



**Notice of
Funding
Availability**

2024

Non-Credit HOME-ARP

I N T R O D U C T I O N

A core function of Kentucky Housing Corporation (KHC) is to invest in quality, safe, and affordable rental housing throughout Kentucky. As demand grows for capital for the preservation and creation of affordable multifamily housing, KHC is offering a non-credit small project capital program supported by Kentucky's HOME-ARP allocation.

KHC is making available \$21 million of HOME-ARP for capital and supportive services to supportive housing projects. Projects may request up to \$6.5 million in capital for development costs and \$500,000 for supportive service bridge funding. Capital funds may be used for new construction and rehabilitation projects. The rehabilitation of existing supportive housing projects is ineligible. These KHC funds will be made available with applications due on January 12, 2024. **KHC reserves the right to fund any project, or no projects, at its sole discretion.**

KHC anticipates that Funds will be awarded in March 2024, and the selected projects must complete KHC's technical submission stage within 90 days of award and must close on all funding sources within 12 months of award. This NOFA describes the types of eligible projects and the allocation process through which these funds will be awarded.

Purpose of this NOFA: This notice serves as a streamlined, initial announcement of funds available to create multifamily supportive housing opportunities in the Commonwealth. Respondents will submit applications through KHC's [Universal Funding Application \(UFA\)](#) system using the [HOME-ARP Underwriting Model](#).

Eligibility Criteria: HOME-ARP funds are available throughout the Commonwealth for the creation of supportive housing for qualifying populations including costs associated with acquisition, construction, and rehabilitation of supportive housing. Additional funds for supportive services may be requested. See the [Non-Credit HOME-ARP Addendum](#) for underwriting requirements.

Funding sources and regulations: KHC specifically reserves the right to fund no responses or to fund any response submitted under this NOFA with any of the sources of funding being made available. Accordingly, respondents should note that developments receiving federal funding will be required to comply with the applicable federal regulations. HOME-ARP funds may trigger Uniform Relocation Act requirements, and income restrictions may render current tenants ineligible for HOME-ARP assisted units.

Supplemental Materials: Applicants are advised that KHC's [Multifamily Guidelines](#) and [Non-Credit HOME-ARP Addendum](#) apply to all submissions under this NOFA.

Fees: Refer to KHC's [Multifamily Guidelines](#) for the applicable fee structure.

Point of contact: Questions should be directed to Terry Helton, Managing Director of Multifamily Programs, at thelton@kyhousing.org.

Projected NOFA Timeline

September 14, 2023	KHC announces NOFA via eGram and opens Development Team Capacity application.
September 28, 2023	KHC releases NOFA.
November 13, 2023 – 12 noon ET	Development Team Capacity applications due.
December 28, 2023 – 12 noon ET	Pre-submission waiver requests due.
January 12, 2024 – 12 noon ET	Last date NOFA responses may be submitted. KHC reserves the right to extend this deadline as needed to fully utilize resources. Any extensions will be announced via KHC’s eGram notification system.
March 21, 2024	NOFA Awards announced <i>(announcements may be delayed if the NOFA response deadline is extended)</i> .
March 21, 2025 <i>(or 1 year from NOFA award, whichever is later)</i>	Deadline for closing.
March 21, 2027 <i>(or 24 Months After Closing)</i>	Projects must be completed and placed in service no later than 24 months after the date of the closing of KHC funds.

KHC FUNDS AVAILABLE*

**Pursuant to the national and state fair housing laws, KHC reserves the right to examine all applications in terms of any possible disparate impact which may present artificial, arbitrary, and unnecessary barriers to minorities as well as for any valid government interest which might be served. KHC reserves the right to administer and to modify and adjust any allocation as it deems appropriate to accomplish its housing goals, including its goal of creating and enhancing housing choices in areas of opportunity (maximizing leveraging of available program resources and encouraging geographic distribution).*

Source	Total Available	Maximum Per Project	Notes
HOME-ARP	\$21 million	\$6.5 million for capital (development costs) + \$500,000 for supportive services	Service funding requests must be made within the multifamily application, with a maximum amount of \$500,000 per project and a term not to exceed 3 years

**KHC reserves the right to alter funding amounts and/or mix funding sources. The amount and terms of any KHC resource awarded to a project is at KHC’s sole discretion.*

Threshold Criteria For All Projects

1. In addition to the threshold criteria outlined below, applicants are subject to the “Thresholds for All Projects” and “Thresholds for Projects Serving Special Needs Populations” as outlined in the 2023-2024 KHC [Multifamily Guidelines](#), as amended in April 2023.
2. Applicant/development team must have completed the Corporation for Supportive Housing (CSH) Permanent Supportive Housing (PSH) Institute.
3. All members of the development team must provide a current capacity approval letter from KHC.
 - a. Development team members with a capacity approval letter expiring in 2023 may submit a written notice of intent to apply under this NOFA and KHC will determine whether to grant an extension. The notice of intent must be submitted to multifamily@kyhousing.org by **12 noon ET on Monday, November 13, 2023**.
 - b. Any development team member with a current capacity deduction is prohibited from participating in a project in connection with the NOFA.
4. Applicants may only submit **one** project limited to a maximum of 20 units.
5. Single-family projects are prohibited.
6. Transitional housing projects are prohibited.
7. Rehabilitation projects must spend a minimum of \$50,000 per unit in rehab expenditures. Rehabilitation of existing permanent supportive housing is ineligible.
8. All projects must clearly address one or more impediments to fair housing. Respondents must identify fair housing impediments in KHC’s Analysis of Impediments to Fair Housing (AI).
9. Applicants must agree to serve the most vulnerable populations as identified in the Continuum of Care (CoC) Coordinated Entry (CE) system and referrals for supportive housing units must come from the CE system, as modified to include eligible HOME-ARP qualifying populations.
10. The project must request only HOME-ARP funding from KHC. No other KHC gap funds may be requested for development costs.
11. The funds are only available to projects that have not yet received an allocation of KHC resources.
12. Projects located in the HOME participating jurisdictions of Louisville, Lexington, Owensboro, or the northern Kentucky consortium of the cities of Bellevue, Covington, Dayton, Ludlow, and Newport **must first seek** HOME-ARP funding from the applicable jurisdiction; however, a project may request HOME-ARP funding from KHC if local HOME-ARP funds are not available. In that case, KHC will require local matching funds in a minimum amount per jurisdiction:
 - a. Lexington – 50% match
 - b. Louisville – 50% match
 - c. Owensboro – 25% match
 - d. Northern KY Consortium – 25% match
13. Applicants requesting KHC HOME-ARP funds for projects located in one of the entitlement jurisdictions above must provide:
 - a. a letter from the local jurisdiction indicating that the applicant requested HOME-ARP funds but none were available (turndown letter),
 - b. evidence of matching funds from the local HOME participating jurisdiction.

14. Projects must secure project-based rental subsidy and provide a commitment letter from their local Public Housing Authority (PHA); however, projects located in one of the [87 counties](#) in which KHC administers the Section 8 program may request Project-Based Vouchers (PBV) from KHC.
 - a. KHC may consider a request of PBVs in one of the remaining counties (excluding Fayette and Jefferson), if the local PHA is unable to issue PBVs, in which case, a turndown letter from the local PHA will be required to request KHC PBVs.
 - b. Applicants must indicate in the multifamily application the number of vouchers it is requesting. KHC will not issue PBVs in Fayette or Jefferson counties.
15. Projects must set aside a minimum of 70% of the total project units for permanent supportive housing to serve qualifying populations under the HOME-ARP Notice. The remaining 30% of the units may be occupied by low-income households at 60% AMI or less of the area median income without also meeting the definition of “qualifying population.” Refer to Appendix A of the [Non-Credit HOME-ARP Addendum](#), for more information.
16. A market study or other documentation of need for permanent supportive housing units must be provided. In lieu of a formal market study applicants may submit a Needs Analysis. The Needs Analysis narrative should be supported by local data that may include:
 - a. CoC data including most recent point-in-time (PIT) count and housing inventory count;
 - b. Wait list data from local PHA including those with disabilities and disabling conditions;
 - c. Social service organizations that provide services to the target population including number of requests for housing assistance and/or inquires; other data as applicable that notes housing need and service trends in target geography for target population
17. All projects must develop a sustainable, comprehensive, long-term supportive services plan for their residents through the compliance period. The plan should encompass all the components of the [example supportive services plan](#) provided by CSH, including the following:
 - a. Identities of the lead supportive service provider, the housing-based case management provider, and the community-based supportive service partners. Include a discussion of their roles and responsibilities.
 - b. The philosophy and purpose of the proposed project.
 - c. An overview of the proposed project.
 - d. An analysis of the need for services and the targeted populations.
 - e. A summary of the types proposed services and what they will encompass.
 - f. Crisis services.
 - g. Staffing ratios and schedules.
 - h. The method(s) for securing tenant feedback and involvement.
 - i. The rights of the clients.
 - j. Expected outcomes and methods of evaluation.
 - k. Fair housing.
 - l. The sustainability of the service funding through the required compliance period.
18. Participation in services cannot be a required condition of tenancy.
19. Applicants must present a project timeline demonstrating the ability to close on all funds requested in this NOFA within the timeframe set forth in this NOFA.
20. If a project will require a waiver, the approved waiver must be submitted with the application. The deadline to request a waiver is **12 noon ET on Thursday, December 28, 2023.**

KHC SELECTION CRITERIA

1. Number of HOME-ARP units.
2. Likelihood of long-term financial sustainability (for operations, services, and capital reserves)
3. Ratio of case managers to tenants that meet or exceed 1:15
4. Experience and qualifications of overall organization and key staff.
5. Quality and completeness of the proposed supportive services plan, as determined by KHC.
 - Comprehensiveness of the proposed services
 - Frequency of the housing-based case management
 - Duration of services delivered
 - Where the services are offered – service office on-site, community-based, in the tenant’s home, etc.
 - Qualifications of the provider of the services and housing-based case management

Other Considerations:

KHC reserves the right to award any project, or no projects, at its discretion based on the quality and completeness of the submissions received. Additionally, KHC may award projects to ensure equitable geographic distribution of KHC resources. KHC also reserves the right to take waivers requested into consideration.

Public Records Acknowledgement:

As part of its response to the NOFA, Applicant acknowledges that it is aware that its response and all materials submitted constitute public records within the meaning of the Kentucky Open Records Act (Kentucky Revised Statutes (KRS) §§ 61.870 to 61.884) and application materials may be viewed and copied by any member of the public. Once respondents have been awarded funds through the NOFA selection process, KHC may be required to share submitted materials to satisfy an open records request.

Preparing Your Application

The remainder of this document provides guidance related to applying for HOME-ARP funds from KHC.

Universal Funding Application (UFA)

NOFA responses must be submitted to KHC via the online [Universal Funding Application \(UFA\) system](#).

The application is created and submitted through KHC's online UFA system. The application, attachments, and fee(s) must be submitted via the UFA. Applicants should not send any application components to KHC staff via electronic mail, traditional mail, or facsimile. Applicants will receive an email notification once the application has been transmitted successfully.

Application Fee

KHC charges a non-refundable application fee of \$250 for nonprofit applicants and \$500 for for-profit applicants for the submission of a HOME-ARP application. Applicants must pay the fee using KHC's online payment system within the UFA. This online payment option is **ONLY AVAILABLE PRIOR TO APPLICATION SUBMISSION**. Once the application is submitted via the UFA, you will not be able to access the online payment system without recalling (and then resubmitting) your application. Recalling the application is not possible after the application submission deadline. If KHC has not received the application fee by 12 noon ET on the application due date, the application will not be reviewed.

Minimum Submission Requirements

The application is created and submitted through KHC's online application system, the Universal Funding Application (UFA). 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 reviewed by KHC. ***ALL applications must meet the following criteria:***

- 1) Meet all eligibility, capacity, and threshold requirements.
- 2) Complete all required and applicable questions.
- 3) Pay the application fee and ensure it is received at KHC by 12 noon ET on the application due date.
- 4) Be submitted to KHC by 12 noon ET on the application due date.
- 5) Be submitted in the current application version, and all applicable attachments must be uploaded through the UFA system as part of the application submittal.
- 6) Be limited to the applicable caps for funding.
- 7) Not include funding from any previous KHC-approved projects, including awards made to any other applicants.

If the application does not meet the minimum submission requirements, the applicant will be notified that the application has not been accepted for review. If fewer than two contradictory statements appear in an application and/or any of the supporting documents, KHC may request clarification from the designated applicant contact person. If three or more contradictory statements appear in an application and/or any of the supporting documents, KHC reserves the right to disqualify that applicant.

KHC will publish, via a public [eGram](#), an announcement of all awarded applications for the current application round.