments:

Max Score - RURAL	Max Score - URBAN	Project is:	Self Score	Review Score	Final Score
30.5	37.2	0.0	0.0	0.0	0.0

Tiebreakers: NEW SUPPLY

Projects in this pool with identical scores will be ranked by the following criteria in the order listed below. Urban and Rural projects will be evaluated separately.

- | | | | | | |
|--------------------------------------------------------------------------------------------------------------------------|------------------------------------|----|-----|-----|-----|
| 1. Sum of Strategic Investment above as a % of TDC (up to 2 decimal places) | | | | | |
| 2. Location in a "Greatest Job Growth" county. | In a "Greatest Job Growth" county? | No | 0.0 | 0.0 | 0.0 |
| 3. Developer with the least amount of total tax credits awarded across the entire funding round. | | | | | |
| 4. Project with the least aggregate ownership/development team involvement across all applications in the funding round. | | | | | |

KHC Tiebreaker
Comments:



FY 2019 QAP Pool NONPROFIT SUPPORTIVE HOUSING

No Scoring for this Pool : Projects will be awarded in this pool based only on 1) threshold requirements and 2) tiebreakers identified below.

Tiebreakers: NONPROFIT SUPPORTIVE HOUSING

Projects will be ranked by the following criteria in the order listed below. Please see the detailed descriptions of each tiebreaker that follow on this worksheet.

1. Continuum of Care Priority
2. Capacity Scorecard
3. KHC's aim to Serve a Range of Special Populations Across Kentucky
4. Greatest percentage of Project-Based Rental Assistance
5. Deeper Income Targeting
6. Project with the least aggregate ownership/development team involvement across all applications in the funding round

Detail on the Tiebreakers for this Pool:

1. **Continuum of Care Prioritization.** Projects identified as the highest priority by the applicable Continuum of Care (CoC) by means of a letter. *AFTER applications are submitted, KHC will ask the Louisville CoC and Lexington CoC to prioritize one project in their service areas, and the Balance of State CoC will be asked to prioritize two projects in the BoS service area.*

Applicable Continuum of Care:		Priority Received from CoC?	
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2. **Capacity Scorecard.** Applicants who have past performance issues identified by KHC on the Capacity Scorecard will have POINTS DEDUCTED from their score equal to the sum of the deductions on the scorecard.

Self Score	Review Score	Final Score

3. **KHC's aim to Serve a Range of Special Populations Across Kentucky.** KHC will endeavor to distribute funding to worthy projects in a way that is not concentrated in any one jurisdiction. KHC also aims to serve a range of special populations (homeless, adults with disabilities, persons with drug/alcohol dependency, foster children exiting the foster care system, domestic violence survivors, veterans, and the Olmstead population).

4. Project-Based Rental Assistance. Projects with the greatest percentage of project-based rental assistance.

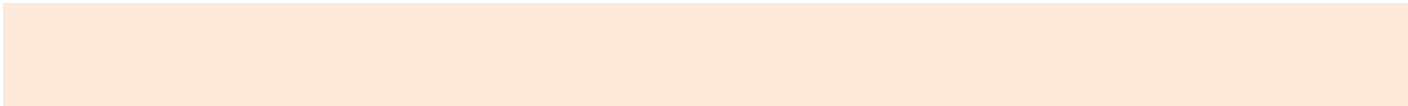
Total Units	0	% Assisted
Rental-Assisted Units	0	0.0%
Source of Rental Assistance		

5. Deeper Income Targeting - Rent Restrictions. Projects agreeing to set income limits at 30% AMI and gross rents at or below the 30% rent limit. Rental-assisted units set aside for households earning \leq 30% AMI will meet this tiebreaker requirement.

Total Units	0	% \leq 30% AMI
Units designated for 30% AMI		0.0%

6. Project with the least aggregate ownership/development team involvement across all applications in the funding round.

**KHC Tiebreaker
Comments:**





FY 2019 Qualified Allocation Plan - SCORING OVERVIEW

Existing Supply/Preservation

	max pts.		%	
	Urban	TOTAL	Rural	TOTAL
Scoring Elements for All Projects				
1 Capacity Scorecard	0		0	
2 Omitted item	0		0	
3 PHA Preference	3	5.6%	3	4.7%
4 Veteran Preference	3	5.6%	3	4.7%
5 MBE/WBE, Nonprofit, Subs	5	9.3%	5	7.8%
	11.0		11.0	
Pool-Specific Scoring				
1 Project Age	8	14.8%	8	12.5%
2 Avg Occupancy Rate	10	18.5%	10	15.6%
3 Existing KHC debt	2	3.7%	2	3.1%
4 Financially troubled asset	10	18.5%	10	15.6%
5 Projects with rental assistance	10	18.5%	10	15.6%
6/7 Projects w/o rental assistance	3	5.6%	3	4.7%
8 Share of Units in County		0.0%	10	15.6%
	43.0		53.0	
Grand Total	54.0		64.0	

Tiebreakers

- Developer with the least amount of total tax credits awarded across the entire funding round.
- Project with the least aggregate ownership/development team involvement across all applications in the funding round.
- Greatest Need of Rehabilitation/Preservation as prioritized by KHC.

New Supply

	max pts.		%	
	Urban	TOTAL	Rural	TOTAL
Scoring Elements for All Projects				
1 Capacity Scorecard	0		0	
2 Omitted item	0		0	
2 PHA Preference	3	6.2%	3	7.2%
4 Veteran Preference	3	6.2%	3	7.2%
5 MBE/WBE, Nonprofit, Subs	5	10.4%	5	12.0%
	11.0		11.0	
Pool-Specific Scoring				
1 Strategic Investment	3	6.2%	3	7.2%
2 10% fully accessible to disabled	5	10.4%	5	12.0%
3 Tenant ownership	0.5	1.0%	0.5	1.2%
4 Distance from units underway	0	0.0%	0	0.0%
5/6 SOAR/Job Growth	10	20.7%	10	24.1%
7/8/9 Family/Senior Criteria	7	14.5%	7	16.9%
10 Health Care	5	10.4%	5	12.0%
11 Formally Adopted Target Area	3	6.2%		0.0%
12 Poverty Rate	3.7	7.7%		0.0%
	37.2		30.5	
Grand Total	48.2		41.5	

Tiebreakers

- Sum of Strategic Investment above as a % of TDC (up to 2 decimal places).
- Location in a "Greatest Job Growth" county.
- Developer with the least amount of total tax credits awarded across the entire funding round.
- Project with the least aggregate ownership/development team involvement across all applications in the funding round.

Nonprofit Supportive Housing

*No Scoring for this pool.
Threshold items + tiebreakers only.*

Tiebreakers

- Continuum of Care Priority.
- Capacity Scorecard.
- KHC's aim to serve a range of special populations across Kentucky .
- Greatest percentage of Project-Based Rental Assistance.
- Deeper Income Targeting.
- Project with the least aggregate ownership/ development team involvement across all applications in the funding round.